



# 越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

Stock Code : 00123



Where Good  
Living Starts

*Environmental, Social  
and Governance Report  
2019*

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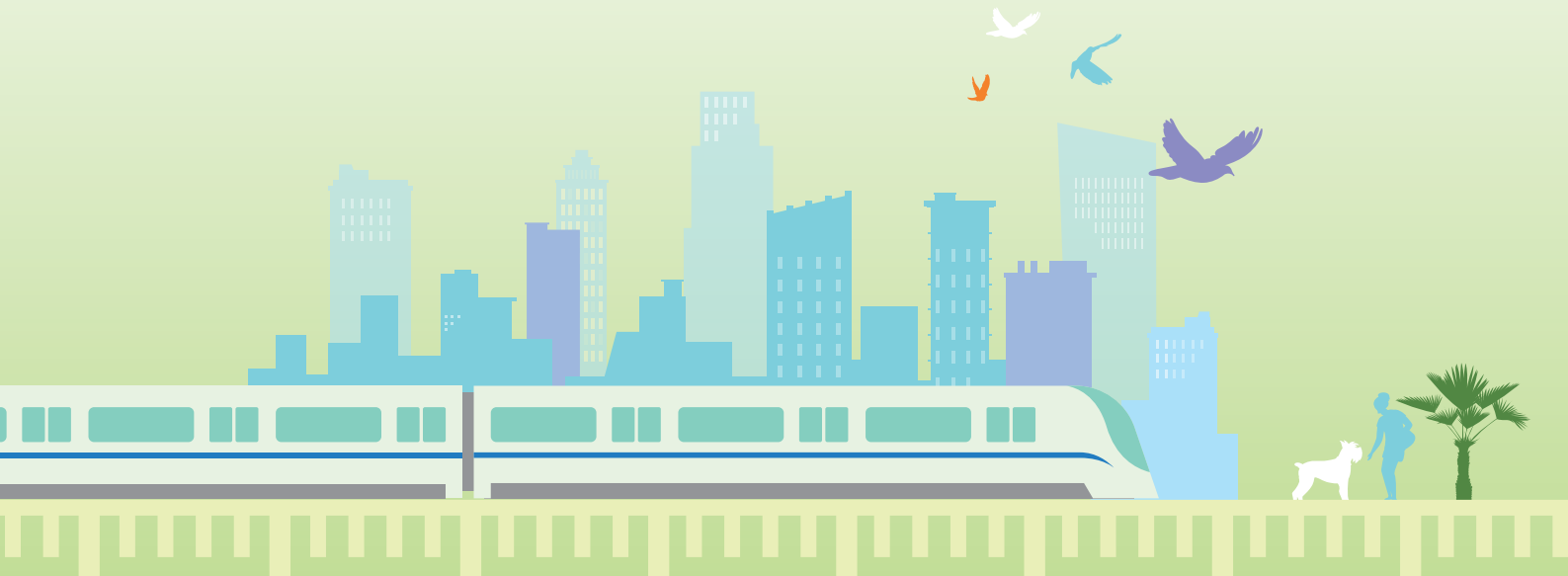


# 01 / ABOUT YUEXIU PROPERTY COMPANY LIMITED

Yuexiu Property Company Limited (Stock code: 00123HK) was established in 1983 and listed on the Stock Exchange of Hong Kong in 1992. As an integrated property developer, Yuexiu Property adheres to the brand vision of “Becoming China’s Leading Provider of Better Urban Life”, and the brand values of “quality, responsibility, innovation and mutual development” with “equal focus on residential property development and commercial property operation”. With the unique competitive advantage of the high-end business model of “development + operations + securitization”, Yuexiu Property is building high-quality residential products and commercial properties, while actively developing new business fields such as health care industry, long-term leasing, urban renewal and railway property.

Yuexiu Property strategically conducts business in the most dynamic economic belt in China. Its business has expanded to nearly 20 first-tier cities and strong second-tier cities across the country, forming five core regions: Guangdong-Hong Kong-Macao Greater Bay Area, Central China, Eastern China, Northern China and Western China. As at 31st December, 2019, the value of the aggregate contracted sales (including contracted sales by joint venture projects) reached approximately RMB 72.11 billion, with a year-on-year increase of 24.8%; the total land bank of the Group reached 23.87million m<sup>2</sup>, with a year-on-year increase of 22.9%.

For a better future, Yuexiu Property will continue to inherit the spirit of originality, surpass and move forward in the remarkable and sustainable development.



# 02 / ABOUT THE REPORT

## OVERVIEW

The Report is the annual Environmental, Social and Governance Report (referred to as the “ESG Report”) released by Yuexiu Property Company Limited. The Report discloses the ideas, key progress and achievements of Yuexiu Property Company Limited and its subsidiaries (collectively referred to as the “Group”) regarding environmental, social and governance performance in a quantitative manner by focusing on priorities while giving overall considerations to all aspects from 1st January 2019 to 31st December 2019. The contents related to the COVID-19 epidemic were extended to 29th February, 2020 in order to enhance the coverage of the report.

Since 2010, the Group has published the Corporate Social Responsibility/Environmental, Social and Governance Report for 10 consecutive years.

## BASIS OF COMPILATION

The Report was prepared in compliance with the Environmental, Social and Governance Reporting Guide (ESG Guide) under Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong, and with reference to the Global Report Initiative (GRI) Guidelines and the Guidelines on the Corporate Social Responsibility Report of Real Estate Enterprises of Guangdong Province published by the Guangdong Real Estate Association.

The Report was prepared according to a set of systematic procedures, which are prepared through identification of key stakeholders, identification and prioritization of ESG related material issues, classification and organization of relevant materials and data, and check of reports.

## SCOPE AND COVERAGE OF THE REPORT

The policies, statements and data in the Report cover the business scope of the Group, except for some data with extra notes.

Unless otherwise specified, the currency in the Report is Renminbi (“RMB”).

## SALUTATION DESCRIPTION

To facilitate presentation and reading, “Yuexiu Property”, “the Group” and “we” all refer to Yuexiu Property Company Limited and its subsidiaries.

Unless otherwise specified, the Report uses the same definitions as in the Group’s “2019 Annual Report”.

## DATA SOURCES AND RELIABILITY STATEMENT

The data used herein all are sourced from statistical reports and relevant documents of the Group. The Board of Directors is responsible for the truthfulness, accuracy and completeness of the contents of the Report.

## ACKNOWLEDGEMENT AND APPROVAL

The Report has been acknowledged and released by the Board of Directors.

## ACCESS AND RESPONSE TO THE REPORT

A soft copy of the Report can be downloaded from the following website: <https://www.yuexiuproperty.com>; for any comments or suggestions on the environmental, social and governance performance of the Group, please send email to [ir@yuexiuproperty.com](mailto:ir@yuexiuproperty.com).



## 03 / MANAGEMENT MESSAGE

**Mr. Lin Zhaoyuan**  
*Chairman*



**Mr. Lin Feng**  
*General Manager*



### **BUSINESS PERFORMANCE AND ESG MANAGEMENT CONTINUE TO IMPROVE**

Yuexiu Property realized an operating income of about RMB 38.34 billion in the whole year, with a year-on-year growth of 45.0%. The core net profit was approximately RMB 3.51 billion, with a year-on-year growth of 24.8%; full-year dividends paid per share amounted to HKD 0.102, with year-on-year growth of 9.6%.

With its operation improved continuously, Yuexiu Property keeps optimizing its ESG management level, integrating ESG management into the daily work standards of every subsidiary, department and employee to comprehensively intensify management. Through targeted monitoring and improvement in social management, Yuexiu Property's sustainable development system has been further improved.

**2019 MARKS THE 70TH ANNIVERSARY OF THE FOUNDATION OF THE PEOPLE'S REPUBLIC OF CHINA, BEING THE KEY TIME TO BUILD A MODERATELY PROSPEROUS SOCIETY IN AN ALL-ROUND WAY. THE 70-YEAR RISE AND DEVELOPMENT HAS CONTRIBUTED TO THE GREAT REJUVENATION OF THE CHINESE NATION. YUEXIU PROPERTY ALWAYS TAKES "WHERE GOOD LIVING STARTS" AS ITS OWN DUTY, EARNESTLY IMPLEMENTS ITS SOCIAL RESPONSIBILITY, AND ALWAYS ADHERES TO ITS PROMISE OF "REPAYING SHAREHOLDERS, EMPLOYEES AND THE SOCIETY". TAKING ADVANTAGE OF THE OPPORTUNITIES IN GUANGDONG-HONG KONG-MACAO GREATER BAY AREA, YUEXIU PROPERTY HAS ACHIEVED ECONOMIC AND SOCIAL BENEFITS.**



**FULFILLING ECONOMIC RESPONSIBILITY,  
PAYING ATTENTION TO SOCIAL AND  
ENVIRONMENTAL RESPONSIBILITIES**

Yuexiu Property adheres to the spirit of originality of state-owned enterprises, implements the initiative of environmental protection, adheres to high-quality products, and realizes the coordination among and unification of its economic benefits, social benefits and environmental benefits.

With respect to economic development, Yuexiu Property actively continues to strengthen the core business of residential and commercial development, and consolidate the core capability of urban operation; continues to develop urban renewal projects, expands railways and property, and strives to promote urban construction in depth; creates a unique brand of health care industry and long-term rental apartments, to “revitalize” the long-term development, and to promote rapid and high-quality development.

### 03 / MANAGEMENT MESSAGE

With respect to environmental protection, Yuexiu Property adheres to the concept of sustainable development. With respect to business development, Yuexiu Property strictly abides by the supplier management rules and builds a green and responsible supply chain. With respect to architectural design, it builds green buildings, constructs green projects, applies green low-carbon technologies, and controls energy consumption. In 2019, green building certification for Nansha Binhai Garden Residential Building and Hotel, Guangzhou Yuexiu International Congress Center, Finance City and other projects has been completed. Furthermore, it controls green property and green office, increases the utilization rate of resources, saves water and electricity, and advocates a low-carbon life.

With respect to social welfare, the Yuexiu Property poverty alleviation taskforce adheres to the work philosophy to “Build Roads for Convenience, Export Labor for Wealth, Introduce Projects for Development, and Rely on Officials for Implementation”, and continues in targeted poverty alleviation in Chimi Village, Xiniu Town, Qingyuan City, Guangdong Province, as a repayment to the society.

With respect to employee development, Yuexiu Property, drawing on the Swan Program and the Hummingbird Program, attaches great importance to internal cultivation, supplies outstanding talents, builds a talent team with innovative thinking, professional ability and management experience, and strives for high-quality development.

### ON THE ROAD TO SUSTAINABLE DEVELOPMENT, YUEXIU PROPERTY HAS CONTINUED TO INNOVATE

Yuexiu Property’s efforts and progress in environment, society and governance have been recognized by professional organizations. In 2019, Yuexiu Property was selected as a component stock of Hang Seng Corporate Sustainability Index (HSSUS) Series for the first time, and also awarded the “Best Sustainable Enterprise” by Southern Metropolis Daily, demonstrating the society’s recognition of Yuexiu Property’s outstanding performance in ESG management and reporting.

Yuexiu Property remains true to the original aspiration and breaks through itself continuously, unceasingly intensify ESG management, improves the ESG management system and institutional construction, promotes the integration of ESG management concepts into company management, and coordinates with various sectors to realize the remarkable and sustainable development and create a better future.





# 04 /

## RESPONSIBILITY TOPIC:

### take on the responsibility of state-owned enterprises to fight against the epidemic

The COVID-19 attacked the whole country. After the outbreak, Yuexiu Property promptly issued a notice on comprehensive prevention and control of epidemic, established an emergency communication mechanism for report, prediction and warning. Also, it organized Yuexiu Service, Yuexiu Health Care, Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Ltd, Yuexiu Long-term Leasing and other departments and units to take comprehensive epidemic prevention measures, and made every effort in epidemic prevention and control.

#### WE GUARDED THE SAFETY OF ALL PARTIES THROUGH SCIENTIFIC PREVENTION AND CONTROL OF THE EPIDEMIC

Employee guarantee	Business guarantee	Organization guarantee
	<p><b>Whole industry focuses on extensive disinfection</b></p> <p>Yuexiu Property focused on extensive disinfection in public areas, and implemented epidemic prevention in communities, nursing homes, office buildings, shopping centers, hotels and other places.</p>	
<p><b>Safeguards materials and strengthens protection</b></p> <p>Yuexiu Property's service personnel are provided with masks, gloves and other self-protection measures, as well as disinfection supplies, thermometers and so on, all of which are fully equipped.</p>	<p><b>Strictly keeps the safety defence line</b></p> <p>Yuexiu Property strengthened the supervision of personnel entering and leaving the premises, measured temperature at the main entrances and exits of various places, and improved the awareness of public health science knowledge and treatment guidelines for staffs and customers.</p>	<p><b>Attaches great importance to strict organization</b></p> <p>Yuexiu Property promptly set up an emergency leading group and a working group for epidemic prevention and control, fully activated the emergency mechanism, and all departments and units performed their respective duties to carry out prevention and control work in an orderly manner.</p>
	<p><b>Reports without delay and strengthen guidance</b></p> <p>Yuexiu Property reported the health conditions of customers and employees without delay and strictly prohibited the spread of false information.</p>	

#### YUEXIU PROPERTY DONATES TO THE CHINA WUHAN BRANCH OF RED CROSS SOCIETY

On 30th January, 2020, Yuexiu Property donated RMB 10 million to the China Wuhan Branch of Red Cross Society to help Wuhan fight against COVID-19. The donation has been used to support the epidemic prevention and control in Wuhan, purchase medical equipment and materials in short supply, and support front-line medical personnel. In addition, Yuexiu Property has always paid close attention to the progress made in fighting against the epidemic, assumed the responsibility of it as a state-owned enterprise, and showed deep concern for Hubei. It worked together with all people of the country to overcome the difficulties, and contributed to the safety and health of local people.



**Yuexiu Property donated 10,000,000 RMB to the China Wuhan Branch of Red Cross Society to help Wuhan fight against COVID-19 on 30th January, 2020**

04 /

RESPONSIBILITY TOPIC :

take on the responsibility of state-owned enterprises to fight against the epidemic

### YUEXIU PROPERTY CARRIES OUT EPIDEMIC CONTROL IN ALL ASPECTS



Yuexiu Property and Yuexiu Service have been ready for epidemic response. Unit-based management has been implemented and a register of the owners' native place has been established; also, Yuexiu Service, in cooperation with the sub-district command center on epidemic prevention, monitored health status of isolated owners twice a day and provided necessary services such as collecting garbage; in addition, Yuexiu Service attached importance on disinfection (less than twice a day) in public areas and monitored temperature of personnel entering and leaving the residential area, and registered and reported personnel who have fever.



Yuexiu Health Care, a subsidiary of Yuexiu Property, adopted temporary "lock-down" measures. In this period, all the nursing homes were fully disinfected, and the management of admission and discharge was strengthened to firmly hold the first line of defense. In addition, Yuexiu Haiyiyuan also introduced special care services during the epidemic. Elderly people alleviated anxiety and strengthened their health through various recreational activities to improve immunity and fight against the epidemic.



All property departments of Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Ltd. of Yuexiu Property strictly performed the system of access management and personnel health monitoring, limited number of access and measured the temperature of personnel entering the building, implemented cleaning and protective measures, provided hand sanitizer and disinfectant, requested all personnel to wear masks before they entering the building, comprehensively intensified disinfection and cleaning and implemented regular fixed-point disinfection to ensure full coverage of disinfection.



Yuexiu Star Home, a long-term rental apartment of Yuexiu Property, daily disinfected public areas such as lobbies, elevators and walkways with a large stream of people, and gave masks to tenants at entrances and exits. Within this period, Yuexiu Star Home required tenants to take their body temperature every day after they returned to Guangzhou, and submit the completed health declaration form to the apartment management office. In addition, Yuexiu Star Home also provided free accommodation for medical workers fighting against the epidemic in Guangzhou, making its own contribution to the fight against the COVID-19.

take on the responsibility of state-owned enterprises to fight against the epidemic

**WE GUARANTEED AND ESCORTED THE RESUMPTION OF WORK AND PRODUCTION IN RESPONSE TO THE CALL OF THE GOVERNMENT**

While preventing and controlling the COVID-19 epidemic as much as possible, Yuexiu Property actively responded to the call of the government for orderly resumption of work and production. The Company quickly coordinated and promoted the steady and orderly resumption of work of regional branches and their projects under construction, and tried its best to ensure the safety and health of customers, front-line sales staff, constructors and operators and supporting service personnel.

The sales centers of all regional companies attached importance on disinfection and carried out epidemic prevention measures. While wearing masks for self-protection, the sales personnel also assisted the customers to measure temperature and verify their health codes in addition to other safety checks to ensure the safety of customers entering the sales center. Furthermore, several projects under construction, such as Yuexiu Jiayue Mansion and Yuexiu Stary City, have become the first projects approved for resumption of work respectively in Yuhang District of Hangzhou and Chengyang District of Qingdao. Sufficient epidemic prevention materials have been prepared for construction sites of each project. Regular disinfection at fixed-points and registration of the real name of personnel to and from the construction sites ensured workers' safety in resumption of work.

The staff of Yuexiu Property worked together to implement various measures for prevention and control of the COVID-19 epidemic, resumed work in a safe and orderly manner and actively fulfilled its responsibility as a state-owned enterprise to serve customers and contribute to the steady economic development.



Staff in sales centers checked customer's health QR codes



Temperature check conducted on the staff before access to the construction site

## 04 /

## RESPONSIBILITY TOPIC :

## take on the responsibility of state-owned enterprises to fight against the epidemic

**BUILD AN ONLINE PROPERTY-PURCHASING PLATFORM - "YUEXIU FANGBAO"**

In order to provide customers with real estate demand during the COVID-19 epidemic period with both safety and quality services, the official property-purchasing platform of Yuexiu Property - "Yuexiu Fangbao" mini program has been officially launched to help customers purchase their desired properties while staying at home.

The "Yuexiu Fangbao" property-purchasing mini program has included the first batch of over 40 on-sale projects of Yuexiu Property in nearly 20 cities in five regions of the whole country. The program highly integrated multiple functions such as information about houses on sale, on-line customer service, property recommendation, etc., to help more customers choose "dream properties".

**OPEN ONLINE 24-HOUR SALES OFFICE**

In order to meet the needs of customers during the COVID-19 epidemic and ensure the safety of employees, Yuexiu Property has launched online sales platforms such as FANG.COM and Anjuke, including 40 projects in eight regions of Central Region of Greater Bay Area, Railway, Eastern Region of Greater Bay Area, Western Region of Greater Bay Area, Eastern China, Central China, Northern China and Chengdu. The online platforms are open for 24 hours a day to provide customers with a more convenient service experience.

## RESPONSIBILITY TOPIC: commitment to the motherland and praise her 70th anniversary

Yuexiu Property is always grateful for the great prosperity of the motherland. On the occasion of the 70th anniversary of the foundation of the People's Republic of China, Yuexiu Property organized a series of activities, such as the staff microfilm exhibition activity of "Composing a Seventy-year Splendid Poem and Following the High-quality Development Road" and Yuexiu Property presenting the 70th anniversary of the motherland and arts festival with the theme of its corporate culture, "Beautiful Yuexiu Property and Singing for the Era". All the staff paid tribute to the motherland.

### "BEAUTIFUL YUEXIU PROPERTY AND SINGING FOR THE ERA"

Yuexiu Property organized the activity of Yuexiu Property presenting the 70th anniversary of the motherland and an art festival with the theme of its corporate culture, "Beautiful Yuexiu Property and Singing for the Era", to promote traditional culture and provide a stage for employees to show their talent.



### SING FOR THE MOTHERLAND

On the National Day, Yuexiu Property employees sang the song "My Motherland and I", with full of gratitude. The staff showed their love for the motherland.



04 /

RESPONSIBILITY TOPIC:

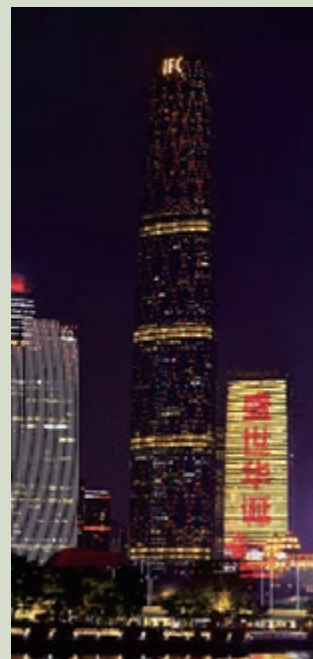
commitment to the motherland and praise her 70th anniversary

**“WEARING RED” TO WELCOME THE NATIONAL DAY**

On the National Day, Yuexiu Property’s office buildings, retail malls and other commercial properties added a touch of “Chinese red” inside and outside, sending sincere blessings to the motherland.



Yuexiu Financial Tower



Guangzhou International Financial Center (IFC)

# 05 / RESPONSIBILITY TOPIC: diversified and strengthened business development in Guangdong-Hong Kong-Macao Greater Bay Area

Yuexiu Property has always paid attention to the trend of national policies, responded to the market demand, and continued to optimize the existing product system. Taking into consideration of the customer values, it develops individualized products and customer-oriented products that help achieve a good future for customers.

## 5.1. DEVELOPMENT OF THE HEALTH CARE INDUSTRY

Yuexiu Property actively extends its business to the health care industry, and has established Guangzhou Yuexiu Health Care Industry Investment Holding Co., Ltd (formerly known as Guangzhou Yuexiu Elderly-Care Industry Investment Holding Co., Ltd). With the mission to “Improve Elderly Living and Create Happy Life” and the vision of “Providing First-Class Health Care Products and Services”, it has successively applied international advanced elderly-care experience and resources, and gradually formed a three-level product system and service network of “health care urban complex + the community-embedded elderly-

care institution + home-based service” with medical institutions, health care apartments and rehabilitation hospitals as the core products, to provide comprehensive medical and nursing services for the elderly.

### Build a first-class health care brand and construct an industry model

Yuexiu Health Care has successfully operated six major projects in Guangzhou, and has built a high-(middle-) end medical care urban complex based on mature communities and independent courtyards, represented by six major projects, such as Yuexiu Haiyiyuan, Yuexiu Yinxing Yiyuan, etc., to provide five types of high-quality services i.e. accommodation, medical care, nursing, catering and entertainment. In the future, Yuexiu Health Care will be committed to establishing a leading health care industry brand in China by developing strong core operation ability and asset management ability.

### A NEW TYPE OF EMBEDDED ELDERLY CARE COMBINED WITH MEDICAL CARE – YUEXIU YINXING YIYUAN NURSING HOME

Yuexiu Yinxing Yiyuan (Dade Road) Nursing Home has implemented the Yuexiu Yinxing model 3.0. Home-based elderly care information services, barrier-free treatment of the elderly people’s houses, installation of safety handrails and other devices for the elderly, and professional door-to-door services are provided to reduce the home safety risks of the elderly living alone, aged, physically dependent and the severely dependent in the community. At the same time, Yuexiu Yinxin Yiyuan (Dade Road) Nursing Home is equipped with sound supporting facilities such as medical treatment, health restaurant, memory care center, air sensory garden, etc. It also relies on the “Anfou” intelligent detection system and professional care and a nursing service team to build a three-in-one embedded elderly-care complex integrating home, community and institution.



**05 /**  
**RESPONSIBILITY TOPIC:**  
**diversified and strengthened business development in**  
**Guangdong-Hong Kong-Macao Greater Bay Area**

**HIGH-QUALITY INTERNATIONAL URBAN ELDERLY-CARE COMMUNITY –**  
**YUEXIU HAIYIYUAN**

Yuexiu Haiyiyuan, a key project of Guangzhou in 2019, is a high-quality international urban elderly-care community of Yuexiu Health Care under the cooperation of China and France, with a total GFA of 16,341.58 m<sup>2</sup> and about 356 beds. Yuexiu Health Care has collaborated with Adef Résidences, a French branch with more than 60 years of experience in elderly care and nursing, and signed a contract on green medical channel service with Zhujiang Hospital to provide emergency, outpatient and inpatient services for the elderly in Yuexiu Haiyiyuan. Yuexiu Haiyiyuan was open since September 2019, with 65 beds in the first phase of the project. By the end of 2019, it has successfully signed contracts to accommodate 35 elders.



**YUEXIU HEALTH CARE IS AWARDED FOR**  
**BUILDING EXTRAORDINARY ELDERLY-**  
**CARE INSTITUTIONS**

On 9th January, 2019, Yangcheng Evening News Group held a grand ceremony 2019 of “Paying Homage to Embroidery Spirit and Looking for a model of the Era”. Yuexiu Health Care was highly recognized by the industry and customers with the creation and innovative spirit of new elderly-care model and won the “Outstanding Innovation of the Year” Award. In addition, on 2nd November, 2019, Yuexiu Health Care won five awards of “2019 Golden Elderly-Care Institution in Yangcheng” of the Sixth China International Silver Industry Exhibition (SIC).





**RESPONSIBILITY TOPIC:  
diversified and strengthened business development in  
Guangdong-Hong Kong-Macao Greater Bay Area**

**SPRING FESTIVAL GARDEN ACTIVITIES IN  
YUEXIU HAIYIYUAN**

In the afternoon of 27th January, 2019, the Yuexiu Health Care Volunteer Team, together with the youth of the Youth League branch of Guangzhou Company, carried out the Spring Festival Garden activities in the exhibition hall of Yuexiu Haiiyuan. With the volunteers, the elderly wrote calligraphy and painted paintings, guessed riddles and participated other activities to celebrate the Spring Festival.



**5.2. ACTIVE PARTICIPATION IN URBAN RENEWAL**

Yuexiu Property actively responded to the urban renewal policies of Guangzhou, established Yuexiu Property Urban Renewal Group, gave full play to the advantages of the combination of industry with finance, orderly promoted the three-old transformation, optimized the urban renewal mode, provided high-quality services for urban renewal, and pushed the urban modernization of Guangzhou.

In 2019, Yuexiu Property was awarded contracts of two projects, Lirendong Village, Panyu District and Dongliu Village, Nansha District. The two projects have a planned reconstruction area of about **1.78 million m<sup>2</sup>** and a total GFA of about **3.74 million m<sup>2</sup>** after reconstruction.

**RENEWAL OF LIRENDONG VILLAGE**

On 21st October, 2019, the Renewal Project of Lirendong Village was officially launched. The project is located in the middle of Panyu District and the west of Nancun Town. The planned reconstruction area is about 1.72 million m<sup>2</sup>. According to the preliminary planning scheme, the total GFA is about 3.49 million m<sup>2</sup> after reconstruction.

Based on the existing garment processing and Taobao e-commerce, according to the regional development conditions and in combination with the Yuexiu Property industry foundation and development trend, the renewed Lirendong Village will become a strategic anchor point connecting the two areas of Wanbo and Changlong Hanxi, which is committed to building a “Golden Triangle” of highly integrated commercial, tourism, scientific and technological industries, and promoting the area to become a new central area of Guangzhou.



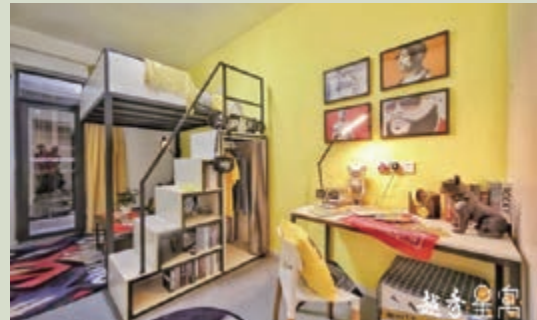
## 05 /

**RESPONSIBILITY TOPIC:****diversified and strengthened business development in Guangdong-Hong Kong-Macao Greater Bay Area****5.3. LONG-TERM RENTAL BUSINESS EXPANSION**

Yuexiu Property adheres to the tenet of “services for improving the housing conditions of urban residents” to actively respond to and implement the policies of “renting and purchasing”, relies on the constantly mature business model of “development + operations + securitization” to improve the ability of resource integration, vigorously cultivate and develop rental housing market and deliver diversified rental products and services. In addition, it actively delivers innovative intelligent services and value-added services for our customers, builds an intelligent management platform for long-term rental apartments by joining hands with Alibaba Cloud, and cooperates with Alibaba’s Ant Financial, Cainiao and other ecological service platforms to achieve multiple business scenarios such as network traffic lead-in and credit evaluation, and builds diversified value-added service system that meets the needs of urban youths.

### **BUILDING THE LOCAL BRAND OF LONG-TERM RENTAL APARTMENTS OF STATE-OWNED ENTERPRISES – YUEXIU STAR HOME**

Yuexiu Star Home as the first long-term rental brand launched by Yuexiu Housing Rental Company, has established the business model of “apartment + ecosystem”, with the comfortable space of excellent residence and multi-dimensional all-around public area as the carrier, and has clear all-round operating standards such as product, quality, safety and operation. With the help of Alibaba Cloud services, Yuexiu Property has realized on-line intelligent operating management, and is committed to building a four-in-one dream-building space integrating residence, entertainment, office and social contact.



**RESPONSIBILITY TOPIC:**  
**diversified and strengthened business development in Guangdong-Hong Kong-Macao Greater Bay Area**



**WIN-WIN FOR BRAND AND REPUTATION**

On 6th December, 2019, Yuexiu Star Home won two honors, namely “Times Brand Influential Urban” and “Best Asset Operation and Management Award” respectively at the 7th Global Chinese Real Estate Summit 2020 and Award Ceremony for City Construction 2020, the first China Housing Rental Entrepreneur Leaders Summit • Baiyunshan Forum.

**5.4. EXPLORING TOD MODE**

Yuexiu Property follows the national policy orientation, relies on the increasingly perfect transportation network to drive the urban development and integration of Guangdong-Hong Kong-Macao Greater Bay Area with the construction of rail transit, and develops the mixed functional area integrating business, commerce, culture, education and residence, to help solve the big city problem, improve the land utilization rate and urban operation efficiency, and create a new and clean environment for business development.

In 2019, Yuexiu Property actively promoted the exploration and innovation of TOD mode. Cooperating with Guangzhou Metro as a strategic shareholder, it established the mode of “Railway + Properties”, and launched three TOD projects: Yue Galaxy, Yue Melody and Yue Infinity, leading the new trend of TOD habitat. The annual contract sales of “Railway + Properties” amounts to about **RMB 5.08 billion**.

## 05 /

## RESPONSIBILITY TOPIC:

## diversified and strengthened business development in Guangdong-Hong Kong-Macao Greater Bay Area

### 5.5. INTENSIFY CONSTRUCTION OF GUANGDONG-HONG KONG-MACAO GREATER BAY AREA

Yuexiu Property summarized the comprehensive development experience, independently promoted the resource layout, gathered a large number of outstanding talent and industrial resources for the region, and enabled and accelerated the development of Guangdong-Hong Kong-Macao Greater Bay Area. It seizes the strategic opportunity of the formal introduction of the national planning outline for Guangdong-Hong Kong-Macao Greater Bay Area, intensifies the construction of the key cities of the Greater Bay Area, helps to build a good environment for business environment and living, jointly constructs a world-class city group with vitality and international competitiveness to realize a better future for the people of the Greater Bay Area.

#### Optimize and reorganize the layout of the Greater Bay Area

First of all, in order to continue to further engage in the construction of Guangdong-Hong Kong-Macao Greater Bay Area, Yuexiu Property has made clear its development orientation of "striving to promote the Greater Bay Area to build a good-quality area suitable for living, working and traveling". Also, it values the regional layout and industrial division of key cities in the Greater Bay Area. It constantly optimizes the business layout in the Greater Bay Area, and explores the establishment of a diversified business development model. It has renamed Guangzhou Region, Nansha Company, Pearl River Delta Region and Rail Transit

Company as four platform companies, namely, the Central Region of Guangdong-Hong Kong-Macao Greater Bay Area (referred to as the Central Region of Greater Bay Area), the Eastern Region of Guangdong-Hong Kong-Macao Greater Bay Area (referred to as the Eastern Region of Greater Bay Area), the Western Region of Guangdong-Hong Kong-Macao Greater Bay Area (referred to as the Western Region of Greater Bay Area) and the Rail Transit Company of Guangdong-Hong Kong-Macao Greater Bay Area (referred to as the Rail Transit Company), to actively join the development of Guangdong-Hong Kong-Macao Greater Bay Area. In addition, it will break through the traditional development mode and actively participate in the development of urban renewal, health care industry, TOD, a distinctive town and other projects to fully expand its diversified businesses.

#### Attach importance to the development planning of the Greater Bay Area

In terms of regional strategic layout, Yuexiu Property continued to optimize the layout in Guangdong-Hong Kong-Macao Greater Bay Area. As at 31st December, 2019, the total land reserve is about **23.87 million m<sup>2</sup> in 19 cities** across the country, of which about **51.7%** is located in the Greater Bay Area. At present, it has entered six cities in the Greater Bay Area, namely Guangzhou, Shenzhen, Foshan, Jiangmen, Zhongshan and Hong Kong, with a total land bank of **12.34 million m<sup>2</sup>**.

**RESPONSIBILITY TOPIC:  
diversified and strengthened business development in  
Guangdong-Hong Kong-Macao Greater Bay Area**

**YUEXIU PROPERTY WILL DEVELOP IN NANSHA AND RIDE ON A WAVE OF THE  
RAPID RISE OF GUANGDONG-HONG KONG-MACAO GREATER BAY AREA**

Yuexiu Property took the lead in responding to the clarion call of Guangzhou South expansion. In the 20 years since its participation in the development of Nansha, Yuexiu Property has conducted 16 large-scale residential and commercial projects, including residential buildings, apartments, commercial squares and other types. It has successfully reconstructed the largest commercial complex in Nansha - Yuexiu International Headquarter Square, the first million-square-meter Education City in Nansha - Yuexiu Binhai New City, which integrates 12-year community education of primary and secondary schools, and the most high-quality mansion landmark in the million-square-meter complex in Nansha - Yuexiu Tiancheng and Yuexiu East Hillside, the urban mountain residence in Greater Bay Area, thus providing a “Yuexiu Model” for a better life in the Greater Bay Area.



Yuexiu International Headquarter Square



Yuexiu Binhai New City

**RISE TO THE TOP OF  
PEARL BAY AND BUILD  
IDEAL RESIDENCES IN THE  
GREATER BAY AREA**

In 2019, Yuexiu Property grandly launched a model island house that defines the integration of nature and life, Yuexiu Joy Bay. The project is located on the central axis of Lingshan Island tip, the core area of Pearl Bay in Nansha Financial and Business Development Pilot Area. It gathers high-end industries and urban functions of high-level opening up and deep economic integration of Guangdong, Hong Kong and Macao and will be a city landmark of Pearl Bay. The project covers an area of 92,579 m<sup>2</sup>, with a total GFA of about 410,000 m<sup>2</sup>. It can accommodate about 3,000 households. It is also the first residential project in Lingshan Island that meets the two-star green standard.





# 06

## SUSTAINABILITY STRATEGY

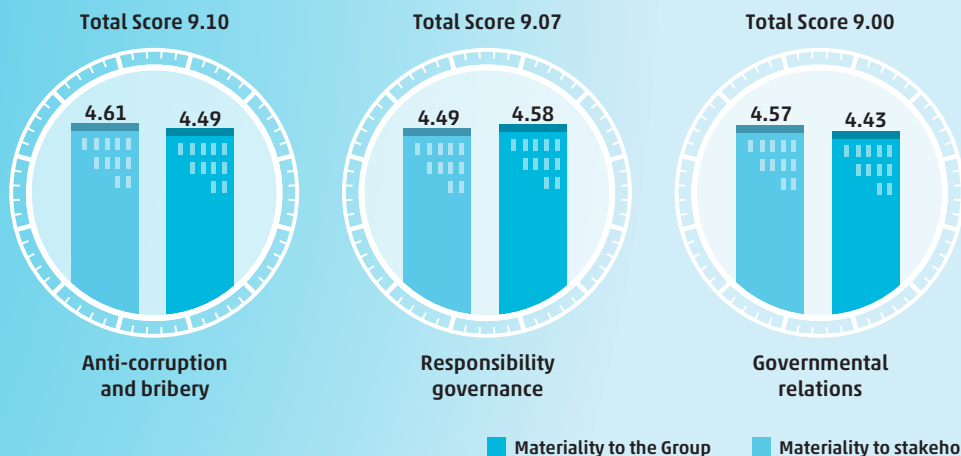
The sense of responsibility and mission is Yuexiu Property's consistent undertaking on the road to sustainable development. This responsibility is not only reflected in the development of its own business, but also implemented in the process of actively taking environmental and social responsibility to realize the balanced development of economic, environmental and social benefits.

In 2019, Yuexiu Property was selected as a component stock of Hang Seng Corporate Sustainability Index (HSSUS) Series for the first time, developing into one of the sustainable development leaders of Hong Kong listed real estate companies.



Hang Seng Corporate Sustainability Index Series

ESG issues and their materiality in this Chapter:



## 06 / SUSTAINABILITY STRATEGY

### 6.1. SUSTAINABILITY MANAGEMENT FRAMEWORK

Yuexiu Property has established an effective environmental, social and governance (ESG) risk management and internal monitoring system. It has implemented various levels of ESG supervision, forming a whole process from decision-making, communication to execution. In the future, the Board will extend its involvement in ESG management, strengthening the ESG risk management and assisting the identification and control of ESG risk based on the existing ESG management duties.














The company's management organization, personnel allocation and duties in ESG management and daily work are listed as follows:

ESG Management	Personnel allocation	Duties				
<b>Board of Directors</b>	The Board of Directors supports ESG work	<ol style="list-style-type: none"> <li>1. Supervise ESG team's work</li> <li>2. Approve, confirm and publish ESG report</li> <li>3. Organize discussions on ESG related issues</li> </ol>				
<b>Accountability Board</b>	Led by the general manager and consists of heads of all related functions	<ol style="list-style-type: none"> <li>1. Discuss ESG-related matters</li> <li>2. Identify ESG-related risks</li> <li>3. Develop ESG strategies</li> <li>4. Review effectiveness of ESG works</li> </ol>				
<b>ESG Work Management Team</b>	Heads of Departments form an ESG Management Team	<ol style="list-style-type: none"> <li>1. Study specific work based on overall ESG strategies and direction</li> <li>2. Arrange corresponding staff to implement the work</li> <li>3. Supervise concrete implementation of the work</li> <li>4. Report to the ESG Accountability Board on task implementation</li> </ol>				
<b>ESG Work Implementation Group</b>	<table border="1"> <tr> <td colspan="2">Head office functional departments</td> </tr> <tr> <td>Regional companies</td> <td>Subsidiaries</td> </tr> </table>	Head office functional departments		Regional companies	Subsidiaries	Functional departments of head office, regional companies and subsidiaries send dedicated colleagues to set up the working group <ol style="list-style-type: none"> <li>1. Collect, sort and submit information</li> <li>2. Implement specific work tasks</li> <li>3. Promptly report the work status</li> </ol>
Head office functional departments						
Regional companies	Subsidiaries					



## 6.2. SUSTAINABILITY GOALS

Yuexiu Property always implements the concept of sustainable development in the overall operation process, optimizes products and services through high-level corporate governance, and integrates ESG concept into the Group’s mission, values, businesses and systems. It will continue to fulfill the “Six Major Responsibilities” to improve our ability to achieve sustainable development.

“Six Major Responsibilities” of Yuexiu Property and objectives	Sustainable Development Goals (SDGs) of United Nations
<p><b>Economic responsibilities</b></p> <p>To continue to improve economic performance and achieve sustainable economic growth with the goal of “Business-driven quality improvement, innovation-driven development”.</p>	 
<p><b>Product responsibilities</b></p> <p>Strictly abide by the promise of high-quality service, follow the concept of high quality, safety and green, and strive to be the industrial benchmark.</p>	 
<p><b>Responsibilities to employees</b></p> <p>Improve and refine human resource management, listen to employees, enrich employees’ lives, ensure occupational health, attach importance to employee training, and provide better working environment for employees.</p>	   
<p><b>Supply chain responsibilities</b></p> <p>Optimize supplier selection, control product quality, purchase green products, attach importance to responsible procurement, and supervise the whole supply chain process.</p>	 
<p><b>Environmental responsibilities</b></p> <p>Control factors of the whole life cycle of projects that impact the environment, achieve 100% project environmental assessment, efficiently use resources, reduce pollution emissions and waste generation, minimize the impact on the environment and ecology, and construct green development projects.</p>	     
<p><b>Social responsibilities</b></p> <p>Actively respond to the call of the state for poverty alleviation at all levels, strive to participate in small-scale public welfare of the community collectivity, and fulfill all-around social responsibilities.</p>	   

## 06 / SUSTAINABILITY STRATEGY

### 6.3. CONCERNS ABOUT CAPITAL

In 2019, Yuexiu Property not only achieved a new high in business performance, but also made outstanding achievements in the international investment index market and credit rating. It adheres to the vision of “Becoming China’s Leading Providers of Better Urban Life”, strives to achieve win-win of economic, social and environmental benefits, and makes great efforts to become a city operator with unique competitiveness, social responsibility, capital market recognition and leading comprehensive strength.

#### First time becoming component stock of Hang Seng Corporate Sustainability Index (HSSUS) Series

Yuexiu Property has been selected as a component stock of Hang Seng Corporate Sustainability Index (HSSUS) Series for the first time, becoming one of the sustainable development benchmarks of Hong Kong listed companies. Its overall sustainable development performance has been affirmed, reflecting the Company’s performance in the fields of business development, environment, society and company governance.



Hang Seng Corporate Sustainability Index Series

#### Moody’s upgraded Yuexiu Property’s credit rating outlook to “stable”

On 18th March, 2019, Moody’s, an international credit rating agency, released a rating report, upgrading Yuexiu Property’s rating outlook to “stable” from Baa3.



### 6.4. RESPONSIBLE COMMUNICATION

Stakeholders from all walks of life are fellow travelers in the development of Yuexiu Property. In order to actively communicate with shareholders, investors, employees, customers, suppliers, governments, communities, industry associations, chambers of commerce, media and other stakeholders, it continues to improve the communication and dialogue mechanism with all stakeholders, actively understands and responds to their demands, and work with all stakeholders to achieve a sustainable future.



Stakeholders	Status of stakeholders	Main focuses	Response to demands
<b>Residents</b>	The satisfaction of owners and residents with Yuexiu Property residential products and property services is the basis for its long-term development	Geographic location Auxiliary facilities Internal environment Property service quality	Regular visits Satisfaction surveys Complaint hotlines Resident property management
<b>Mall/office users</b>	Users can directly experience the service and quality of its office buildings and shopping malls, and it will provide them with a safe and comfortable shopping environment	Malls/office buildings geographic location Internal environment Property service quality Security facilities Rental level	Complaint mailbox Routine inspections Complaint hotlines Satisfaction surveys
<b>Employees</b>	A growing team of excellent staff provides motives for the sustainable development of Yuexiu Property	Remuneration Room for development Employee benefits Promotion policy Training system Internal communication channels	Direct communication Employee mailbox/ hotline Training programs
<b>Governments</b>	The support of the government to Yuexiu Property is the guarantee that it can have a larger range of positive economic and social impact	Compliance with local laws and regulations Tax payments according to the law Local economic growth Boost local employment	Regular visits Communication about policies
<b>Shareholders and investors</b>	The existing and potential investors of Yuexiu Property provide the economic foundation for our development. Creating a sustainable economic return that can meet the expectations of its shareholders is its mission	Stock price and dividend Financial status Business prospects Future development plan	Information disclosure Shareholders' meetings Investor meetings and roadshows Investor hotline/mailbox
<b>Suppliers</b>	The suppliers provided Yuexiu Property with high-quality products and services, and became an important part of the operation process of Yuexiu Property. At the same time, they also have to abide by Yuexiu Property's supplier management policies	Procurement policy Supplier management policies Fair trade Timely payment	Supplier visits Regular visits
<b>Media</b>	Media reports can make the community more aware of Yuexiu Property, and urge Yuexiu Property to improve its operation transparency	Business and products Financial performance Future development direction Corporate social responsibility	Press conferences Interviews Regular seminars
<b>Local communities</b>	The communities where Yuexiu Property operates and local residents support our business growth, while Yuexiu Property also makes its contribution to the development of the communities	Community development Public services	Community public services Complaint hotlines

06 / SUSTAINABILITY STRATEGY

6.5. RESPONSIBILITY ISSUES

In order to better follow up the issues concerned by all stakeholders, as well as the evaluation and expectation of the stakeholders on the sustainable development performance of Yuexiu Property, in 2018, Yuexiu Property entrusted an independent consulting company to conduct a materiality assessment in the form of questionnaires, involving various suppliers, owners, office/shopping mall users, investors, media, governments and regulators, etc. Based on the fact that the Company’s main business and organizational structure have not changed significantly, it continues to use the results of the 2018 materiality assessment as an important reference for the disclosure of this annual ESG report.

ESG Materiality Matrix



ESG Materiality Ranking (from high to low)

High materiality

- 1 Employee safety and health
- 2 Customer complaint handling
- 3 Employee remuneration and welfare
- 4 Consumer privacy

Medium materiality

- 5 Anti-corruption and bribery
- 6 Employee training and development
- 7 Product and service quality
- 8 Responsible governance
- 9 Waste management
- 10 Labor rules
- 11 Energy conservation
- 12 Reasonable marketing and promotion
- 13 Water resources management
- 14 Cooperation between government and enterprise
- 15 Industrial development
- 16 Green building
- 17 Wastewater management
- 18 Anti-unfair competition
- 19 Supply chain ESG management
- 20 Talent attraction and retention
- 21 Biodiversity and land use
- 22 Protection of intellectual property rights
- 23 Tackling climate change
- 24 Public services
- 25 Greenhouse gases and carbon emissions
- 26 Effective use of materials

6.6. ANTI-CORRUPTION

Yuexiu Property constantly improves various rules and regulations, strictly controls the priorities of enterprise management system, guides the honesty and integrity of the enterprise and operates according to the laws. All employees of Yuexiu Property must comply with the provisions of the Interim Regulations on Banning Commercial Bribery, and it has developed rules and regulations such as the Detailed Rules for Corporate Supervision and Administration and the Guidelines for Management of Letters and Visits and other rules and regulations to guide the development of all relevant work. In addition, Yuexiu Property requires all departments and subsidiaries to report “Three Importance and One Priority” decisions on a quarterly basis. Statement of Responsibility for Clean and Honest Governance is signed every year to earnestly combat corruption and uphold integrity.

In 2019, there was no lawsuit against Yuexiu Property for corruption, bribery, extortion, or money-laundering.

## 6.7. SOCIAL RECOGNITIONS

Award	Awarding Unit
China Property Award of Supreme Excellence 2019	Organizing Committee of China Property Award of Supreme Excellence
Listed Company Awards of Excellence 2019	Hong Kong Economic Journal
Ranked as 5th for Property Companies in terms of Comprehensive Strength in Guangdong-Hong Kong-Macao Greater Bay Area 2019	China Index Academy Limited
Top 10 Best Real Estate Companies in Guangdong-Hong Kong-Macao Greater Bay Area 2019	
Good Quality Enterprise for Good Life 2019	LEJU
China Listed Property Company Social Responsibility Award 2019	Gelonghui
Property Enterprise of the year in terms of Comprehensive Strength 2019	21st Century Media
Leading Property Service Enterprise 2019	
China Real Estate Trend Awards: Top 30 China's Most Influential Property Enterprise 2019	Boao Real Estate Forum/Guandian Index Academy
City Operator of the Year 2019	China Business Journal
Jincai Award: Top 100 China's Leading Property Enterprises with Good Faith in Supply Chain Cooperation 2019	Chinese Real Estate Industry Association
The Group's Annual Report for the Year of 2018 Was Awarded: 2019 International ARC Awards – Honors IADA Award 2019 – Silver Winner – Printed version – Traditional format – Real Estate Development Cover	

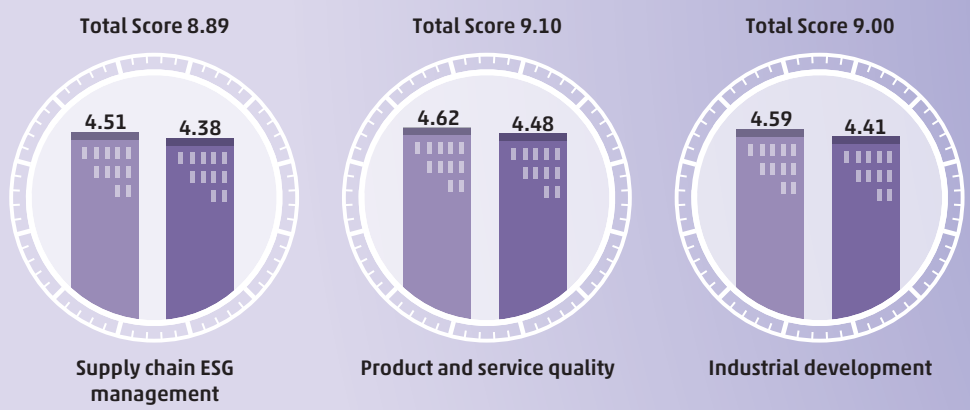


# 07

## QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

Yuexiu Property has always been customer-oriented and committed to providing customers with excellent and high-quality products and residential buildings. It has been constantly regulating supply chain management, improving the quality of supplies, improving product quality management, persisting in R&D and innovation, expanding new businesses and creating green and intelligent innovative products, to improve living experience.

ESG issues and their materiality in this Chapter:



■ Materiality to the Group    ■ Materiality to stakeholders



## 07 / QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

### 7.1. QUALITY AND SAFETY

Yuexiu Property adheres to the concept of “Superior and Beautiful Buildings” and strictly abides by laws and regulations such as the Construction Law of the People’s Republic of China, the Product Quality Law of the People’s Republic of China and the Regulations of the People’s Republic of China on Quality Management of Construction Projects, formulates internal rules and regulations such as Guide of Yuexiu Property on Quality Management of Construction Projects and Yuexiu Property Guidelines on Real Estate Product Quality Insurance Management, establishes excellence and safety management systems, continuously improves project quality and work safety, and effectively manages materials and equipment, process, construction management, quality monitoring, fine decoration process, project acceptance, assessment accountability in an all-round way.

#### 7.1.1. Quality Assurance

Yuexiu Property earnestly implements quality assessment mechanisms to ensure product quality and to satisfy customers, formulates Project Quality Evaluation Management Rules, Long-term Incentive Measures for Quality Assessment and Third-Party Testing Guide for Materials and Equipment, and other assessment systems to standardize and systematize the quality assessment process, making quality assessment the last process of product quality control.

The Yuexiu Property Engineering Management Department has formulated Assessment and Accountability Rules, which specifies assessment and accountability of internal personnel of the company, standardizes annual performance assessment responsibilities of interested

parties of the projects (including departments and subsidiaries, design, supervision and construction contractors), and properly defines the accountability for suppliers on quality such as customer complaints and implements product quality accountability system to ensure the effectiveness of quality assessment.

#### “YWORK.ME” - ENGINEERING INFORMATION MANAGEMENT PLATFORM

In 2019, Yuexiu Property, together with Alibaba Cloud, Dingtalk and other Alibaba internal platforms, built a corporate digital management platform - “Ywork.me 2.0” platform. Through the platform’s functions like task, log, group live broadcast, document collaboration and others, the typical construction scenes such as engineering inspection, rapid feedback, preparation of the bill of works, are processed online in time to realize one-stop, mobile closed-loop management.

#### 7.1.2. Safety Assurance

Yuexiu Property adheres to the idea of “Life and Safety First” and takes “to assume responsibility, strengthen capacity, improve quality and control risk” as priorities of work, formulates internal safety management policies such as Safe Production Accountability Regulations, Detailed Rules for Safe Production in Construction Phases and Management Measures for Emergency Plans for Production Safety Accidents, and continuously optimizes safety management systems. Regional branches establish safety committee management centers for regional safety management and supervision on construction projects. In 2019, it formulated the Yuexiu Property Full-time Security Management Staffing Standards, increased full-time safety management personnel allocation and effectively implemented a safety management responsibility system.

### YUEXIU PROPERTY 2019 SAFETY MANAGEMENT PERFORMANCE

- Recorded **0 cases** of accountability accidents such as fire, explosion, and collapsing, with financial losses of over **RMB 100,000**. Recorded **0 cases** of public security accidents with severe impact on social stability.
- Convened **653 safety meetings**.
- Established or revised **503 articles** of new or revised regulations.
- Conducted **4,041 safety checks** on projects; eliminated **12,698 safety risks** with **12,697** closed-loop cases, achieving a closed-loop rate of **99.9%**.
- Invested **RMB 83,180,000** in safety management.



## HAZARD IDENTIFICATION

### Rectification of fire-fighting facilities

In 2019, Yuexiu Property conducted inspection on Jiangnan west rental public housing of Yuexiu Service of Yuexiu Property, discovering that the fire fighting facilities were missing, and there were illegal structures, fire-fighting access blocking and other problems, and then immediately made a comprehensive investigation and rectification. There were 489 public houses, 380 of which have been put into use and hazards have been eliminated, and 14 of which have been recovered by the Company. The completion rate of identification and rectification reached 77.71%.



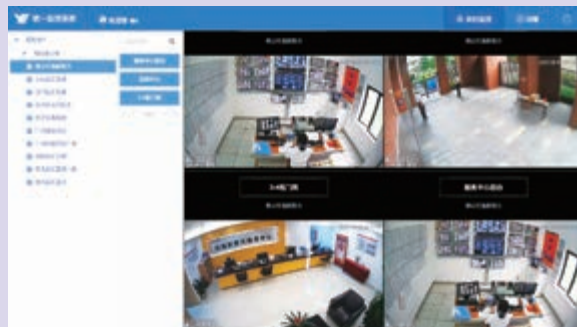
### Reconstruction of exterior wall tiles that had fallen off

In 2019, Yuexiu Property carried out hazard identification activities, discovering that exterior wall tiles of the Southern China Hotel had been damaged seriously and there were safety hazards such as deformation of exterior wall windows and worn-out mechanical equipment. The project has been suspended for redevelopment.



## REMOTE VIDEO MONITORING

In 2019, Yuexiu Service inspected projects through an information platform. Remote video monitoring is available to headquarters through PC terminals to supervise and manage 18 pilot projects of development, commercial and residential properties. In this way, supervision effectiveness is greatly improved, and violations during construction can be found and corrected in time, reducing the possibility of major safety accidents.



## 07 / QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

### 7.2. RESEARCH AND DEVELOPMENT

Yuexiu Property adheres to the philosophy of respecting innovation and constantly surpassing, unceasingly making green and healthy residence products, continuously integrates advanced concepts in technology and products, and puts forth new ideas. It persists in exploring, developing smart buildings and innovative products such as community commercial brands and flexible office space. While paying attention to product research and development, it focuses on protection of intellectual property rights and trademark.

#### 7.2.1. Continuously making innovative products

R&D philosophy of Yuexiu Property:

- Systematically improve the quality of products and update products by means of **smart eco-friendly building technologies**.
- Study **indoor prefabricated/modular basis system**, including partition systems, integrated ceiling systems, dry floor systems, door and window cover systems, sandwich pipeline systems, and integrated kitchen and toilet systems among others to make quality, cost and efficiency of intensive decoration controllable.
- Research into **integrated optimal design unit layout** to expand more humanized spaces.

#### RELEASE OF OFFICE BUILDING 3.0 BUSINESS ECOLOGY - GUANGZHOU ICC

Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Ltd. of Yuexiu Property released office building 3.0 - Guangzhou ICC on 3rd December, 2019. Guangzhou ICC is a new city landmark at the starting point of CBD central axis in Guangzhou, with a GFA of over 180,000 m<sup>2</sup>. The project is designed with a people-oriented fresh air system to automatically adjust indoor temperature and humidity. Also, Guangzhou ICC upgrades seven core applications such as self-adapting intelligent environment adjustment and intelligent multimedia for information release with the Intelligent IoT Division of Alibaba Cloud, which is provided with Yuexiu intelligent office system, Yuexiu healthy office system, Yuexiu office community system and covered by 5G network. With big data technology, the efficiency of each office link and property service experience have been improved, to help realize the integration of technology, office and business.



### FLEXIBLE OFFICE SPACE - YUESPACE

In 2019, Yuexiu Property and Mr. Lin Zhongyong, a famous space designer from Taiwan jointly created an open, relaxed, warm and high-quality high-end business office space - Yuespace. Yuespace is not only equipped with an efficient MAXHUB meeting system, direct drinking water system and office equipment such as lifting seats, but also provided with star-rated household services such as 24-hour gymnasium and 24-hour network, as well as intelligent cloud service, resource links and other featured services, providing customers with all customized solutions including space area, office location, service, cost and the like.



## 07 / QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

### 7.2.2. Intellectual Property (IP) and Trademark Management

Yuexiu Property strictly abides by the Advertisement Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other laws and regulations, and has formulated internal regulations on IP and trademark management, and always pays high attention to protection of its intangible assets.

When cooperating with third parties, it safeguards its own intellectual property interests in accordance with the law through trademark registration, patent application and other means. Also, it respects intellectual property of partners, strictly controls the scope of permission and jointly fights against infringement.

Besides, Yuexiu Property strictly requires its subsidiaries and marketing-related departments to use authorized materials to reduce risk of right infringement, and actively resorts to legal solutions regarding infringement upon the Group's intellectual property rights.

### 7.3. SUPPLY CHAIN MANAGEMENT

Yuexiu Property has continuously improved in bidding, procurement, supplier assessment, grading and classification management and other aspects, and strives to optimize supply chain management. It has formulated regulations such as Construction Project Suppliers Management Rules, Management Measures for Contractors and Evaluation Experts Selection and Management Rules for Bidding Invitation for Construction Projects to regulate the bidding process, clearly define the standards of

supplier inspection and evaluation and manage grading and classification of suppliers to optimize supplier quality management.

#### 7.3.1. Anti-unfair Competition

Yuexiu Property strictly abides by the Anti-unfair Competition Law of the People's Republic of China and other laws and regulations, advocates, encourages and protects fair competition and prohibits any staff and supplier from participating in unfair competition. In order to ensure fair competition during bidding, it has clearly stated anti-collusion clause in bidding documents.

In 2019, Yuexiu Property did not participate in any unfair competition or violation of the anti-monopoly legislation and legal proceedings.

#### 7.3.2. Responsibility Supply Chain

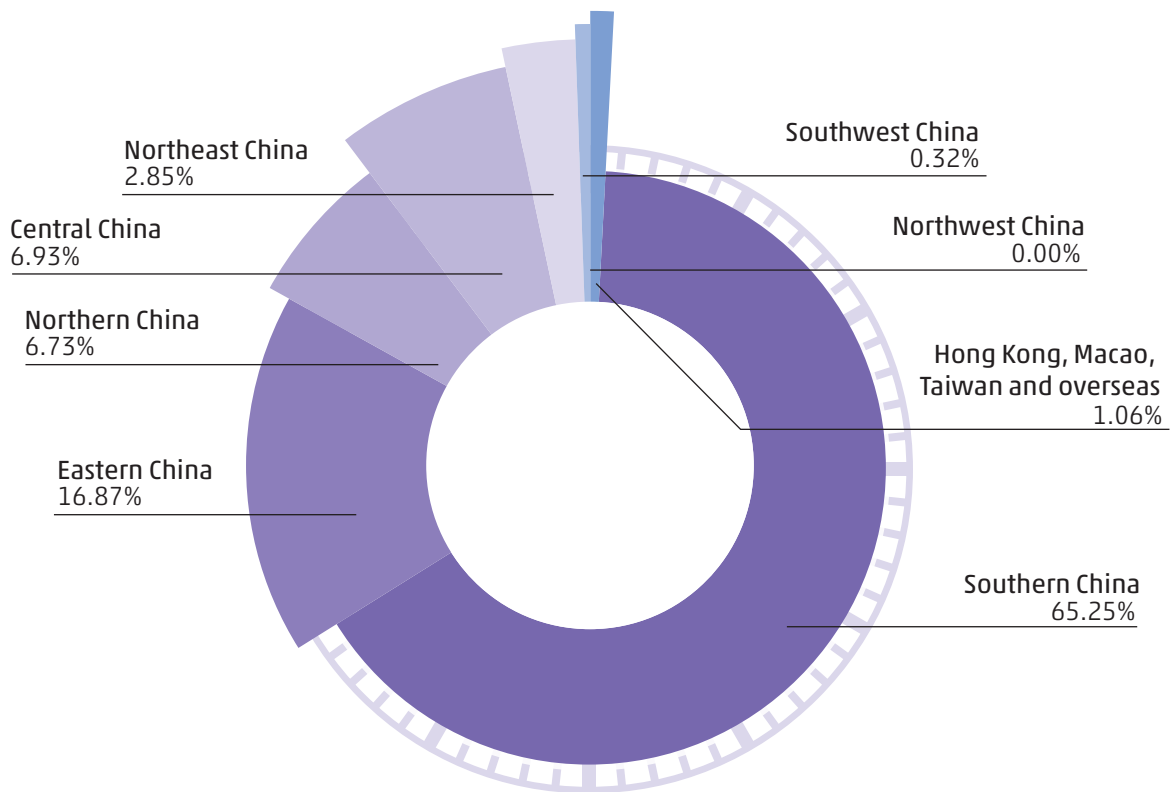
Yuexiu Property pays close attention to the suppliers' fulfillment of social responsibilities, explicitly specifies relevant regulations protecting workers' rights and interests in procurement bidding contracts, urges suppliers to sign labor contracts with staff to specify the rights and obligations of both parties and requires suppliers to create special wage security accounts to protect legitimate rights and interests of staff. In addition, Yuexiu Property has also signed the integrity agreements with suppliers to strengthen the education of suppliers on integrity, improved anti-corruption communication mechanism to prevent bribery and corruption, and established a mutually beneficial partnership with suppliers.

**7.3.3. Green Supply Chain**

Yuexiu Property also devotes itself to promoting social sustainable development, in which “Sustainable Sourcing” is a key work, actively inspects and assesses suppliers’ performance in sustainable development performance and

requires the construction contractor to use eco-friendly and energy-saving commercial mortars, thermal insulation mortars and other materials according to EPC contract to keep compliance with national regulations regarding energy conservation and consumption reduction.

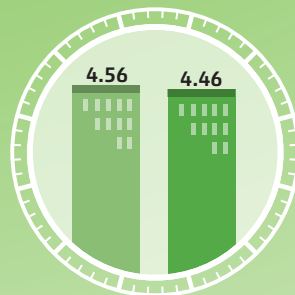
**Suppliers Distribution Ratio**





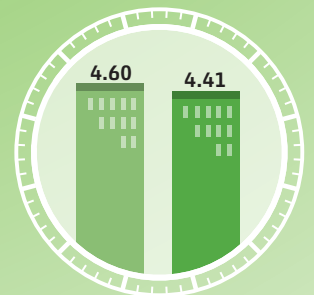
■ Materiality to the Group   
 ■ Materiality to stakeholders

Total Score 9.02



Energy conservation

Total Score 9.01



water resources management

# 08

## COMMUNION BUILDING AND GREEN DEVELOPMENT

Adhering to the brand mission of "Where Good Living Starts", guided by the green development vision of "Build Green and Harmonious Space, Low-carbon for Good Living", Yuexiu Property advocates the idea of "green development" through multiple development models of green building, green construction, green operation, and green offices, thus building green livable communities, deepening sustainable operation and constructing an ecological and civilizational society.

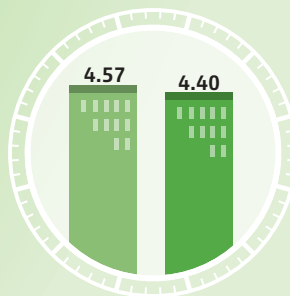
ESG issues and their materiality in this Chapter:

Total Score 8.75



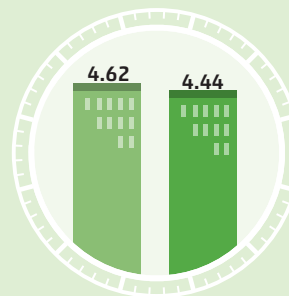
Greenhouse gases and carbon emissions

Total Score 8.97



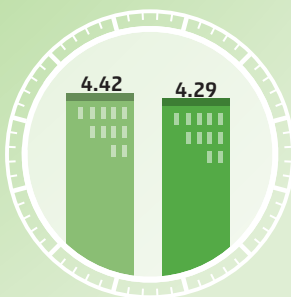
Wastewater management

Total Score 9.06



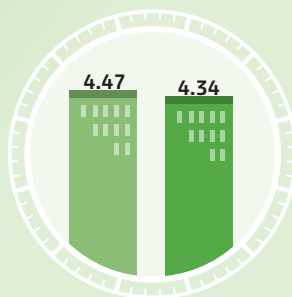
Waste management

Total Score 8.71



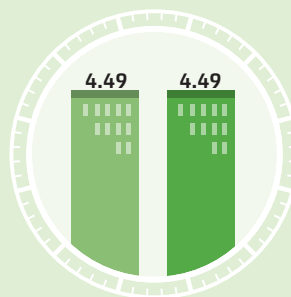
Effective use of materials

Total Score 8.81



Biodiversity and land use

Total Score 8.98



Green building

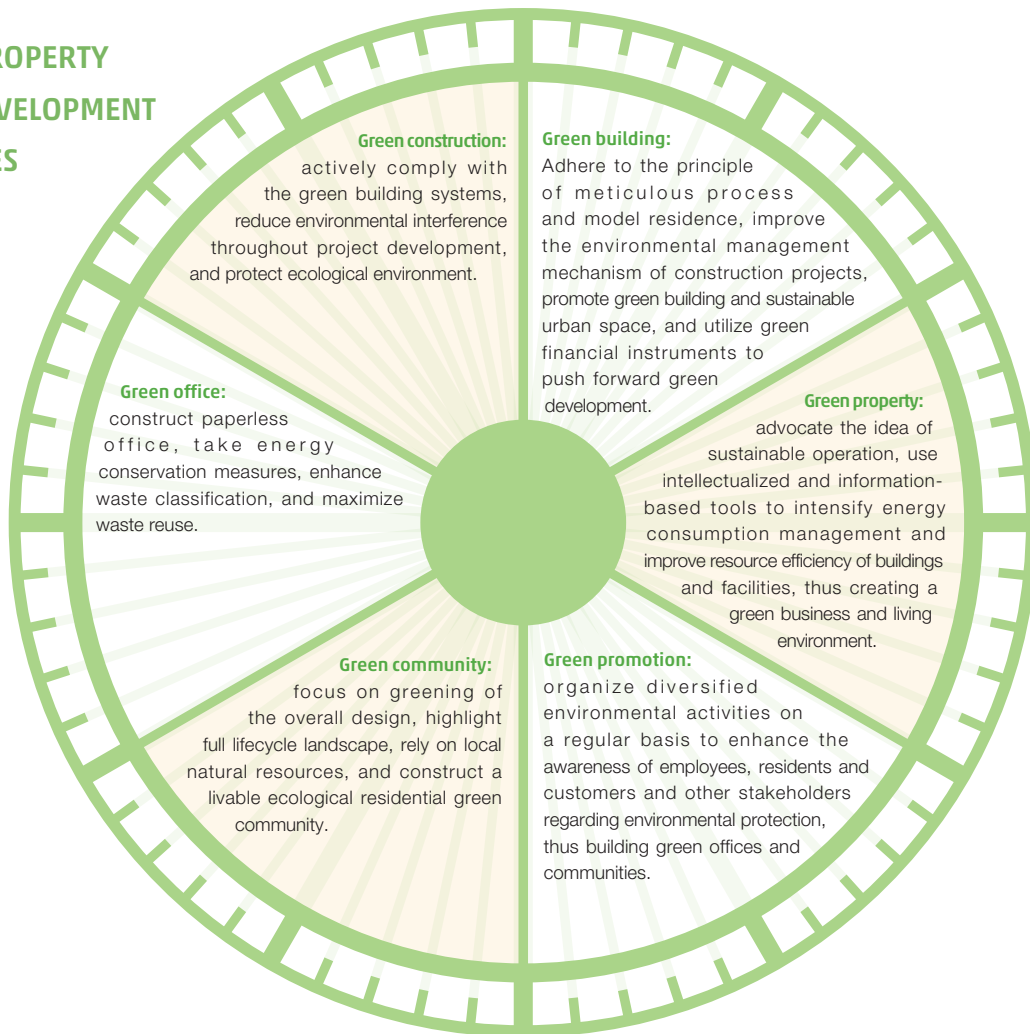
Total Score 8.77



Tackling climate change

## 08 / COMMUNION BUILDING AND GREEN DEVELOPMENT

### YUEXIU PROPERTY GREEN DEVELOPMENT STRATEGIES



### 8.1. GREEN BUILDING

Yuexiu Property has been practicing the development philosophy of “Intelligent, Green, and Low-carbon”, applying green building standards for all the construction projects such as residential, office and commercial, and continuously promoting the construction of green buildings in improving the systems, enhancing management, updating technologies and other aspects.

In terms of systems, Yuexiu Property issues the Green Building White Paper, designs and constructs green buildings with reference to the National Guidelines for Design of 1 and 2-Star Green Buildings, the Management Measures for 1 and 2-Star Green Building Identification Logo (For Trial Implementation) and the Detailed Rules for Implementation of Green Building Identification Logo (Revised for Trial Implementation). Regional branches in Central China, Eastern China, Western Region of Greater Bay Area and others further respond to the call of the Company, to incorporate the green building technology in Technical Standards for Residential Projects of Regional Companies, and promote the construction of green buildings.



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In terms of management, Yuexiu Property has improved Detailed Rules for Management of Green Building Construction Projects, classifies and manages projects based on project materiality or green building standards, imposes full lifecycle project control from project design to operation, and strictly implements green building standards.

In 2019, Yuexiu Property made efforts to promote green building certification, obtained 7 green building certifications with a total certified floor area of approximately 597,203.61 m<sup>2</sup>.



**7** green building  
certifications

**597,203.61** m<sup>2</sup>  
total certified floor area

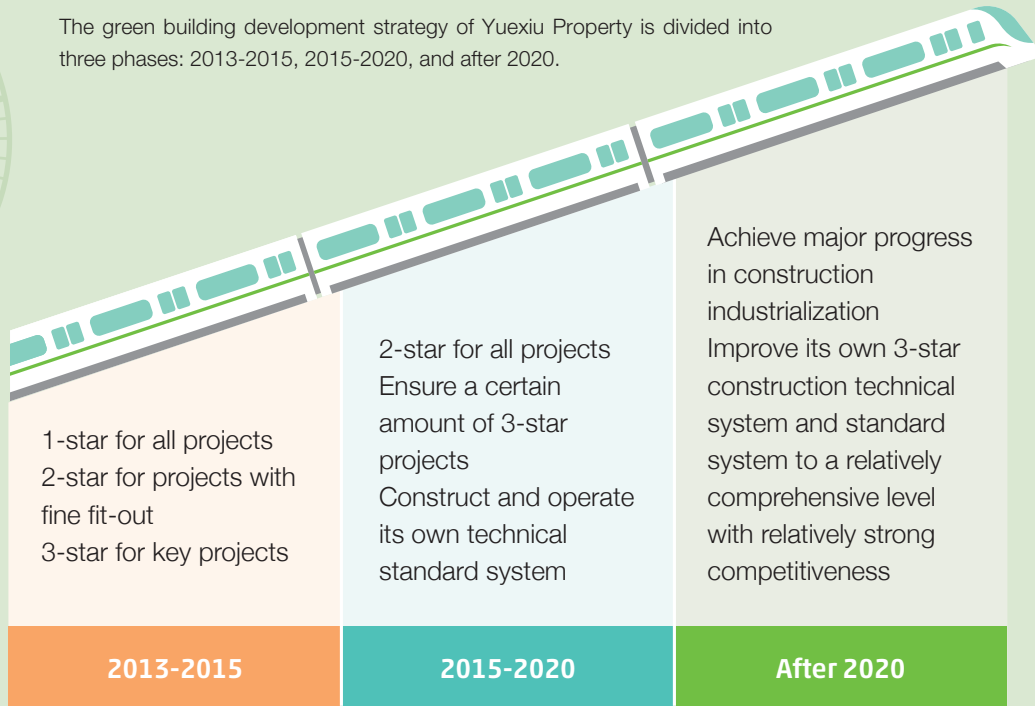
**Key projects of Yuexiu Property that obtained green building certification in 2019**

Project Type	Project Name	Level of Certification	Year of Certification	Area of Certification (m <sup>2</sup> )
Commercial property	Kindergarten G2# of Phase IX of Nansha Binhai Garden (Commercial and residential)	International 3-Star	2019	2,873.41
Commercial property	Commercial office building 1-3 and 1-4 of Zone 7-1, Phase VII of Nansha Binhai Garden	International 2-Star	2019	91,279.01
Commercial property	Guangzhou Yuexiu International Congress Center	International 1-Star	2019	131,296.8
Commercial property	Commercial office building project (Building 1#-5# of Plot AH050201)	International 2-Star	2019	190,790.8
Residential property	Building 1#, 5#-7# of Phase XI, Nansha Binhai Garden	International 2-Star	2019	60,585.29
Residential property	Building 2#-4# of Phase XI, Nansha Binhai Garden	International 1-Star	2019	62,937.37
Residential property	Project of Phase XI, Nansha Binhai Garden (Building 8#-11# and basement project D2#)	International 1-Star	2019	57,440.93

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**GREEN BUILDING DEVELOPMENT STRATEGY**

The green building development strategy of Yuexiu Property is divided into three phases: 2013-2015, 2015-2020, and after 2020.



**GREEN BUILDING CERTIFICATION OF NANSHA BINHAI GARDEN (COMMERCIAL)**

Phase III of Nansha Binhai Garden obtained National 3-Star Green Building certification, and implemented the concept of green building in design regarding energy conservation, water conservation, environment protection and other aspects.

- 1) Adopt a multi-layer greening system including arbors, shrubs and grass-planting blocks, select plants suitable for local climate and soil conditions for roof greening, to create a good thermal environment.
- 2) Use high-efficiency light sources, high-efficiency lamps and take energy-saving control measures in public spaces, and encourage installation of stair and corridors lights with energy-saving switches, to reduce lighting energy consumption.
- 3) Use water-saving appliances with water use efficiency of Grade I, to effectively save water resources.
- 4) Reasonably select structures and materials of exterior walls, external windows and floor slabs. Design enclosed structure with airborne sound insulation in conformity with relevant standards and requirements, to reduce indoor background noise level.
- 5) Apply water permeable bricks for 69.5% hard pavement. Design green spaces as concave green spaces to effectively relieve rain and flood.

### 8.1.1. Industrialized Construction of Residential Buildings

Residential property industrialization can effectively improve production efficiency and overall quality, reduce building energy consumption, and also reduce energy and resource consumption of traditional buildings. Yuexiu Property actively practiced residential property industrialization, and developed the Site Standardization Construction System (SSCS). The practice features “high-accuracy” and “whole-process-alternated”, which can avoid unnecessary consumption and rework, thus significantly improving the construction efficiency. In 2019, SSCS system was comprehensively applied in all projects, representing a milestone of green development of Yuexiu Property.

#### SITE STANDARDIZATION CONSTRUCTION SYSTEM (SSCS)

The Site Standardization Construction System (SSCS) is a “systematic construction system”, which is better, faster and more economically (reduce the comprehensive cost) and can improve quality, improve efficiency and reduce labor. Through reasonably adjusting the schedule of sub-divisional works, it speeds up the working face handover of the previous process, makes individual process advance in parallel or serial, optimizes and reduces the process, shortens the alternating time, so as to improve the efficiency and quality, thus reducing the comprehensive cost. Yuexiu Property’s SSCS system focuses on “whole process-alternated” construction management with three core techniques and five main supporting techniques.

**Three core techniques:** aluminum mold board, whole cast-in-situ external wall, and fine-built internal wall.

**Five main supporting techniques:** whole-steel intelligent climbing scaffolding, post-formed and small PC board, accurate embedment of water and electricity facilities, integration of permanent and temporary fire facilities, and floor water interception system.

### 8.1.2. Green Construction Practices

Yuexiu Property constructs projects in strict accordance with the Guangzhou City Construction and Development Co., Ltd. Detailed Rules for Civilized Construction Management, the Yuexiu Property Standardization Atlas for Safe and Civilized Construction (for Trial Implementation), the Yuexiu Property Standardization Atlas for Safe and Civilized Construction, clearly stipulate “conservation of four aspects and one goal”, energy conservation, land conservation, water conservation, material conservation and goal of environmental during construction process.

In 2019, Yuexiu Property strictly abided by laws, regulations and local systems, actively cooperated with the government in inspection and supervision, and strictly implemented the requirements of environmental impact assessment in all aspects. There were no environmental pollution accidents or accidents with significant adverse impacts on the environment or natural resources.

## 08 / COMMUNION BUILDING AND GREEN DEVELOPMENT



### Land management on construction sites

It reasonably arranges and plans the construction layout of the site, establishes the underground storage warehouse, and reasonably classifies and stores construction materials into the warehouse, so as to reduce the occupied land.



### Water resources management on construction sites

It uses full-automatic mechanical equipment to replace the original manual cleaning, and applies sewage recovery and treatment equipment, to reuse waste water directly discharged from the construction site while reducing the water consumption for cleaning, so as to reduce sewage discharge.



### Consumables management on construction sites

It purchases reusable construction materials such as enclosure and covering materials, strictly regulates the use of steel, wood, concrete and other materials on the site, and strengthens supervision and management, so as to reduce the quota loss rate. Also, it applies new construction technologies, such as straight thread connection technology of steel bars, and electroslag pressure welding technology, to reduce waste of construction consumables.



### Dust management on construction sites

In order to control the dust pollution caused by the construction, the following six “100%” dust control measures are taken:

100%

enclosure of  
construction site

100%

covering of  
stacked materials

100%

washing of  
inbound/outbound  
vehicles

100%

confined muck  
transportation

100%

hardening of  
construction site  
ground

100%

wet working  
method on  
demolition site



### Environmental monitoring on construction sites

With noise sensors, PM2.5, PM10 and smoke and dust sensors installed, they monitor possible environmental pollution during the construction and the team promptly takes measures to reduce the impact on the surrounding communities.

### HOLDING MEETING OF CONSTRUCTION SITE DUST PREVENTION AND CONTROL OBSERVATION

On 29<sup>th</sup> October, 2019, the opening ceremony of dust prevention and control observation meeting of the Qingdao construction site was successfully held at the Magnificent Bay Project site of Yuexiu Property. Observers carried out all-round observation and study from implementation standard of dust prevention and control, new technology and equipment of dust pollution prevention and control, comprehensive control of inbound/outbound construction waste transport vehicles, dust control AI platform of “intelligent site”, dust control measures and other aspects. The standardized dust control of the project was highly recognized by observers.

#### 8.1.3. Biodiversity Protection

Biodiversity protection is a significant action to maintain ecological balance and promote the harmonious development of man and nature. In strict accordance with the Environmental Impact Assessment Law of the People’s Republic of China, Yuexiu Property carries out environmental assessment in the early stage of a project to analyze, predict and evaluate the possible damage to the ecosystem and biodiversity caused by the project. In the process of landscaping for commercial and residential projects, through enriching the species of green plants, we use local native plants, optimize the combination of natural elements such as sunlight, soil and water, provide habitats for birds and insects, and strive to maintain the biodiversity of the project and its surroundings.

In 2019, there was no case of adverse impact on biodiversity by Yuexiu Property.

#### 8.2. GREEN OPERATION

In order to further implement the green idea, Yuexiu Property optimizes the operation measures of environmental protection, and builds a low-carbon green community

through multi-dimensional measures such as green initiatives, energy conservation and emission reduction transformation, and resources conservation.

In 2019, Yuexiu Property and its subsidiaries continued to comply with the Management Procedures of Environmental Protection, further the Management Regulations on Waste Classification and the Management Regulations on Waste, and specified requirements for waste disposal. Yuexiu Service of Yuexiu Property complies with the Management Procedures of Environmental and Health Safety Monitoring and the Environmental Factor Identification and Evaluation Management Procedures to identify the impact of pollutants such as waste gas, waste water, wastes and noise on the environment in a timely manner, so as to avoid potential environmental hazards as much as possible.

Through a series of measures during the project construction and later operation, Yuexiu Property integrates the idea of green and low-carbon into the development of the company and effectively reduces carbon emissions. In 2019, we emitted **79,022.40 tons** of greenhouse gas.

## 08 / COMMUNION BUILDING AND GREEN DEVELOPMENT

### GREENHOUSE GAS EMISSIONS AND DENSITY

GREENHOUSE GAS EMISSIONS	2019 (Ton)	2018 (Ton)	2017 (Ton)
SCOPE 1 <sup>1</sup> GREENHOUSE GAS EMISSIONS	2,631.45	2,318.42	4,025.65
SCOPE 2 <sup>2</sup> GREENHOUSE GAS EMISSIONS	76,390.95	51,398.86	49,288.25
TOTAL GREENHOUSE GAS EMISSIONS	79,022.40	53,717.28	53,313.90
EMISSION DENSITY (TON/PERSON)	7.82	6.56	5.88
EMISSION DENSITY (TON/RMB 1,000,000 REVENUE)	2.06	2.03	2.24
EMISSION DENSITY (TON/10,000 M <sup>2</sup> )	33.11	27.68	29.11

#### 8.2.1. Renovation towards Energy Conservation

The main energy consumption of Yuexiu Property is electricity. In order to improve energy efficiency, Yuexiu Service of Yuexiu Property promotes energy-saving transformation by reforming lighting equipment and introducing new environmental protection equipment to reduce overall energy consumption. In 2019, our integrated energy consumption was **6,066,296.81MWH**.

### ENERGY CONSUMPTION OF YUEXIU PROPERTY IN 2019

	Total consumption	Density (Per person)	Density (Per RMB 1,000,000 Revenue)	Density (Per 10,000M <sup>2</sup> )
GASOLINE (LITRES)	433,220.23	42.89	11.30	181.49
DIESEL (LITRES)	30,287.15	3.00	0.79	12.69
NATURAL GAS (M <sup>3</sup> )	641,876.45	63.55	16.74	268.91
PIPELINE GAS (M <sup>3</sup> )	97,899.80	9.69	2.55	41.01
CANNED LIQUEFIED PETROLEUM GAS (KG)	30,424.00	3.01	0.79	12.75
ELECTRICITY CONSUMPTION (MWH)	89,392.94	8.85	2.33	37.45
<b>TOTAL ENERGY CONSUMPTION (MWH)</b>	<b>6,066,296.81</b>	<b>600.62</b>	<b>158.23</b>	<b>2,541.39</b>

<sup>1</sup> According to the ISO 14064 GHG inventory standards, GHG emissions category I refers to direct greenhouse gas emissions, particularly direct emission sources owned and controlled by the organization, such as emissions from its own vehicles.

<sup>2</sup> According to the ISO 14064 GHG inventory standards, GHG emissions category II refers to indirect energy emission sources, such as indirect greenhouse gas emissions caused by the purchase of electricity.

### WON THE 2019 CARBON EMISSION CHALLENGE AWARD FROM THE USGBC

Yuexiu Financial Tower has continued to fulfill its social responsibility of energy conservation and consumption reduction, implemented the concept of green and environmentally friendly operation, and actively taken energy conservation measures such as setting up elevator power feedback devices and replacing LED lights and radar induction lamps. During January-October 2019, **the energy consumption was reduced by 799,193 KWh** year-on-year, saving about 3,196.77 million kg of standard coal, and reducing pollution emissions by 206,458 kg of carbon dust, 796,973 kg of carbon dioxide, 23,975 kg of sulfur dioxide and 11,987 kg of nitrogen oxides. The energy conservation and emission reduction practice of Yuexiu Financial Tower have been recognized by the U.S. Green Building Committee (USGBC).

### WASTE RECYCLING

In order to reduce the solid waste of secondary decoration, the management service center of Yuexiu Financial Tower requires decoration companies to classify the waste and process recyclable waste (such as keels) recycled by special companies. About 1,200 kg of secondary decoration waste is reduced every year.



about **1,200** kg  
of secondary decoration waste  
is reduced every year



#### 8.2.2. Renovation towards Water Conservation

Protecting and saving water resources is Yuexiu Property's consistent initiative. Through technical, administrative and economic management measures such as water-saving design in the early stage of the project, setting up water-saving facilities, focusing on rainwater collection and reuse of reclaimed water, publicizing and promoting water-saving awareness, the waste of water resources has been effectively reduced and the utilization efficiency of water resources has been improved.

In 2019, Yuexiu Property's water consumption was **3,735,810.17 cubic meters**.

#### WATER CONSUMPTION OF YUEXIU PROPERTY

	Year 2019	Year 2018	Year 2017
TOTAL WATER CONSUMPTION (M <sup>3</sup> )	3,735,810.17	1,992,817.17	2,805,950.55
WATER CONSUMPTION INTENSITY (PER PERSON)	369.88	243.32	309.30
WATER CONSUMPTION INTENSITY (PER RMB1,000,000 REVENUE)	97.44	75.39	117.93
WATER CONSUMPTION INTENSITY (PER 10,000M <sup>2</sup> )	1,565.07	1,026.69	1,532.14

## 08 / COMMUNION BUILDING AND GREEN DEVELOPMENT

### MEASURES FOR WATER SAVING BY YUEXIU FINANCIAL TOWER OF YUEXIU PROPERTY

Yuexiu Financial Tower has taken water-saving measures to improve the utilization rate of water resources and reduce water waste. The main measures include:

- 1) **Adjusting the flow rate of water at the outlet:** by adjusting the flow rate of water at the outlet, waste caused by flow rate being too fast of water at the outlet can be avoided. The use effect would not be affected while about 2% of the water consumption in this area or throughout the year was saved.
- 2) **Recycling air conditioning condensate:** We collect air conditioning condensate and use it for recycling such as plant watering to save water.
- 3) **Controlling the water consumption for cleaning tank and basin:** We strictly control and stipulate the water consumption for cleaning water tank and basin to avoid the waste of water resources caused by cleaning.

#### 8.2.3. Utilization of Resources

Yuexiu Property strictly controls waste management in operation processes. For different types of wastes, we strictly carry out recovery and treatment in accordance with relevant government regulations, including classified storage, discharge after treatment, renewable solid waste recovery and disposal of hazardous waste by a third party, for the purpose of waste reduction, innocuity and recycling.

In response to the national requirements for waste classification, Yuexiu Property and its subsidiaries classify wastes and have made good achievements. Yuexiu Property has made due contributions to the construction of a resource-saving and environment-friendly society through waste classification and recycling.

### CENTRAL REGION OF GREATER BAY AREA OF YUEXIU PROPERTY RECYCLES CONSTRUCTION WASTE

Yuexiu Property (Central Region of Great Bay Area), adhering to the concept of environmental protection, has always adhered to the principle of recycling waste during the development and construction of the project, requiring the construction contractor to transport waste steel bars and bricks to the waste recycling station after dismantling old buildings. About 550 tons of construction waste was transported to recycling stations totally this year. In addition, for cutting foundation pits, Yuexiu Property (Central Region of Great Bay Area) made full use of the earth of the project, requiring the construction contractor to place the excavated earth in the open space for reuse in backfilling, so as to reduce pollutants. The earth recycled in year is about 25,000 m<sup>3</sup>.



**550** tons of construction waste was recycled

about **25,000** m<sup>3</sup> earth recycled



### GUANGZHOU YUEXIU COMMERCIAL REAL ESTATE INVESTMENT & MANAGEMENT CO., LTD. LAUNCHES HARMLESS WASTE RECOVERY

Hangzhou Marriott Hotel Linan of Yuexiu Property takes waste recycling measures. In the process of property management, we attached importance to harmless waste recovery and recycling, and actively practice the concept of green operation. In 2019, we recycled 10,429.5 kg of cardboard, 5,800 cans and 32,458 plastic bottles.



In 2019, Hangzhou Marriott Hotel Linan recycled about

**10,429.5** kg of cardboard

**5,800** cans

**32,458** plastic bottles



## 08 / COMMUNION BUILDING AND GREEN DEVELOPMENT

### WASTE CLASSIFICATION

In Yuexiu Starry Garden Community, Starry Garden service center has established a waste classification supervision and management system, a waste classification organization and leadership structure, a waste classification specification and a waste classification incentive system, and the community has been listed as “waste classification demonstration community” by the government. In addition, a set of “92 recycling” bins has been provided at the north gate of Yuexiu Starry Garden Community to recycle fabrics, paper and harmful waste, which not only solves the problem of recycling the used clothes from households, but also promotes the reuse of resources. Cartoon figure billboards for classification in four colors have been set in the community to guide households to acquire knowledge of waste classification.



Billboards for Waste Classification in Yuexiu Starry Garden Community

### 8.3. GREEN OFFICE

In addition to development and operation of its own projects, Yuexiu Property has also regularly focused on the resource utilization and energy consumption at its own offices, and regularly adhered to the philosophy of “Green Office”, and endeavored to create a green workplace. We strictly follow the Yuexiu Property Office Area Administration Guidelines and other rules and regulations, and advocate low-carbon office by defining the standards of energy conservation and consumption reduction in office areas.

We actively promote paperless office and online office systems, promote the use of OA office systems and video conferencing, to reduce paper waste and use of conference rooms. Furthermore, we promote green travel by reducing staff travels and encouraging the use of new energy vehicles. We actively integrate the concept of green environmental protection into our business development and daily work, and make contributions to building a conservation-oriented and environment-friendly society.

### REDUCING THE WASTE

Toner cartridges of the printers used by Central Region of Greater Bay Area of Yuexiu Property are refilled with toner powder repeatedly, to reduce the generation of primary consumables. Usage was reduced by about 10 toner cartridges throughout the year.

In addition, Yuexiu Property (Central China) has set up a waste paper recycling area in the printing room, encouraging staff to put used printing paper in the recycling area, and reusing them as scratch paper and for attaching invoice documents, etc., to reduce the paper use to a certain extent.

### LAUNCH "REPLACEMENT - WORLD EARTH DAY" ACTIVITY

From 22nd to 23rd April, 2019, Guangzhou International Financial Center of Yuexiu Property launched the "replacement" green environmental protection activity on World Earth Day. Through free exchange for green plants, the public was encouraged to collect and recycle used batteries, used beverage bottles, and recyclable office waste. The Company helped in the "World Earth Day" activity and protected the environment with its practical actions.



## 8.4. TACKLING CLIMATE CHANGE

Yuexiu Property pays close attention to the impact of climate change on company development. As for management, we have raised the attention of managers and leaders to climate change and incorporated climate change considerations into important meetings and key decisions. As for products and services, we reduce the risk of climate change by taking measures to deal with climate change into the design scheme. As for enterprise development, we actively explore the economic opportunities and challenges that climate change may bring to the company and seek new economic models that can adapt to climate change. In addition, Yuexiu Property gives priority to high-quality projects with high resource efficiency and climate adaptability when designing and planning new projects while maintaining the existing environmental management policies.

### DESIGN OF YUEXIU FINANCIAL TOWER IN RESPONSE TO CLIMATE CHANGE

Yuexiu Financial Tower uses high-efficiency cold and heat source equipment, total heat recovery fresh air system, solar thermal technology, adjustable external sunshades, rainwater recycling and light pipe lighting technology and other green building technologies, to automatically adjust indoor environment such as temperature, humidity, air quality and illuminating brightness, reduce the impact of climate change and provide intelligent and comfortable living experience.

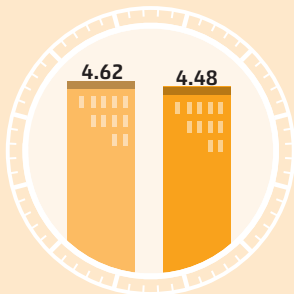
# 09

## FULL-HEARTED COMMITMENT AND SINCERE SERVICE

Yuexiu Property adheres to the concept of "customer-orientation" and always puts the needs of customers at first place. We concurrently provide high-quality products and considerate services to every customer. We attach importance to the information security of our customers, provide diversified communication channels, listen attentively and respond to their demands earnestly, and strive to maintain a harmonious relationship with our customers.

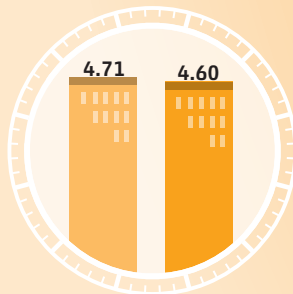
ESG issues and their materiality in this Chapter:

Total Score 9.10



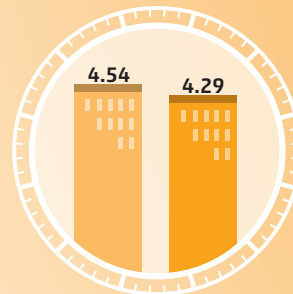
Product and service quality

Total Score 9.31



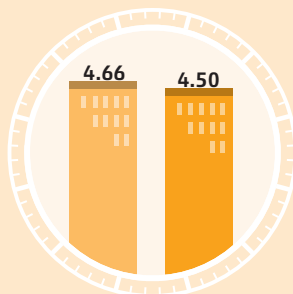
Customer complaint handling

Total Score 8.83



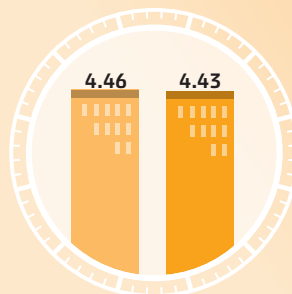
Protection of intellectual property rights

Total Score 9.16



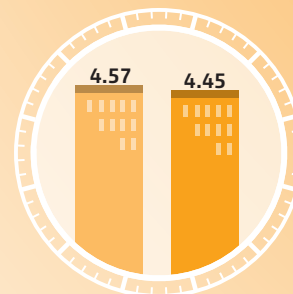
Consumer privacy

Total Score 8.89



Anti-unfair competition

Total Score 9.02



Reasonable marketing and promotion

Materiality to the Group  
Materiality to stakeholders



## 09 / FULL-HEARTED COMMITMENT AND SINCERE SERVICE

### 9.1. PROTECTION OF CONSUMER RIGHTS AND INTERESTS

Yuexiu Property protects consumers' rights and interests during product sales process and service delivery.

#### 9.1.1. Responsible Marketing

Yuexiu Property strictly abides by the Measures for Regulating the Sales of Commercial Houses, provides relevant project information to customers in the process of product marketing and promotion, ensures that the information conveyed in the sales process is true, complete, scientific and accurate to protect consumers' rights to be informed.

Yuexiu Property puts emphasis on its service quality by dispatching employees as "secret customers" for satisfaction survey and comprehensive appraisal of services, so as to fully understand customer's actual demand. In 2019, Yuexiu Property (Central China) issued two systems, namely Site Opening Management Measures and Early Referral Guidance, to sort out the design scheme before the production of products, to rectify the design defects that affect the functions in advance, and to find and rectify the defects of the prototype products during production. We actively provide products that meet customer needs and effectively fulfill product value and customer expectations.

In 2019, Yuexiu Property did not receive any complaints or legal proceedings about misleading or deceiving consumers by publicity.

#### 9.1.2. Information Security

Yuexiu Property strictly abides by the provisions of the Law of the People's Republic of China on Protection of Consumer Rights and Interests and strictly implements internal regulations such as the Mobile Case Manager Management Standards (Provisional), clarifying the customer information management responsibilities, access permission and work processes of staff in various positions, ensuring the information security of customers in all aspects and reducing the risk of leakage and loss of personal information of customers. In addition, in accordance with the Guidelines on Customer Contact Management During the After-Sales Service Phase, we regulate the Guidelines

on Customer Contact Management During the After-Sales Service Phase, user access rights and the environment in which customer information is dealt with, prevent illegal use and dissemination of customer information, provide customers with a full-process guarantee from marketing consultation to delivery to strictly controlling the risks of contract performance, and provide customers with valuable services.

In 2019, Yuexiu Property did not receive complaint or has not been involved in legal proceedings for violation of consumer data and privacy protection regulations and loss of consumer data.

### STRICT ENFORCEMENT OF VISITOR REGISTRATION

Yuexiu Financial Tower of Yuexiu Property uses a man-machine joint defense mode. Visitors are required to register with valid identification documents in the lobby and show visitor cards to pass through the gate system. Also, after the visitors arrive at the corresponding floor by elevator, the staff of the company must start the access control system before they can enter the company to maintain the safety of customer information.



## 9.2. COMMUNICATION FROM THE HEART

Yuexiu Property has been listening attentively to customers and carefully considering their suggestions. We adhere to customer orientation, meet customers' needs, solve customers' worries and "create a better life" for customers.

### 9.2.1. Respond to Customer Demands

Yuexiu Property actively handles customer complaints. We established the Detailed Provisions on Customer Complaint Management, Customer Complaint Handling Procedure and other relevant regulations, and maintained close connection with the Housing Bureau, the Commercial Bureau and other governmental departments, and connected to the 12345 Hotline for timely handling of external complaints. In addition, we have established a variety of complaint management systems as needed to handle customer complaints in a targeted manner.

In 2019, Yuexiu Property received a total of 6,090 customer complaints, and actively responded to and handle them.

In 2019, Western Region of Greater Bay Area of Yuexiu Property compiled and revised customer service systems such as Enjoy + Service System of Western Region of Greater Bay Area to regulate the service process. At the same time, Western Region of Greater Bay Area has formulated the Defect Manual for Western Region of Greater Bay Area to clarify common problems in the fields of design, quality, delivery, complaints, customer sensitive points, etc., to promote all business departments to improve customer life cycle management in a targeted manner and to consolidate the relation with the customers.

## CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM UPGRADE

Yuexiu Property attached great importance to effective communication with customers. In March 2019, the original CRM system was optimized and upgraded, and the delivery module and the sales module were connected. The sales system can show customer delivery information in the after-sales service sector, and display the progress of customer complaint handling and maintenance processing, effectively ensuring the accuracy and efficiency of customer's demand information.

## PROVISION OF COMPREHENSIVE SERVICE

Hangzhou Marriott Hotel Linan of Yuexiu Property has improved its service quality through various measures:

- Reduce and manage the customer complaints by regulating quality of services and products according to LSOP and P&P
- Establish a fast and effective customer complaint response mechanism, and set up a dedicated customer complaint handling position, the guest service manager
- Provide a one-stop solution for all customers, relying on the Marriott Group membership platform and Marriott Bonvy's exclusive ambassador team for elite membership
- Improve customer communication and feedback mechanisms, relying on Marriott Group's global advanced Guest Voice project platform

As at December 2019, Hangzhou Marriott Hotel Linan scored 82 on the Guest Voice platform, ranking the third among 83 Marriott brand hotels in Asia Pacific and the first in China.



scored **82**  
on the Guest Voice  
platform

## 09 / FULL-HEARTED COMMITMENT AND SINCERE SERVICE

### ORGANIZATION OF LARGE-SCALE "SPRING BREEZE ACTION" EVENT FOR OWNERS

In 2019, Yuexiu Property (Central China) organized a large-scale "Spring Breeze Action" event for owners, helping them solve more than **2,000 problems** accumulated from the past, and more than **13,000 problems** caused by the upgrading or replacement of widgets. In addition, in 2019, Yuexiu Property (Central China) followed up on the feedback from the owners and obtained **83 scores** in satisfaction of the owners throughout the year.

### 9.2.2. Diverse Communication Channels

In order to create a more diversified, open and convenient communication channel, Yuexiu Property has established a club member platform - Yuexiu Club, organized regional branches to establish and maintain WeChat public accounts, and set WeChat groups to receive information and handle affairs in a timely manner. We actively provide customers with multiple, personalized and highly convenient communication channels to maintain efficient and smooth communication with customers.

### EQUIPMENT ROOM OPEN DAY

Yuexiu Property's Foshan Lingnan Courtyard Service Center held "Equipment Room Open Day". Through the activities, the owners could understand the daily management of equipment, demonstrate the fine management of Yuexiu Service, and enhance the owners' trust in the property management.





### OWNERS MEETING

In September 2019, Yuexiu Service in Pearl River Delta, a subsidiary of Yuexiu Property, organized out the “Owners Meeting” for Zhongshan Stary Winking and other projects. The project leader led the staff to listen to the real opinions and feedback from the owners in person, and set up a special reception area at the site to directly deal with the problems of visiting owners.



## 9.3. BUILDING A HARMONIOUS COMMUNITY

Yuexiu Property strives to promote harmonious relations in the community and has established a “TOUCH” service system to provide comfortable services to customers in the whole process of house selection, purchase, waiting, handover and occupation. Also, we have built a “LIFE” service system to provide high-quality property services to customers, and many projects have won the affirmation of property management awards. We take the initiative to care for customers, promote community integration and create a better life to the owners.

### 9.3.1. Customer Care

Yuexiu Property has always adhered to the concept of “serving customers and caring for customers”, paid attention to customer experience and provided attentive and convenient services to customers. In 2019, Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Ltd, a subsidiary of Yuexiu Property, launched the annual celebration and opening celebration of merchants. Yuexiu Service, based on the concept of “providing fun for the young and security for the elderly”, provides home care for owners in difficulty, loving care for the elderly, a children’s playground for children, so that customers can enjoy sincere care.

### CARE FOR SENIOR OWNERS

On 7th October, 2019, Double Ninth Festival, Yuexiu Service Pearl River Delta launched a “Care for the Elderly Living Alone” event. Service center staff visited the elderly persons living alone in the community to give gifts for Double Ninth Festival, help to repair lines, visual walkie-talkies, etc., so that they can feel the kindness and support from the community property and increase the loyalty and retention of the owners.



## 09 / FULL-HEARTED COMMITMENT AND SINCERE SERVICE

### PROVISION OF CONSIDERATE SERVICE FOR CUSTOMERS

Yuexiu Property's Foshan Paradise Power Service Center opened a green channel for new couples to pick up their brides, and sent gifts, decorations and blessings for the owners.



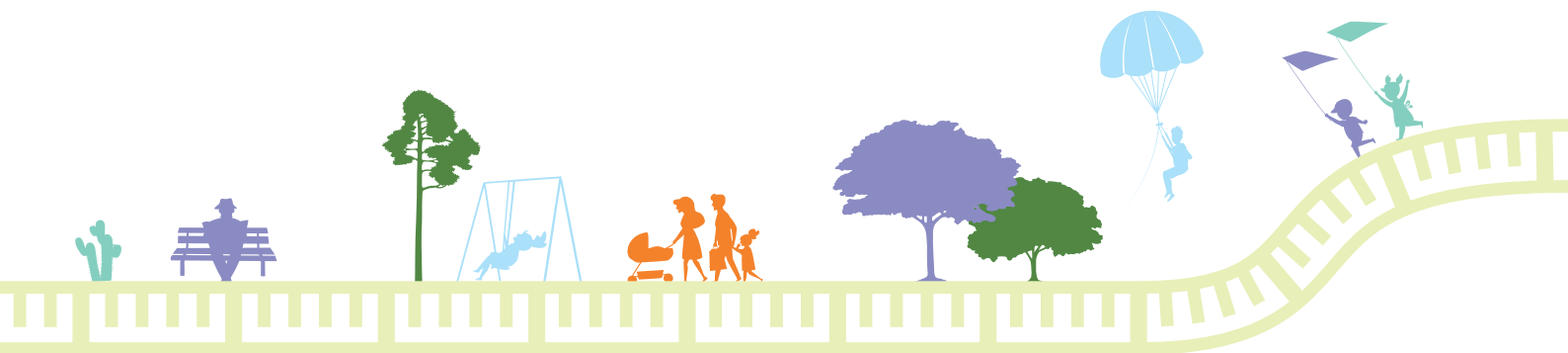
### HOLDING THE CHILDREN'S DAY ACTIVITY OF "YUEXIU FINANCIAL TIME MACHINE"

On 1st June, 2019, Yuexiu Financial Tower of Yuexiu Property launched the "Yuexiu Financial Time Machine", organizing a variety of fun activities including Tetris, Angry Birds, and Rolling Hoop to lead customers "back to childhood", with 2,000 person-times in participation.



#### 9.3.2. Community Communion

In order to create a harmonious community, Yuexiu Property has thoroughly understood the characteristics of community residents, integrated the needs of the community, and launched a series of characteristic community activities that meet the needs of customers of all ages, increasing diversity of community activities, and promoting participation of residents and communion of emotions, thus enriching the life of the community.



09 /  
FULL-HEARTED COMMITMENT  
AND SINCERE SERVICE

### FREE CLINICS

On 24th July, 2019, the subsidiary of Yuexiu Property in Greater Bay Area and Zhujiang Hospital of Southern Medical University jointly organized large-scale free clinics event at Yuexiu Financial Tower. We arranged 10 experienced medical experts to the site. We also conducted a special training on cardiopulmonary resuscitation, under the guidance of professional nurses who have obtained international rescue certificates, and conducted anthropometric dummy practices and exercises, to ensure that the participants acquire the correct rescue skills.

### A SERIES OF ACTIVITIES FOR THE CONVENIENCE OF OWNERS

In order to improve customer satisfaction and build a good relationship with the owners, Yuexiu Service Pearl River Delta has successively provided convenience services such as free haircuts, charity sale and maintenance of home appliances. In 2019, a **total of 8 convenience services events** were provided, with **over 2,000 participants**. We attach importance to every matter of the owners, so that the owners can enjoy convenient and intimate service at home.



**8** convenience services  
events were provided  
with over **2,000** participants



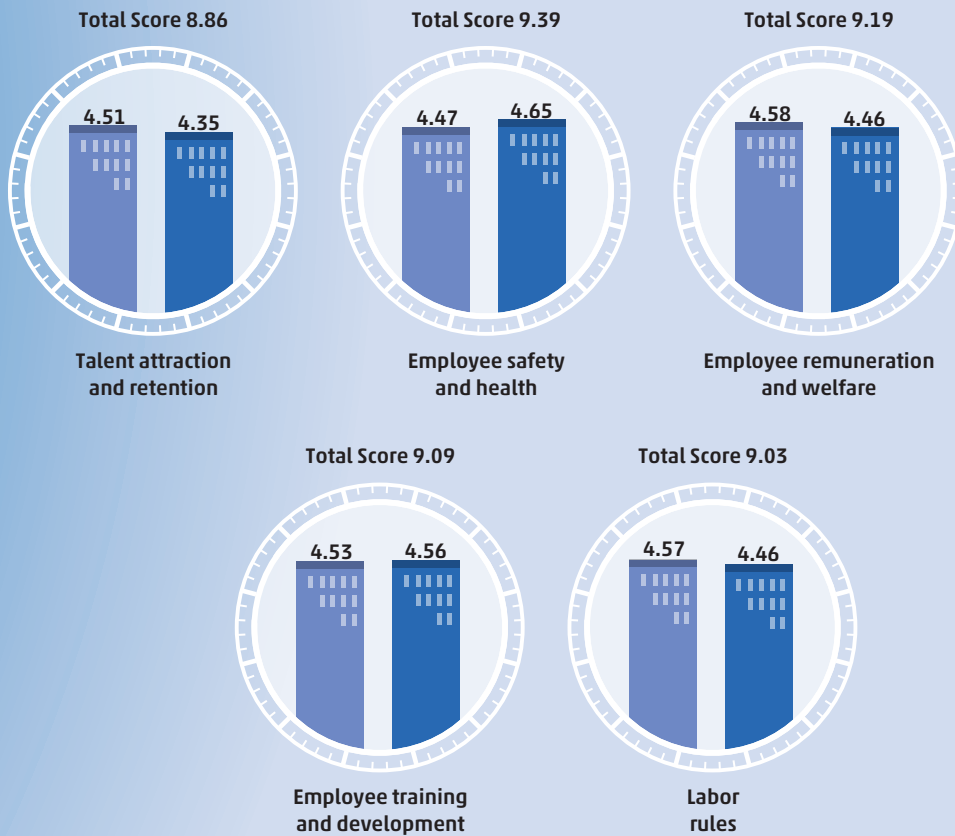


# 10

## PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

Yuexiu Property takes excellent talents as the foundation for its sustainable development, and continues to optimize and improve the human resources management system, adheres to the principle of fair and open recruitment, pays close attention to and protects the legitimate rights and interests of employees, creates a healthy and safe working environment, provides a good platform for career development of employees, and creates an open, efficient and harmonious team.

ESG issues and their materiality in this Chapter:

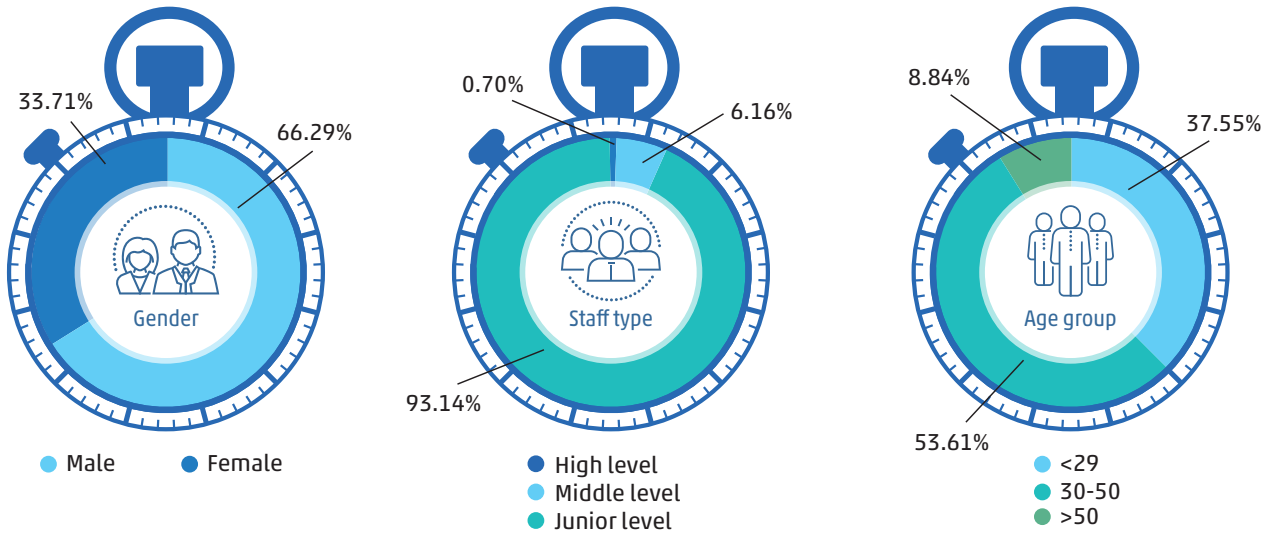


■ Materiality to the Group

■ Materiality to stakeholders

# 10 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

## 10.1. HUMAN RESOURCES OVERVIEW



Adhering to the talent concept of “People Orientation”, Yuexiu Property strictly abides by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, and the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, and has released systematic internal human resources regulations such as the Yuexiu Property Compensation Management Standards, the Management Measures of Reserved Talent Cultivation, and the Safe Production Accountability Regulations. These cover anti-discrimination,

child labor and forced labor, health and safety, remuneration and welfare, working time, performance assessment, code of conducts, occupational training and other aspects, to effectively protect the basic rights of employees.

By the end of 2019, the total number of Yuexiu Property employees was **10,100**, of which the percent of female employees was approximately **33.71%**, and the proportion of employees aged 29 and below was approximately **37.55%**.



## 10.2. PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

Yuexiu Property attaches great importance to the basic interests and rights of employees. Yuexiu Property has formulated and issued Yuexiu Property Compensation Management Standards, Yuexiu Property Performance Management Standards, and Yuexiu Property Employee Onboarding and Offboarding Management Guidelines, and other human resources management systems. These systems cover the core activities (such as talent selection, introduction, management, training and development, assessment and exit leave) and protect the legitimate rights and interests of employees in terms of recruitment, remuneration, welfare, promotion, leave, resignation and other aspects.

Yuexiu Property strictly abides by the Universal Declaration of Human Rights and other international standards, understands and respects different cultures, protects the human rights of female, foreigners and the disabled, etc. and strives to create a corporate culture with mutual respect of human rights. Yuexiu Property values human rights in all aspects of enterprise management and daily operation, and encourages and urges suppliers and partners to protect human rights, including freedom of speech, association and collective negotiation. We strengthen the training on human rights for our employees so that they are more aware of their own rights and possible violations of human rights of other employees. We strictly review the protection of human rights of suppliers, and give warnings, impose punishments or even terminate the cooperation agreement in case of relevant violations by suppliers.

In 2019, Yuexiu Property was not involved in lawsuits and violations related to human rights.

### EQUAL EMPLOYMENT OPPORTUNITIES

Yuexiu Property adheres to the principle of equal employment, provides fair and reasonable employment and competition opportunities for employees, and promotes effective cooperation between all employees in a diversified cultural atmosphere. We sign labor contracts with all employees, employment contracts with interns and temporary workers, and sign confidentiality agreements

with them. Employment of child labor and forced labor are prohibited to protect the rights and interests of both parties. When appointing employees and arranging work, we treat all employees equally, instead of differentiating by their gender, age, ethnicity, race, nationality, native place, religion, sexual orientation, political faction, marriage status and other social identities.

In 2019, we were not involved in disputes or legal proceedings on employment discrimination, child labor, forced labor, or any discrimination and inequality in the workplace.

### REMUNERATION AND WELFARE GUARANTEE

Yuexiu Property, in accordance with the principle of marketization, abides by the salary and welfare policies and systems formulated by the state and the Company, provides competitive salary level in the industry, attracts external talents, and emphasizes consideration on fairness, rationality and incentive in the internal welfare treatment.

We build a business partnership platform mechanism integrating “equity incentive + project investment + performance incentive” to form a diversified and long-term incentive mechanism and share profits with employees. Meanwhile, according to the relevant regulations of performance assessment, we give evaluation and feedback on performance of employees, strengthen the linkage between performance and salary level, and give sufficient incentives to employees. Besides the basic “five insurances and one fund” and paid annual leaves, we also purchase commercial insurance for employees, and provide compensation on meals, clothes, accommodation, and transportation to enhance employee’s sense of belonging.

## 10.3. PROMOTE TALENT DEVELOPMENT

Yuexiu Property promotes the career development of employees, provides diversified career development paths for employees, and helps employees achieve all-round development. We strive to provide a fair, just, and open career development platform, issue the Yuexiu Property Job Position Management Standards, the Yuexiu Property Development Subsidiary Post Management Operation Guidelines, the Yuexiu Property Key Talent Development Management Measures (for Trial Implementation), and the

## 10 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

Yuexiu Property Middle and Senior Management Selection and Recruitment Management Measures and other talent management systems, and perfect the talent development systems. Also, we continue to improve the talent training system, stimulate employees' initiative, and improve personal ability in strict accordance with the Training Planning Procedures revised every year and other related training regulations.

### 10.3.1. Promotion paths

Yuexiu Property has formulated complete rules and regulations on talent selection and post management, clearly defining the functional requirements and promotion standard of post and levels for the fresh graduates, employees at basic, medium and high levels, and forged a three-lane career development path of "management + professional skills + marketing". Meanwhile, we have strengthened an internal talent exchanging path, assisted employees to make breakthroughs in career bottlenecks through talent review, engagement surveys, internal open competition for posts, reserve talent training projects, the starry talent development platform and so on, combined with job rotation, title-retained training, title-retained learning, short-term transfer and other internal talent exchanging methods, so as to maximize and optimize

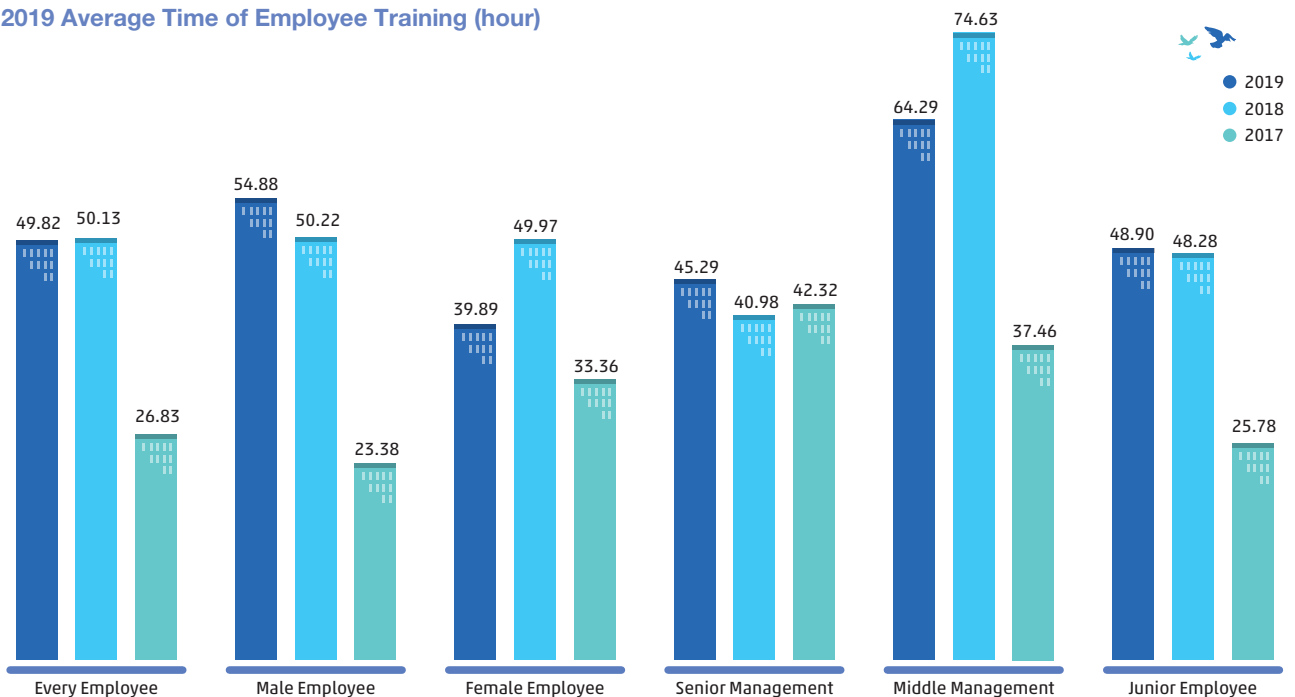
the talent allocation and utilization, and extend the career development space for outstanding talents.

### 10.3.2. Talent Training System

Yuexiu Property firmly believes that the long-term development depends on working skills of employees. We have built a scientific and reasonable talent training system integrating "external and internal trainings" for our employees to enhance their core competitiveness. According to the results of talent review, we have established comprehensive personnel portfolios, updated the development trend of employees in a timely manner, and developed personalized training strategies. We have established an internal lecturer system to inspire employees' enthusiasm, and participation knowledge sharing and enhance the quality of employees. We have also established a professional manager system, nurtured talents specialized in business management and with rich experience in management, to promote the high-quality development of the company.

In 2019, the number of employees trained by Yuexiu Property was **65,077** person-times, and the employees' average training hours were **49.82**. **100%** employees have received training.

### 2019 Average Time of Employee Training (hour)





## YUEXIU PROPERTY TALENT TRAINING SYSTEM

Yuexiu Property talent training system consists of: “Hummingbird Program”, “Sea Swallow Program”, “Swan Program” and “Roc Program”, covering professional skills, business manners, management ability, etc. This training system is designed to pool talents of high calibre, high quality, and high loyalty together, injects fresh blood, and promotes sustainable development.



## YUEXIU PROPERTY'S SWAN PROGRAM

In 2019, we have launched Phase II of Swan Program in an all-round way, organized the general managers of regional reserve and project reserve of Yuexiu Property to carry out the detailed sand table practice drill of full life cycle of commercial property covering 9 sections and 11 modules for two days and one night. The drill covered market research and commercial positioning, architectural conceptual design and preliminary calculation, commercial planning and theme planning, project development scheduling, investment return calculation, marketing promotion and operation, etc. The training program is to train all-round special employees specialized in property industry for Yuexiu Property and reserve talents for core management posts.



## 10 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

### HUMMINGBIRD PROGRAM

On 9th July, 2019, training camp of phase II of the Hummingbird Program for 3 days officially began and 233 fresh graduates of 2019 participated in the training camp. The training was divided into four major parts: "Urban Challenge", "Jointly Building Yuexiu Property Future City", "Themed Guest Sharing Meeting" and "Face-to-face Communication with the Chairman". As for "Jointly Building Yuexiu Property Future City", "little hummingbirds" presented their project planning ideas with investors, to raise funds for 6 projects concerning green housing, TOD project, large-scale business, automobile town, medical and health care town and cultural, commercial and tourism property projects. After 4-hour cooperation, the building models of 6 plots were completed, and finally integrated into a comprehensive sand table model covering an area of 96 m<sup>2</sup>.

In addition, the training camp had "Themed Guest Sharing Meeting" and "Face-to-face Communication with the Chairman." The group management team, trainee representatives of phase I of the Hummingbird Program and other predecessors of Yuexiu Property shared experiences and thoughts with "little hummingbirds", so that graduates could intergrate into the corporate culture as soon as possible.



## 10.4. EMPLOYEE SAFETY AND HEALTH ASSURANCE

Yuexiu Property is dedicated to creating a safe and healthy working environment for employees. Adhering to the management approach of “Putting Safety and Prevention First with Comprehensive Governance”, we have formulated a number of safety management systems, clarified the rules and regulations and operation procedures of work safety, and guaranteed the occupational safety of employees.

In 2019, there was no work injury or work-related casualties in Yuexiu Property.

### 10.4.1. Occupational Health and Safety

Yuexiu Property attaches importance on the occupational safety of employees, and has therefore compiled the Assessment System of Safe Production Accountability Regulations, Occupational Health Management System and other documents to further optimize the occupational safety management system. We have also established a Production Safety Committee, with the General Manager of Yuexiu Property as the Committee Director, the representatives on production safety of the departments and subsidiaries sign Production Safety Responsibility Statement every year, strictly comply with employee work safety regulations, and assess safety knowledge and practical work skill of employees, to guarantee the safety of employees. We organize a series of trainings, publicity and implementation activities for occupational health and safety of employees, provide standardized guidance for work safety, office safety, fire drill and others for employees, to strengthen safety awareness of employees.

In 2019, 530 special workers of Yuexiu Property received the annual training, including “three-level” safety education of 21,266 person-times, special safety training of 60,244 person-times, accident emergency drills of 1,139 times and 37,662 person-times.

## EMERGENCY DRILLS FOR SAFETY ACCIDENTS

On 31st October, 2019, Yuexiu Property Headquarters, together with the Group Headquarters and branch in Central Region of Greater Bay Area, held the safety oath meeting and emergency drill of “falling from height and electric shock” safety accident on the site of Tianhe Business Travel Project. All sectors and subsidiaries of Yuexiu Property appointed management personnel to watch and observe the drill. The live broadcasting of whole process of the drill was available on “Ywork.me” platform of Yuexiu Property, so as to improve the safety awareness of employees.



In 2019,

**530** special operators of Yuexiu Property completed the annual training, including “three-level” safety education of

**21,266** person-times, special safety training of

**60,244** person-times, accident emergency drills

**1,139** times and

**37,662** person-times.

## 10 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

### 10.4.2. Physical and Psychological Health Assurance

Yuexiu Property attaches importance on employees' physical and psychological health. We organize annual body checks for all employees with additional special checks for female employees. We promote trade unions at all levels to organize diversified employee care activities, guide employees to integrate themselves into the group, enrich employees' spiritual and cultural life, and enhance team cohesion. Furthermore, we actively assist employees in solving difficulties, meet their actual needs, and provide them with attentive help.

#### LAUNCH OF EMPLOYEE HEALTH MANAGEMENT PROGRAM

The branch of Yuexiu Property in Central Region of Greater Bay Area has launched the "Physical and Psychological Health, Being Better" employee health management program. With the four aspects of "food, clothing, protection and transportation" as the main focus, we have fully implemented the health management program of our employees, making them "united", eat "comfortably", work "securely" and live "happily", and paid full attention to and protected the health of employees.

- **317 pieces** of self-made work clothes and **273 pieces** of sports clothes were distributed to employees.
- About **500 pieces** of reflective vests, safety shoes and other labor protection articles were distributed to the front-line employees of projects. The cost of safety facilities and equipment for each project is about **RMB 20 million**.
- During the Company's 100-day crucial sprint, **5,810 working meals** were provided to employees working overtime.

### ORGANIZING THE EMPLOYEES' SPORT ACTIVITIES

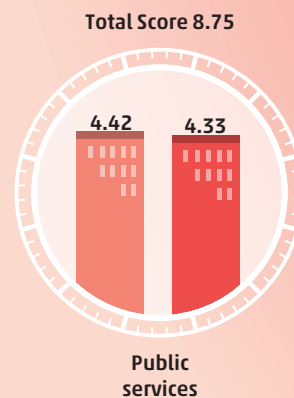
In 2019, Yuexiu Property organized various sports activities such as the special sports competition for three-a-side basketball game, calling "Passionate Basketball Show for the 13th Five-year Plan", for group employees, sports competition for employees, "Urban Memory" jogging, fitness run, etc., to encourage employees to participate in physical training and improve their sub-health condition.

# 11

## GIVE BACK TO SOCIETY WITH GREAT LOVE

As a response to the guiding ideology of "social responsibility", Yuexiu Property promotes social development with actions, responds to the call of the state to carry out "targeted poverty alleviation" activities, cares for social vulnerable groups, assists in poverty alleviation through education, and participates in public welfare activities together with all walks of life. On the road of promoting social progress, we will do our utmost to contribute love and support.

ESG issue and its materiality in this Chapter:



■ Materiality to the Group    ■ Materiality to stakeholders



# 11 / GIVE BACK TO SOCIETY WITH GREAT LOVE

## 11.1. TARGETED POVERTY ALLEVIATION

Yuexiu Property actively undertakes the responsibility of assisting poverty-stricken areas in poverty alleviation. In 2019, we vigorously promoted poverty alleviation work and took various poverty alleviation measures in terms of industrial assistance, social security, reconstruction of

dilapidated building, skills training, education of children of poor households, improvement of living environment and other aspects. In 2019, we invested **RMB 0.5 million** in targeted poverty alleviation.

### PAIRED POVERTY ALLEVIATION WITH CHIMI VILLAGE

On 20th January, 2019, Mr. Lin Zhaoyuan, the Chairman of Yuexiu Property, and others went to Chimi Village, Xiniu Town, Yingde City to carry out poverty alleviation research, guidance and condolence activities. The Chairman Mr. Lin Zhaoyuan not only sent peanut oil, rice and New Year Red Packets to the paired poor families, but also went to Chimi Village Dried Vegetable Factory, one of the Group's supporting industrial bases, to investigate the production situation.

On 22nd June, 2019, accompanied by poverty alleviation team of Chimi Village, Mr. Lin Zhaoyuan, the Chairman of Yuexiu Property and others went to Chimi Village, Xiniu Town, Yingde City for a poverty alleviation research. Since its entry, the Chimi Village poverty alleviation team has effectively completed a number of tasks, such as accurate identification, filing cards, "three guarantees" for poor households, reconstruction of dilapidated buildings, establishment of cooperatives, etc., actively promoted targeted poverty alleviation, industrial development and construction of new rural demonstration villages, mobilized social forces to strengthen the "hematopoietic" function of poverty-stricken areas, and stimulated the endogenous power of the poor.



Checking the Production of Vegetable Shed



Checking the Construction Progress of Chimi Bridge





### ORDERING POVERTY ALLEVIATION GIFT BAGS

In the second half of 2019, the Central Region of Greater Bay Area of Yuexiu Property launched targeted poverty alleviation, mobilized 170 employees to buy poverty alleviation gift bags, and helped poor households in Chimi Village get rid of poverty as soon as possible.

### 11.2. PASSION FOR PUBLIC GOOD

Yuexiu Property not only actively makes charitable donations, but also organizes various public welfare activities, takes the initiative on corporate social responsibilities, encourages employees and the public to participate in public welfare activities, and contributes more love and support to the society.

### SET UP YUEXIU HEALTH CARE VOLUNTEER TEAM TO SINCERELY OFFER COMPASSION

Yuexiu Health Care Volunteer Team is composed of more than 600 employees of the Yuexiu Health Care Industry Company, employees of Yuexiu Group who are enthusiastic about public welfare and other good-hearted people from all walks of life. Adhering to the mission of “Improve Elderly Living and Create Happy Life”, Yuexiu Health Care Volunteer Team extensively mobilizes and encourages volunteers of all ages to participate in voluntary service activities and other charity activities. The team is committed to improving and enriching the elderly’s life, improving their sociality and contributing to the realization of their happy elderly life.

In 2019, the Yuexiu Health Care Volunteer Team carried out 12 themed volunteer events, including “class for the elderly to learn how to use mobile phones”, “respect for the elderly”, “festival celebration”, “financial fraud prevention”, “home safety”, “book donation” and “first aid training”, holding sessions for more than **40 times** and serving of about **2,000 person-times**.



### HOLDING “3.13” PUBLIC WELFARE ACTIVITY OF RECYCLING EXPIRED DRUGS AT HOME

On 15th March, 2019, Yuexiu Property worked together with WHL Youth League Committee to successfully hold the “Learning from Lei Feng” - “3.13” public welfare activity of recycling expired drugs at home in Starry Garden community, Guangzhou, so as to reduce the potential pollution hazard of irregular disposal of expired drugs.

## 11 / GIVE BACK TO SOCIETY WITH GREAT LOVE

### VOLUNTARY ACTIVITY THAT "THE ELDERLY" ARE HAPPY AND HARMONIOUS - THE ELDER'S FUN BIRTHDAY PARTY

On 16th March, 2019, the Youth League Branch of Xingye Company under Yuexiu Property cooperated with the Youth League Branch of Yuexiu Property Health Care Company and Guangzhou Regional Company to organize the voluntary activity that "the elder" is happy and harmonious - the elder's fun birthday party. The 36 volunteers celebrated with and expressed their sincere blessing to all the elderly in the Yinxing Yiyuan (Chigang) Nursing Home through the interactive games of guessing lantern riddles, throwing circles, pairing of revolutionary songs and so on.



### HOLDING THE CHILDREN'S DAY ACTIVITY OF "FLYING CHILDLIKE INNOCENCE"

On the morning of 31st May, 2019, the Yuexiu Health Care Volunteer Team went to Tanxing Kindergarten in Guangzhi community to hold the Children's Day activity of "Flying Childlike Innocence". Volunteers and children worked together to make "paper cup stickers" and fun art stereoscopic paintings. The activity not only inspired and gave full play to children's imagination but also exercised their operational ability, thus let children spend a more meaningful Children's Day.



### 11.3. CARE ABOUT EDUCATION

Yuexiu Property actively responds to the call of “intelligence support is a must and comes first in poverty alleviation”, continuously improves the level of rural education, and promotes education equality. In 2019, we organized activities such as public welfare teaching, cooperative running of schools and education fund raising to support education poverty alleviation, lighting the future of students.

#### COOPERATION WITH THE MIDDLE SCHOOL ATTACHED TO GUANGZHOU UNIVERSITY

On 14th June, 2019, Yuexiu Property signed a tripartite agreement about cooperation in running a school with the Education Bureau of Huadu District and the Middle School Attached to Guangzhou University.



According to the agreement, we donated RMB 10 million to the primary school attached to the Middle School attaching to Guangzhou University in Huadu District as education funds on 14th August, 2019, and planned to complete the completion acceptance of the primary school by 30th July, 2020. At the same time, we will donate a one-time off education fund of RMB 10 million to the Education Foundation of Huadu District all at once. The primary school will enroll students within two years after the delivery to provide higher quality education resources to the children of Zhenyufu Project and surrounding families in Binhu New Town, Huadu District.

#### PARTICIPATION IN PUBLIC WELFARE ACTIVITIES OF TEACHING

In late May 2019, the signing center of Xingye Company under Yuexiu Property participated in the Yuexiu Property’s public welfare activities of teaching in Yingde City. We provided art, music, sports, calligraphy and other interesting courses to nearly 30 students in Xianshui Primary School, Xiniu Town, Yingde City. In addition, we not only donated school uniforms and stationery to local students, but also organized garden activities to celebrate “the Children’s Day” with children.



## 11 / GIVE BACK TO SOCIETY WITH GREAT LOVE



### LAUNCHED THE "YOUTH DO", A PLATFORM FOR THE YOUTH IN THE GREATER BAY AREA JOINTLY WITH TENCENT TO RESEARCH, LEARN AND EXPERIENCE

Yuexiu Property actively responded to the State Council's policy of "strengthening exchanges of youths from Guangdong, Hong Kong and Macao". It joined hands with Tencent Holdings Co., Ltd. to provide free and high-quality exchange activities to the youths from the Greater Bay Area, so that the youths could learn in the exchange and integration, grow up with a broader horizon, boost their growth and talents.

On 25th May, 2019, Yuexiu Property held the first activity of "Action for the young people from the Greater Bay Area" - "overlooking from Canton Tower and revealing the black technology of Daxita Company". The activity led the middle school students from the Greater Bay Area to experience the Guangzhou International Financial Center (West Tower), the landmark of Yangcheng City, in an immersive way, to have a deep understanding of the intelligent, safety and environmental protection system of super high-rise landmark buildings, and to taste the essence of the landmark builders. The participants also explored in travelling exhibition of the British Museum and discover the treasure of human civilization.



### CONDUCTING CHARITY WALK TO RAISE FUNDS FOR POOR STUDENTS

From 25th-31st March, 2019, during the Yuexiu Property Xiangdong Island's Second International Cherry Blossom Festival and Charity Walk on Xiangdong Island, a total of more than RMB 70,000 was raised, which would be used in public welfare projects such as the dream building plan for high school students in poverty and the promotion of first aid knowledge.

## FUTURE PROSPECTS

Yuexiu Property will continue to engage in sustainable development, further implement corporate social responsibility, improve the quality and efficiency of products and services, make every effort to build a first-class enterprise, and work with all stakeholders for better life.

### KEEP IMPROVING AND OFFERING QUALITY PRODUCTS AND SERVICES

- We will continue to monitor the execute product quality, strictly the quality control management, realize the quality monitoring of the whole production process, ensure the safety and liability of products, and meet the needs of high-quality of customers.
- We will continue to improve customer service level, optimize complaint handling mechanism, expand customer communication channels, effectively protect the rights and interests of customers, and develop a customers trust worthy brand.

### LOW CARBON MANAGEMENT AND IMPLEMENTATION OF GREEN DEVELOPMENT OUTLOOK

- We will adhere to the implementation of green building, green construction, green operation, green office and other measures, integrate the concept of sustainable development in product research and development, design, production and management, and create a harmonious relation between human and nature.

- We will efficiently use resources, continuously promote energy conservation and emission reduction, take circular economy measures, and practice low-carbon operation.

### LEADING BY TALENTS AND ACCOMPANYING OF THE GROWTH OF THE COMPANY

- We will continuously optimize the employee training system, create multiple development paths, provide a platform for employees to play their own values, and achieve the best of their talents.
- We will continuously protect employees' rights and interests, organize various types of caring activities, create a warm and inclusive working atmosphere, and care for the physical and psychological health of employees.

Yuexiu Property will remain true to the original aspiration, grasp the opportunity of the era, integrate the enterprise resources, develop the frontier layout, shoulder the corporate social responsibility, play the role of "Operator for Better Urban Life" and promote the construction of a "Beautiful China".

# APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

## POLICY LIST

ESG Indicator	Laws, Regulations/Policies	Internal Policies
<b>A. Environment</b>	<p>National Hazardous Waste Inventory</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</p> <p>Green Construction Evaluation Standard for Building Engineering</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Impact Assessment Law of the People's Republic of China</p> <p>Emission Standard of Environment Noise for Boundary of Construction Site</p>	<p>Green Building White Paper</p> <p>National Guidelines for Design of 1 and 2-Star Green Buildings</p> <p>Management Measures for 1 and 2-Star Green Building Identification Logo (for Trial Implementation)</p> <p>Detailed Rules for Implementation of Green Building Identification Logo (Revised for Trial Implementation)</p> <p>Detailed Rules for Management of Green Building Construction Projects</p> <p>Management Regulations on Waste Classification</p> <p>Management Regulations on Waste</p> <p>Management Procedures of Wastes and Chemicals</p> <p>Solid Wastes Inventory</p> <p>Hazardous Chemical Substances Inventory</p> <p>Environmental Factor Identification and Evaluation Management Procedures</p> <p>Management Procedures of Environmental Protection</p> <p>Management Procedures of Environmental and Health Safety Monitoring</p> <p>Yuxiu Property Standardization Atlas for Safe and Civilized Construction (for Trial Implementation)</p> <p>Yuxiu Property Standardization Atlas for Safe and Civilized Construction</p> <p>Yuxiu Property Office Area Administration Guidelines</p> <p>Construction Environment Governance Guidelines</p> <p>Guangzhou City Construction and Development Co., Ltd Detailed Rules for Civilized Construction Management</p>

**APPENDIX I:  
SUSTAINABILITY PERFORMANCE OVERVIEW**

ESG Indicator	Laws, Regulations/Policies	Internal Policies
<b>B1. Employment</b>	Labor Law of the People’s Republic of China Labor Contract Law of the People’s Republic of China Employment Promotion Law of the People’s Republic of China Social Insurance Law of the People’s Republic of China Provisions of the People’s Republic of China on Prohibition of the Use of Child Labor Law of the People’s Republic of China on Protection of Minors	Yuexiu Property Compensation Management Standards Yuexiu Property Performance Management Standards Yuexiu Property Job Position Management Standards Yuexiu Property Reward and Penalty Management Standards Yuexiu Property Employee Onboarding and Offboarding Management Guidelines Management Regulations on Employee Changes Yuexiu Property Development Subsidiary Post Management Operation Guidelines Yuexiu Property Key Talent Development Management Measures (for Trial Implementation) Yuexiu Property Middle and Senior Management Selection and Recruitment Management Measures

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

ESG Indicator	Laws, Regulations/Policies	Internal Policies
<b>B2. Health and Safety</b>	<p>Labor Law of the People's Republic of China</p> <p>Fire Protection Law of the People's Republic of China</p> <p>Production Safety Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</p> <p>Work Injury Insurance Ordinance</p> <p>Regulations on Safety Production License</p> <p>OHSAS 18001 Occupational Health and Safety Management System</p> <p>Regulations on Supervision and Management of Occupational Hygiene in the Workplace</p> <p>Regulations on the Reporting, Investigation and Handling of Production Safety Accidents</p>	<p>Safe Production Accountability Regulations</p> <p>Occupational Hygiene Management</p> <p>Security/Deposit System for Safe Production Responsibilities</p> <p>Appraisal System for Safe Production Responsibilities</p> <p>Detailed Rules for Implementation of Public Security</p> <p>Safe Production Assessment, Reward and Punishment System</p> <p>Occupational Health Management System</p> <p>Input and Guarantee System for Production Safety</p> <p>Detailed Rules for Safety Production Performance Appraisal</p> <p>Reporting Guidelines of Production Safety Accidents and Accidents Involving Danger Work Suspension and Restoration Safety Management Guidelines</p> <p>Detailed Rules for Safe Production in Construction Phases</p> <p>Provisions on Production Safety Risks Investigation and Elimination</p> <p>Regulations on Production Safety in Sales Fields 2018 Yuexiu Property</p> <p>Production Safety Accountability Appraisal System</p> <p>Management Standards of Production Safety Expert Database</p> <p>Yuexiu Property Full-time Security Management Staffing Standards</p> <p>"Three Simultaneous" Management Systems on Construction Projects</p> <p>Safety Facilities</p> <p>Construction Environment Governance Guidelines</p> <p>Management Measures of Production Safety Accountability</p> <p>Measures of Investigation on Occupational Diseases-related Accidents</p> <p>Management Measures for Emergency Plans for Production Safety Accidents</p> <p>Emergency Plans for Company-level Production Safety</p>



## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

ESG Indicator	Laws, Regulations/Policies	Internal Policies
<b>B3. Development and Training</b>		Yuexiu Property Learning and Development System Management Measures of Reserved Talent Cultivation Mentorship System Regulations Management Measures of Internal Trainer Team and Training Courses Yuexiu Property Key Talent Development Management Measures (for Trial Implementation)
<b>B5. Supply Chain Management</b>	Tendering and Bidding Law of the People's Republic of China	Management Rules of RFP Leading Team Meetings Management Guidelines of Bidding Evaluation Experts for Construction Projects Construction Project Suppliers Management Rules Management Measures for Contractors and Evaluation Experts Selection Strategic Procurement Results Management Rules Management Rules for Bidding Invitation and Procurement for Non-construction Projects Management Rules for Bidding Invitation for Construction Projects Tendering and Procurement Administration Measures (Revised) Guangzhou City Construction and Development Co., Ltd Construction Suppliers Management Measures (Revised) Guangzhou City Construction and Development Co., Ltd Materials and Equipment Suppliers Shortlisting Guidelines (Revised) Management Rules for Design (Consulting) Service Providers

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

ESG Indicator	Laws, Regulations/Policies	Internal Policies
<b>B6. Product Responsibility</b>	<p>Trademark Law of the People's Republic of China</p> <p>Advertisement Law of the People's Republic of China</p> <p>Patent Law of the People's Republic of China</p> <p>Construction Law of the People's Republic of China</p> <p>Fire Protection Law of the People's Republic of China</p> <p>Product Quality Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Protection of Consumer Rights and Interests</p> <p>Opinions of the General Office of the State Council on the Sustainable and Healthy Development of the Construction Industry</p> <p>Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings</p> <p>Notice of the State Council on Promoting Sustainable and Healthy Development of the Real Estate Market</p> <p>Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality</p> <p>National Guidelines for Design of 1 and 2-Star Green Buildings</p> <p>Management Measures for 1 and 2-Star Green Building Identification Logo (for Trial Implementation)</p> <p>Detailed Rules for Implementation of Green Building Identification Logo (Revised for Trial Implementation) GB 50368-2005</p> <p>Construction Code for Residential Buildings</p> <p>Measures for Regulating the Sales of Commercial Houses</p>	<p>Quality control systems:</p> <p>Guide of Yuexiu Property on Quality Management of Construction Projects</p> <p>Yuexiu Property Guidelines on Real Estate Product Quality Insurance Management</p> <p>Mainstream Product Process Management Manual for Refined Decoration</p> <p>Residential Project Quality Acceptance Standards</p> <p>Project Quality Evaluation Management Rules (Revised)</p> <p>Project Quality Assessment and Accountability Rules (for Trial Implementation)</p> <p>Long-term Incentive Measures for Quality Assessment</p> <p>Working Surface Handover Guidelines for Refined Decoration Projects</p> <p>Project Model Management Guidelines (for Trial Implementation)</p> <p>Third Party Testing Guide for Materials and Equipment (2016 Edition)</p> <p>Guidelines on Refined Decoration Materials Management for Residential Projects</p> <p>Guangzhou City Construction and Development Co., Ltd Project Quality Assessment and Accountability Rules</p> <p>Guangzhou City Construction and Development Co., Ltd Detailed Rules for Civilized Construction Management</p> <p>Yuexiu Property Standardization Atlas for Safe and Civilized Construction</p> <p>Mutual Conditions Check Card</p> <p>Preliminary Design Description Template</p> <p>Review Requirements on Major Changes in Project Design Process</p> <p>Quality Management System for Conceptual Design</p> <p>Quality Management System for Schematic Design</p> <p>Quality Management System for Preliminary Design</p> <p>Quality Management System for Construction Drawing Design</p> <p>Mobile Case Manager Management Standards (Provisional)</p> <p>Design Standards for Technical System of Whole-cast-in-situ External Wall</p> <p>Prefabricated Construction Management Manual</p> <p>Prefabricated Construction Engineering Management Guidelines</p> <p>Technical Standards for Residential Projects of Regional Companies</p>

**APPENDIX I:  
SUSTAINABILITY PERFORMANCE OVERVIEW**

ESG Indicator	Laws, Regulations/Policies	Internal Policies
		Annual Resident Satisfaction Survey Plan Complaint Handling Procedures Customer Complaint Handling Procedures Detailed Provisions on Customer Complaint Management Guidelines on Customer Contact Management During the After-Sales Service Phase Enjoy + Service System of Western Region of Greater Bay Area Detailed Provisions on Quality Insurance Management of Western Region of Greater Bay Area Detailed Provisions on Customer Contact Management During the After-Sales Service Phase of Western Region of Greater Bay Area Detailed Provisions on Customer Delivery Management of Western Region of Greater Bay Area Defect Manual for Western Region of Greater Bay Area Regulations on Management of On-site Service
<b>B7.</b> <b>Anti-corruption</b>	Company Law of the People’s Republic of China Anti-money Laundering Law of the People’s Republic of China Anti-monopoly Law of the People’s Republic of China Anti-unfair Competition Law of the People’s Republic of China Interim Regulations on Banning Commercial Bribery	Yuexiu Property Guidelines for Full Implementation of Talks around the Principle Roles with Respect to Strict CPC Governance Yuexiu Property Implementation Plan for the Supervision of CPC Discipline Committee over Grassroots Conduct Guidelines for the Implementation of the “Three Important and One Large” Decision-making System Detailed Rules for Corporate Supervision and Administration Guidelines for Management of Letters and Visits

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

### PARTS OF KPI LIST

Environment ESG indicator				
ESG Indicator	Unit	2017	2018	2019
<b>A1. Emissions</b>				
<b>A1.2 Greenhouse gas emissions and density</b>				
Scope 1: Carbon dioxide emissions	Ton	4,025.65	2,318.42	2,631.45
Scope 2: Carbon dioxide emissions	Ton	49,288.25	51,398.86	76,390.95
Total carbon dioxide emissions	Ton	53,313.90	53,717.28	79,022.40
Emission density (Ton/person)	Ton/person	7.82	6.56	5.88
Emission density (Ton/RMB1,000,000 revenue)	Ton/RMB1,000,000 revenue	2.24	2.03	2.06
Emission density (Ton/10,000 square meters)	Ton/10,000 square meters	29.11	27.68	33.11
<b>A1.3 &amp; A1.4 Waste</b>				
Waste fluorescent tubes	Piece	19,408	50,942	30,822
Waste selenium drums and cartridges	Piece	839	2,633	1,894
Waste electronic and electrical equipment	Piece	—	419	401
Waste paper	Ton	141.67	385.41	437.41
Construction waste	Ton	—	20,758.14	18,475.02
Waste furniture	Piece	—	860	1,047
<b>A1.5 &amp; A1.6 Waste recovery</b>				
Recycling of computers	Piece	—	256	259
Recycling of Metal Construction Waste	Ton	—	359.85	10,854.26
Earthwork recovery	Ton	—	168,998	231,576
<b>A2. Use of Resources</b>				
<b>A2.1 Total energy consumption and density</b>				
Total energy consumption	MWH	3,284,483.89	6,853,175.95	6,066,296.81
Energy consumption intensity	MWH/person	362.05	836.77	600.62
Energy consumption intensity	MWH/RMB1,000,000 revenue	138.04	259.27	158.23
Energy consumption intensity	MWH/10,000 square meters	1,793.44	3,530.74	2,541.39
Gasoline	Litre	195,158.90	500,388.12	433,220.23
Diesel oil	Litre	63,919.60	13,899.55	30,287.15
Canned LPG	Kg	8,598.00	45,469.00	30,424.00
Natural gas	m <sup>3</sup>	1,545,252.00	414,233.00	641,876.45
Pipeline gas	m <sup>3</sup>	54,779.80	123,400.00	97,899.80
Total electricity consumption	KWH	54,699,343.91	58,681,519.78	89,392,937.86
<b>A2.2 Water consumption and density</b>				
Total water consumption	m <sup>3</sup>	2,805,950.55	1,992,817.17	3,735,810.17
Total water consumption intensity	m <sup>3</sup> /RMB1,000,000 revenue	117.93	75.39	97.44
Total water consumption intensity	m <sup>3</sup> /person	309.30	243.32	369.88
Water consumption intensity per 10,000 square meters	m <sup>3</sup> /10,000 square meters	1,532.14	1,026.70	1,565.07

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

### Remark:

1. 2019 Environmental KPI data collection range: Yuexiu Property's office areas (including a total of 16 office areas, i.e. those of the Group Headquarters and subsidiaries), 7 regional company offices of the residential service unit and their subsidiary 106 property projects, and 7 commercial properties managed by the Group. The data with respect to energy consumption, water consumption, and greenhouse gas emissions were only collected for the projects under operation for 12 months or more as a going concern.
2. Carbon emission refers to carbon dioxide emission only, excluding other types of greenhouse gas such as methane and nitrous oxide emitted by other emission sources.
3. Due to the business nature of Yuexiu Property, exhaust emissions, including nitrogen oxides, sulphur oxides and other pollutants discharged under the national laws and regulations, are not significant during daily operation.
4. According to the ISO14064 GHG inventory standards, GHG emissions category I refers to direct greenhouse gas emissions, particularly direct emission sources owned and controlled by the organization, such as emissions from its own vehicles; GHG emissions category II refers to indirect energy emission sources, such as indirect green-house gas emissions caused by purchased electricity.
5. Carbon dioxide is accounted according to the Accounting Method and Reporting Guide for Greenhouse Gas Emissions from Industry and Other Sectors (for Trial Implementation) issued by the National Development and Reform Commission, where the emission factor of the outsourced power refers to the standard guide for environmental key performance indicators "How to prepare for environmental, social and governance report" issued by The Stock Exchange of Hong Kong Limited in March 2020.
6. Due to the business nature of Yuexiu Property, wastes generated are all from offices, without falling into the National Hazardous Waste Inventory, thus combined disclosure of indicators A1.3 and A1.4.

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Society					
ESG Indicator		Unit	2017	2018	2019
<b>B1. Employment</b>					
<b>B1.1</b>	<b>Number of employees</b>				
	Total number of employees	person	7,280	8,190	10,100
Gender	Male employees	person	4,762	5,192	6,695
	Female employees	person	2,518	2,998	3,405
Type of Employee	Senior management	person	116	78	71
	Middle management	person	491	597	622
	Junior employees	person	6,673	7,515	9,407
Age	29 years old and younger	person	2,132	2,872	3,793
	30-49 years old	person	4,521	4,497	5,414
	50 years old or older	person	607	821	893
Region	Mainland China	person	7,253	8,173	10,083
	Hong Kong, Macao and Taiwan	person	25	16	16
	Overseas	person	2	1	1
<b>B2. Health and Safety</b>					
<b>B2.1</b>	<b>Work-related fatalities</b>				
	Work-related fatalities	person	1	0	0
	Work-related injuries	case	18	6	8
<b>B2.2</b>	<b>Total number of days lost due to work-related injuries</b>				
	Total number of days lost due to work-related injuries	day	828	521	343
<b>B3. Development and Training</b>					
<b>B3.1</b>	<b>Ratio of persons attending training</b>				
	Percentage of persons attending training	percentage	100%	100%	100%
Gender	Male employees	percentage	61.68%	67.92%	69.14%
	Female employees	percentage	38.32%	32.08%	30.86%
Type of Employee	Senior management	percentage	2.31%	0.88%	1.03%
	Middle management	percentage	10.22%	15.55%	7.51%
	Junior employees	percentage	87.47%	83.57%	91.46%
<b>B3.2</b>	<b>Training hours</b>				
	Average training hours - all employees	hours	26.83	50.13	49.82
Gender	Average training hours - male	hours	23.38	50.22	54.88
	Average training hours - female	hours	33.36	49.97	39.89
Type of Employee	Average training hours - senior management	hours	42.32	40.98	45.29
	Average training hours - middle management	hours	37.46	74.63	64.29
	Average training hours - junior employees	hours	25.78	48.28	48.90

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Society					
ESG Indicator	Unit	2017	2018	2019	
<b>B5. Supplier Management</b>					
<b>B5.1</b>	<b>Distribution of suppliers by region</b>				
Region	Total	supplier	4,312	2,616	3,479
	Southern China	supplier	3,257	1,391	2,270
	Eastern China	supplier	551	629	587
	Northern China	supplier	98	47	234
	Central China	supplier	152	292	241
	Northeast China	supplier	228	245	99
	Southwest China	supplier	13	11	11
	Northwest China	supplier	1	1	0
	Hong Kong, Macau, Taiwan and overseas	supplier	12	0	37
<b>B6. Product Responsibility</b>					
<b>B6.2</b>	<b>Number of complaints received about products and services</b>				
	Property-related complaints	case	1,123	2,173	3,194
	Quality-related complaints	case	178	1,333	972
	Marketing services related complaints	case	95	804	1,253
	Other	case	68	435	671
<b>B7. Anti-corruption</b>					
<b>B7.1</b>	<b>Number of corruption cases</b>				
	Number of corruption cases filed or concluded	case	—	0	0
<b>B8. Community Investment</b>					
<b>B8.2</b>	<b>Use of resources in specified category</b>				
	Employees' participation in public welfare/voluntary events	person - time	2,274	612	763

**Remark:**

- Percentage of persons attending training and average training hours of 2019 are accounted according to the standard guide for social key performance indicators on the "How to prepare for environmental, social and governance report" issued by the Stock Exchange of Hong Kong Limited in March 2020. And the data of 2017 and 2018 also updated following the standard guide issued in March 2020.

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

### REPORTING STANDARD INDEX

#### Indexes of “Environmental, Social and Governance Reporting Guide” of HKEX

Topic	Disclosure Requirements	Disclosure Section	Notes
<b>A. Environment</b>			
A1 Emissions	General disclosure KPI A1.2,A1.3,A1.4,A1.5,A1.6	Communion Building and Green Development	KPI A1.1 is not applicable as gas emissions are not significant in the Group’s scope of operations
A2 Use of Resources	General disclosure KPI A2.1,A2.2,A2.3,A2.4	Communion Building and Green Development	KPI A2.5 is not applicable as the products involved in the main businesses of the Group do not require packaging materials
A3 Environment and Natural Resources	General disclosure KPI A3.1	Communion Building and Green Development	
<b>B. Society</b>			
B1 Employment	General disclosure KPI B1.1	People-oriented and Pleasant Atmosphere	The Group would continue to pay attention and adopt various measures to decrease the staff turnover rate. And we would enhance our disclosure in the future, so the KPI B1.2 was not been disclosed this year.
B2 Health and Safety	General disclosure KPI B2.1,B2.2,B2.3 B2.1, B2.2, B2.3	People-oriented and Pleasant Atmosphere	
B3 Development and Training	General disclosure KPI B3.1, B3.2	People-oriented and Pleasant Atmosphere	
B4 Labor Standards	General disclosure KPI B4.1, B4.2	People-oriented and Pleasant Atmosphere	The Group abided by laws and regulations concerning prevention of child labor and forced labor with significant impact on the employment aspect of the Group in the reporting period
B5 Supply Chain Management	General disclosure KPI B5.1, B5.2	Quality Product and Progressive Development	
B6 Product Responsibility	General disclosure KPI B6.2,B6.3,B6.4,B6.5	Quality Product and Progressive Development	There were no product and service recall events that had a significant impact on the Group’s operations during the reporting period and therefore KPI B6.1 does not apply; the Group abided by laws and regulations concerning protection of intellectual property
B7 Anti-corruption	General disclosure KPI B7.1, B7.2	Sustainability Strategy	
B8 Community	General disclosure KPI B8.1, B8.2	Give Back to Society with Great Love	



## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

### Global Reporting Initiative (GRI) Guidelines Content Index – Core Options

GRI Guidelines Indicators	Details	Disclosure Section	Notes
<b>General Standard Disclosures</b>			
<b>Organization Profile</b>			
102-1	Name of the organization	About Yuexiu Property Company Limited	
102-2	Activities, brands, products and services	About Yuexiu Property Company Limited	
102-3	Location of the organization's headquarters	About Yuexiu Property Company Limited	Guangzhou
102-4	The location where the organization operates	About Yuexiu Property Company Limited	Mainland China
102-5	Nature of ownership and legal form	About Yuexiu Property Company Limited	State-owned company listed on HKEX
102-6	Markets served	About Yuexiu Property Company Limited	
102-7	Scale of the organization	About Yuexiu Property Company Limited	Details of the financial breakdown are set out in the 2019 Annual Report
102-8	Data relating to employee and other workers	People-oriented and Pleasant Atmosphere	Seasonal and part-time jobs did not cause significant changes in the total number of employees
102-9	Description of the supply chain	Quality Product and Progressive Development	
102-10	Significant changes in the size, structure, ownership or supply chain of the organization	N/A	No significant change
102-11	How the precautionary approach or principle is addressed by the organization	Quality Product and Progressive Development, Full-hearted Commitment and Sincere Service	
102-12	Endorsed charters	Full-hearted Commitment and Sincere Service, Quality Product and Progressive Development	
102-13	External memberships	About the Report Sustainability Strategy	Member of the Guangdong Real Estate Association
<b>Strategy and Analysis</b>			
102-14	Statements of Decision Makers	Management Message	
<b>Ethics and Integrity</b>			
102-16	Description of the organization's values, principles, standards and norms of behavior	Sustainability Strategy, Management Message	For details, please visit our website: <a href="https://www.yuexiuproperty.com/gwym/ppln/">https://www.yuexiuproperty.com/gwym/ppln/</a>

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GRI Guidelines Indicators	Details	Disclosure Section	Notes
<b>Governance</b>			
102-18	Governance structure	Sustainability Strategy	
<b>Communication with Stakeholders</b>			
102-40	Stakeholders contacted by the organization	Sustainability Strategy	
102-41	Collective bargaining agreement	N/A	All full-time employees of the Group are members of the Labor Union
102-42	Basis for identification and selection of stakeholders	Sustainability Strategy	The basis of identification of stakeholders is their recognition of the specific major issues and businesses described in the Report
102-43	The way of communication with stakeholders	Sustainability Strategy	
102-44	Key issues and concerns that have been raised by stakeholders, and how the organization has responded to those key issues and concerns	Sustainability Strategy	
<b>Reporting Practices</b>			
102-45	Entities included in the financial statements; reference to entities that are not covered by the Report	About the Report	
102-46	Identified material aspects and boundary	Sustainability Strategy	
102-47	List of materiality issues	Sustainability Strategy	
102-48	Explanation of the effect of any restatement of information provided in earlier reports, and the reasons for such a restatement	N/A	
102-49	Significant changes in the scope and boundary	About the Report	No significant change in the boundary
102-50	Reporting period	About the Report	
102-51	Date of the last report	N/A	Please refer to the 2018 Yuexiu Property ESG Report
102-52	Reporting cycle	About the Report	
102-53	Contact information	About the Report	
102-54	GRI options to follow	About the Report	Core options
102-55	GRI Content Index	Global Reporting Initiative (GRI) Guidelines Content Index	
102-56	External certification	N/A	

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

GRI Guidelines Indicators	Details	Disclosure Section	Notes
<b>Management Approach</b>			
103-1	Explanation, description and boundary of materiality issues	Sustainability Strategy	
103-2	Management approach and its elements	Sustainability Strategy	
103-3	Review of management approach	Sustainability Strategy	
<b>Economic Topics</b>			
<b>Economic Performance</b>			
Management Approach		About Yuexiu Property Company Limited	
201-1	Direct economic value generated and distributed by the organization	About Yuexiu Property Company Limited	
<b>Indirect Economic Impacts</b>			
Management Approach		Quality Product and Progressive Development, Give Back to Society with Great Love	
203-1	Carrying out infrastructure investment and supporting services and its impact	Quality Product and Progressive Development, Give Back to Society with Great Love	
<b>Purchasing Practices</b>			
Management Approach		Quality Product and Progressive Development	
204-1	Proportion of spending on local suppliers at significant locations of operation	Quality Product and Progressive Development	
<b>Environmental Topics</b>			
<b>Energy</b>			
Management Approach		Communion Building and Green Development, Sustainability Performance Overview	
302-1	Energy consumption within the organization	Communion Building and Green Development, Sustainability Performance Overview	
302-3	Energy intensity	Communion Building and Green Development, Sustainability Performance Overview	

## APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

GRI Guidelines Indicators	Details	Disclosure Section	Notes
<b>Water</b>			
	Management Approach	Communion Building and Green Development, Sustainability Performance Overview	
303-1	Total water drawn from source	Communion Building and Green Development, Sustainability Performance Overview	Within the Scope of the Report, municipal water supply was the only source of water
<b>Emissions</b>			
	Management Approach	Communion Building and Green Development, Sustainability Performance Overview	
305-1	Direct greenhouse gas (GHG) emission (Scope I)	Sustainability Performance Overview	
305-2	Indirect greenhouse gas (GHG) emission (Scope II)	Sustainability Performance Overview	
<b>Sewage and Wastes</b>			
	Management Approach	Communion Building and Green Development	
306-2	Total weight of wastes by type and disposal method	Communion Building and Green Development, Sustainability Performance Overview	
<b>Social Topics</b>			
<b>Employment</b>			
	Management Approach	People-oriented and Pleasant Atmosphere	
401-1	New employees and dismissed employees	People-oriented and Pleasant Atmosphere	
<b>Occupational health and safety</b>			
	Management Approach	People-oriented and Pleasant Atmosphere	
<b>Training and education</b>			
	Management Approach	People-oriented and Pleasant Atmosphere	
404-1	Average training hours per year per employee	People-oriented and Pleasant Atmosphere	
<b>Local Communities</b>			
	Management Approach	Give Back to Society with Great Love	
413-1	Operating activities relating to social engagement, social impact assessment, and neighborhood development plan	Give Back to Society with Great Love	

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GRI Guidelines Indicators	Details	Disclosure Section	Notes
<b>Customer Health and Safety</b>			
	Management Approach	Full-hearted Commitment and Sincere Service, Sustainability Performance Overview	
416-2	Breaches of health and safety laws and regulations relating to product and service	N/A	No incident occurred in the reporting period
<b>Customer Privacy</b>			
	Management Approach	Full-hearted Commitment and Sincere Service	
418-1	Total number of substantiated complaints regarding breaches of customer privacy or losses of customer data	N/A	In the reporting period, the Group had no complaints regarding breaches of customer privacy or losses of customer data
<b>Complaint Mechanism</b>			
	Management Approach	Full-hearted Commitment and Sincere Service	
<b>Compliance</b>			
	Management Approach	Sustainability Strategy	
307-1	Breaches of environmental laws and regulations	N/A	No incident occurred in the reporting period
419-1	Breaches of social laws and regulations	N/A	No incident occurred in the reporting period

## APPENDIX II: FEEDBACK FORM

Dear reader,

Thank you for reading this Report! This is our 2019 Environmental, Social and Governance (ESG) Report, and we hope to receive your comments on the Report to help us continuously improve the Report.

If you have any opinions or suggestions on the environmental, social and governance performance of the Group, please send email to: [ir@yuexiuproperty.com](mailto:ir@yuexiuproperty.com)

*Yuexiu Property Company Limited 2019 ESG Report Feedback Form*

Name \_\_\_\_\_

Company \_\_\_\_\_

Position \_\_\_\_\_

Telephone \_\_\_\_\_

Email \_\_\_\_\_

Your appraisal: (please put  in the corresponding box)

	Strongly Agree	Agree	Ordinary	Not Agree	Strongly Not Agree
Do you think this Report highlights the important information of the Group in respect to the environment, society and governance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the information and indicators disclosed in this Report are clear, accurate and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the organization of content and style design of this Report are reader-friendly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which part are you most interested in?

\_\_\_\_\_

What other information that you would like to know is not reflected in this Report?

\_\_\_\_\_

What advice do you have for our future release of environmental, social and governance reports?

\_\_\_\_\_