

Where Good
Living Starts

 **越秀地產股份有限公司**
YUEXIU PROPERTY COMPANY LIMITED

**Environmental,
Social and Governance
Report 2021**



Yuexiu Property Company Limited

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01 / ABOUT YUEXIU PROPERTY COMPANY LIMITED

Yuexiu Property Company Limited was established in 1983 and went public in Hong Kong in 1992 (stock code: 00123).

“Where Good Living Starts” remains the core motto of Yuexiu Property. With focus on residential property development and commercial property operations, Yuexiu Property has exerted its unique competitive edge to specialize in a high-end “Development + Operations + Securitization” business model. In recent years, the Group has proactively developed new businesses in the health and elderly care services, long-term apartment rental, urban renewal, real estate + services, etc.. The Group has introduced Guangzhou Metro as a strategic shareholder to kick off a “Transit-oriented Development” (hereinafter referred to as TOD) development mode to meet people’s diverse needs for good living from all perspectives.

Yuexiu Property has established its business presence in China’s most vibrant economic belts, forming a “1+4” national strategic layout which centers in Guangdong-Hong Kong-Macau Greater Bay Area and supported by four major regions, being Central China, Eastern China, Northern China and Southwestern China. As of 31st December 2021, the aggregate contracted sales value (including contracted sales by joint venture projects) reached approximately RMB115.15 billion, with a year-on-year increase of 20.2%, which exceeded our annual target in 2021 of RMB112.2 billion. Yuexiu Property realized full coverage of first-tier cities with business presence in 29 cities by tapping into 8 cities including Beijing, Shanghai, Dongguan, Ningbo, Xi’an, Nantong, Bijie and Chenzhou in 2021, continued to deepen the “1+4” national strategy. During the year, through a diversified and unique model of land acquisitions, the Group acquired 37 new land parcels. The total landbank of the Group reached approximately 27.11 million sq.m. by the end of 2021.

Yuexiu Property adheres to the business philosophy of “Innovation-Driven, Resource-Driven, Operation-Driven, Culture-Driven” and the core business values of “Belief, Credit, Trust, Confidence”. It remains true to the original aspiration, dares to pioneer and innovate, pursuing to build the company with “Good Products, Good Services, Good Brands and Good Teams”, and strives to build a remarkable and sustainable future for all.



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 concepts, key progress and achievements of Yuexiu Property Company Limited and its subsidiaries (collectively referred to as “the Group”). The Report covers the period from 1st January 2021 to 31st December 2021. The reporting period for certain material content that closely related to the business of the Group have been moderately adjusted.

Since 2010, the Group has published the Corporate Social Responsibility/Environmental, Social and Governance (ESG) Report for 12 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 and through identification of key stakeholders, identification and materiality of ESG related issues, to determine the boundary of the ESG Reporting, collect, organize and summarize relevant materials and data, and inspect the information in the Report.

• SCOPE AND COVERAGE OF THE REPORT

Unless otherwise specified, the policies, statements and data in the Report cover the business scope of Yuexiu Property Company Limited and its subsidiaries, including Yuexiu Services Group Limited (stock code: 06626) listed in Hong Kong.

On 24th October 2021, the Group announced the sale of its 100% equity interest in Yuexiu Financial Tower, a commercial property, to Yuexiu REIT, and the sale was completed on 23rd December 2021. For the completeness of the Report, the relevant ESG information and data of Yuexiu Financial Tower is included in this Report. However, such information and data will no longer be included in the ESG report of the Group from next year.

Yuexiu Services Group Limited (“Yuexiu Services”), a comprehensive property service enterprise under the Group, also published its environmental, social and governance report. Please refer to the report for details on sustainability performance of Yuexiu Services.

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



02 / ABOUT THE REPORT

• SALUTATION DESCRIPTION

To facilitate presentation and reading, “Yuexiu Property”, “the Group”, and “we” all refer to Yuexiu Property Company Limited and its subsidiaries and “Yuexiu Services” refers to Yuexiu Services Group Limited, a comprehensive property service enterprise under Yuexiu Property (stock code: 06626) in the Report.

Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the 2021 Annual Report of the Group.

• DATA SOURCES AND RELIABILITY STATEMENT

All data adopted in the Report come from the statistics and documents of Yuexiu Property Company Limited and its subsidiaries, and the Board of Directors is responsible for their authenticity, accuracy and completeness.

• REPORTING PRINCIPLES

The Report was prepared in accordance with the four Reporting Principles of the ESG Guide of the Stock Exchange of Hong Kong.

Principles	Responses
Materiality	The Group conducted a materiality assessment in 2021, inviting the stakeholders to participate the assessment. The Board has reviewed and confirmed the Group’s annual materiality analysis results. And the Group disclosed the impacts and performance on material issues in this Report.
Quantitative	The data disclosed in this Report has been reviewed and presented on a year-on-year basis. The calculation standards and methods taken as reference for some key data including greenhouse gas are stated in the Report.
Balance	The information should be accurate, true and complete.
Consistency	Unless otherwise stated, the Group’s disclosure and statistical methods are consistent with the previous year.

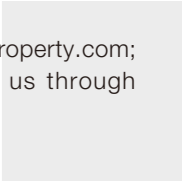
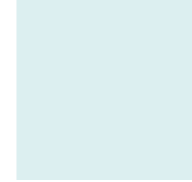
02 / ABOUT THE REPORT

• 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 ESG performance of the Group, please contact us through esg@yuexiuproperty.com.





03 / ENVIRONMENTAL, SOCIAL AND GOVERNANCE BOARD STATEMENT



03 / ENVIRONMENTAL, SOCIAL AND GOVERNANCE BOARD STATEMENT

The Board of the Group attaches great importance to sustainability management. In accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong (hereinafter referred to as "HKEX"), Yuexiu Property has established an effective sustainability management system, improved the Group's sustainability governance structure and strengthened the supervision and participation of the Board in the Group's environmental, social and governance (hereinafter referred to as "ESG") affairs while actively integrating ESG management concepts with the Group's major decisions and business practices, to ensure stable operation and long-term development of the Group.

ESG GOVERNANCE

The Group established an ESG Committee of the Board in March 2022, which is chaired by the Chairman of the Board and with one Executive Director and three Independent Non-executive Directors as members. The ESG Committee is responsible for reviewing, formulating and approving the Group's vision, goals, strategies and management policies regarding ESG issues, reviewing and evaluating the adequacy and effectiveness of the management framework for ESG matters at the Group level, identifying and assessing the ESG related risks and opportunities that have an impact on the Group's operation, and regularly deliberating and reviewing the Group's ESG goals and achievement. The ESG Committee meets at least once a year.

On top of that, the Group has also set up an ESG leadership group, which is led by the Chief Executive Officer and composed of main business leaders of the Group. The ESG leadership group is responsible for establishing and improving the ESG mechanism, coordinating and supervising ESG work, and is committed to incorporating sustainability into daily operation. For efficient and effective implementation of specific ESG work, the Group sets up an ESG working group under the ESG leadership group, which is composed of employees from functional departments of the headquarters and regional companies. The ESG working group is responsible for collecting, recording and reporting ESG related information and data, and implementing and improving the Group's ESG concept, strategies and measures during daily operation management.

ESG RISK MANAGEMENT

Yuexiu Property keeps a lookout for ESG risks that may have significant impact on the Group. Every year, we improve the ESG issues database by combining ESG risk identification, macro policies and trends and benchmarking against leading peer companies, and conduct materiality assessments on ESG issues through stakeholder surveys and expert evaluations to determine the priority, so as to establish the key focus for the ESG governance of the Group. The Board has participated in the materiality assessment of ESG issues and held regular discussions on material ESG risks and opportunities, and reviewed and confirmed the Group's annual materiality analysis results.

ESG OBJECTIVE MANAGEMENT

Yuexiu Property has set key ESG targets covering greenhouse gas emissions, waste production, and resource consumption in compliance with the ESG Reporting Guide of the HKEX. The Board will examine and discuss the establishment of objectives, and will review the progress in achieving the relevant objectives.

Details of the above-mentioned ESG issues are also disclosed in the Report, which has been reviewed and approved by the Board on 30th May 2022.



04 / MANAGEMENT MESSAGE



Lin Zhaoyuan
Chairman

In 2021, by upholding the brand mission of “Where Good Living Starts” and centering on the annual work theme of “Improving Structure and Starting New Beginning, Strengthening Capability and Improving Quality”, Yuexiu Property adhered to the strategy of focusing on operation and pandemic prevention and control, and strived to overcome the challenges brought by market changes in a proactive and progressive manner to achieve steady growth in various businesses. Yuexiu Property, guided by the national “Dual Carbon” strategy, implements the strategy of “Coordinated Development of Both Residential and Commercial Properties”, and advocates the diversified development strategies including TOD, urban operation, and health care industry. Furthermore, we promote the efficient operation of enterprise with the concept of sustainability, so as to achieve high quality green development.



04 / MANAGEMENT MESSAGE

ADHERING TO HIGH-QUALITY AND STEADY DEVELOPMENT

Yuexiu Property focuses on the “1+4” regional strategy and conducts ongoing optimization on its national layout. In 2021, with the effort in deep regional and urban cultivation, full coverage of first-tier cities is realized with business presence in 29 cities by tapping into 8 cities including Beijing, Shanghai, Dongguan, Ningbo, Xi’an, Nantong, Bijie and Chenzhou. Yuexiu Property also deepened the TOD development strategy. As of 31st December 2021, the Group has 6 TOD projects with a total landbank of 3.76 million sq.m., accounting for approximately 13.9% of total landbank of Yuexiu Property and 25.2% of the Group’s landbank in the Greater Bay Area.

CREATING HIGH-QUALITY RESIDENCY BENCHMARK

Through deepening its works in digitalization and intelligentization, Yuexiu Property is devoted to embedding intelligent genes into the product system and establishing an intelligent data integration platform – Yuexiu IoT Platform with Alibaba Cloud, which enables unified management of intelligent equipment and interconnection of system data. With years of exploration in smart living space, we have created smart solutions ranging from home control, access management to security control, and built a “smart life” for our customers. Furthermore, to achieve the highest level of quality, each project has been continually reviewed for improvement and perfection. Yuexiu Property has expedited development and closely monitored and controlled the pace of completion and delivery while assuring quality and quantity, putting property owners at ease.

ADVOCATING GREEN AND LOW-CARBON DEVELOPMENT

As a response to the “Dual Carbon” goals, Yuexiu Property adheres to the concept of sustainability and focuses on green building design. In 2021, we have obtained newly added 16 green building certifications with a total certified floor area of over 2.34 million sq. m., creating high quality green buildings. The Site Standardization Construction System (SSCS 2.0) was also upgraded. In 2021, 38 projects under construction used prefabricated construction technology to create a more environmentally friendly construction site. In addition to promoting green management and green leasing, we have carried out renovations towards energy conservation and emission management and created lower-carbon commercial and residential space. We also pay attention to extreme weather risks, develop emergency plans and management mechanisms for climate disasters, improve the ability to prevent and deal with meteorological disasters, as well as reduce the impact of climate change on enterprise operations. Yuexiu Property, based on the direction of ecological priority and green development, seizes the opportunities of climate change and low-carbon development, promotes the efficient development of the Group and shoulders the responsibility of the times for the preservation of natural surroundings as well as promotes the construction of ecological civilization.

BUILDING A HARMONIOUS SOCIETY

Strategic cooperation is reached with industry partners with strong comprehensive strength based on the principle of “Complementary Advantages and Win-win Cooperation”, promoting the optimization and integration of resources and achieving win-win situation. We have also joined hands with stakeholders including employees and partners to actively fulfill social responsibilities and promote the harmonious development of society. In 2021, Yuexiu Property continued to support the prevention and control of COVID-19 (hereinafter referred to as the pandemic) and participated in rural revitalization and agricultural assistance activities to alleviate poverty. We also participated in voluntary services via organizations such as Yuexiu Health’s Volunteer Team to give back to the society with actions, and demonstrate great love of the enterprise.





04 / MANAGEMENT MESSAGE

IMPROVING THE ESG MANAGEMENT

Yuexiu Property places considerable importance to the management and improvement of ESG and pays attention to the requirements of the capital market for enhancing ESG management, to seriously satisfy the needs of various ESG stakeholders and meet the higher requirements of the HKEX for ESG management and disclosure of listed companies. The Board, as the highest governing body of the Group, takes the full responsibility for ESG affairs of Yuexiu Property. The Group established an ESG Committee of the Board in March 2022, which is chaired by the Chairman of the Board and with one Executive Director and three Independent Non-executive Directors as members. The ESG Committee is responsible for reviewing, formulating and approving the Group's vision, goals, strategies and management policies regarding ESG issues, reviewing and evaluating the adequacy and effectiveness of the management framework for ESG matters at the Group level, identifying and assessing the ESG related risks and opportunities that have an impact on the Group's operation, and regularly deliberating and reviewing the Group's ESG goals and achievement. In addition, ESG Leading Group and ESG Execution Group are formed under the committee. Yuexiu Property has released corporate social responsibility report to the public every year since 2010, and has published ESG report annually since 2016. Such reports cover material issues of concern to stakeholders including shareholders, investors, tenants, suppliers, employees, and the government. Our ESG management has achieved remarkable results. Since 2019, we have been selected as a component stock of the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for three consecutive years with an ESG rating of A. In 2021, our MSCI ESG rating was upgraded to BB, with the Group's continuous improvement in green building and corporate governance. In 2021, the Group was awarded three-star rating by GRESB, which is at a relative high level among the industry. The Group has also won ESG awards from various authoritative organizations both domestically and abroad for many consecutive years.

FUTURE PROSPECTS

Looking ahead to 2022, Yuexiu Property will continue to analyze market environment and policies change, grasp opportunities in the market and overcome challenges posed by the market and the pandemic to achieve the annual sales and various operating goals set. The Group will further improve the ESG management with the newly established ESG Committee of the Board and strengthen the publicity of our ESG strategy. More resources will be put to research and develop green and low-carbon residential products, establish our green residential product standard system, facilitate the green development of residential and commercial development projects, as well as actively introduce and use prefabricated building technologies and energy-saving technologies.

Adhering to the core motto "Where Good Living Starts" and guided by the green development vision of "Build Green and Harmonious Space, Have a Low-carbon Living", Yuexiu Property focuses on green development. We seek to establish green and livable communities, promote sustainable business operation and construct an ecological and civilizational society through the development model of green building, construction, operation and office. In the future, Yuexiu Property will continue to take the initiative to respond to changes by developing new capabilities, improving new mechanisms and embracing new culture, with a focus on long-term development and value creation, continuous improvement of ESG management standards and collaboration to create a better future.



05 / KEY PERFORMANCE IN 2021

Operational performance





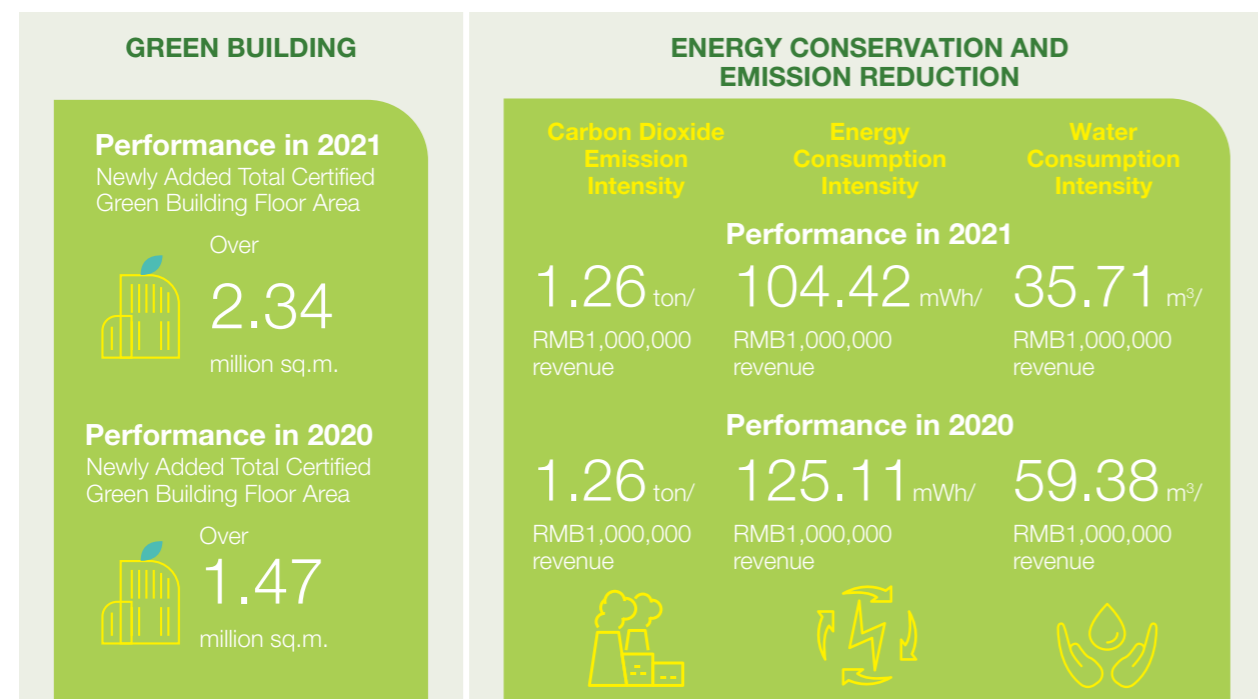
05 / KEY PERFORMANCE IN 2021

Social Performance



Performance 2021

Environmental Performance



06 / RESPONSIBILITY: FOCUS ON "DUAL CARBON" GOAL, PROMOTE GREEN DEVELOPMENT

The year 2021 marked the first year of implementation of China's carbon peak and neutrality strategy. The real estate industry plays a critical role in accomplishing the "Dual Carbon" strategic goal and its players have witnessed trends in green and low-carbon transformation. Against this backdrop, Yuexiu Property, guided by the "Dual Carbon" strategy, explored a better low-carbon development path and continuously improved the performance of resource utilization by focusing on green building, operation and office and through improving system and strengthening management and digital construction. In addition, we actively promoted green leasing and encouraged tenants and merchants to work together to enhance the environmental performance of our property and promote green development.

GREEN BUILDING TECHNOLOGY HELPS CREATE PRO-ENVIRONMENTAL SPACES

Yuexiu Property has always adhered to green building standards in its residential, office, commercial and other development projects and has encouraged the use of green building technology. In 2021, we received 16 green building certifications. The Group has developed two green commercial building benchmark projects, Yuexiu Financial Tower and Guangzhou International Commercial Center, to provide customers with healthy, comfortable, efficient and low-carbon space.

Yuexiu Financial Tower – the green ecological commercial building benchmark on the city's central axis

Yuexiu Financial Tower is one of the first "premium grade office buildings" in Guangzhou, seeking to provide a healthy and high-quality new workplace environment. Its performance in energy saving and environmental protection has been improved through refined energy management system and strict air quality control, and has successively obtained honours including LEED EBO+M V4 Platinum Certification, Platinum WELL Precertification, China Construction Engineering Luban Prize and Building Sustainable Development Index Verification Mark. That awards recognise the contribution of Yuexiu Financial Tower in energy conservation, environmental protection and sustainable development.

- **Creating a healthy environment:** We choose building materials that are safe and trustworthy, with minimal volatile organic compounds. According to the monitoring data of third party, the concentrations of PM2.5 and formaldehyde in Yuexiu Financial Tower remained under the international standards of PM2.5<15µg/m³ and <27pp, respectively, to safeguard customers' health.
- **Maintaining high air quality:** To provide customers with a comfortable office environment with fresh air, Yuexiu Financial Tower applied "four major air systems", including VAV air-conditioning systems, international fresh air system, purification system, and real-time monitoring system. CO₂ sensors examine the CO₂ concentration on a regular basis, and coupled with double-layered air purifiers and photocatalytic air purifiers, PM2.5, formaldehyde, benzene, and other dangerous compounds are efficiently prevented and removed.
- **Saving energy:** Yuexiu Financial Tower used "curtain walls of a double-layer breathing structure", which included a sunshade and natural ventilator to reduce the temperature differences and featured with low carbon, environmental protection, heat preservation, heat insulation and noise reduction. Compared with the traditional curtain wall, it saves 42%-52% and 38%-60% of energy for heating and cooling, respectively, cutting carbon emissions considerably during the building and operating stages.
- **Providing ecological experience:** A "Sky Farm", located on the roof of the 70th floor of the tower, allows white-collar workers to enjoy the novel experience of growing organic vegetables in the office building, and realizes the ecological circle of "turning waste into treasure" by applying coffee grounds from the tenants as fertilizer, so as to contribute to the sustainable development of the office building.



Platinum WELL Precertification by International WELL Building Institute (IWBI)



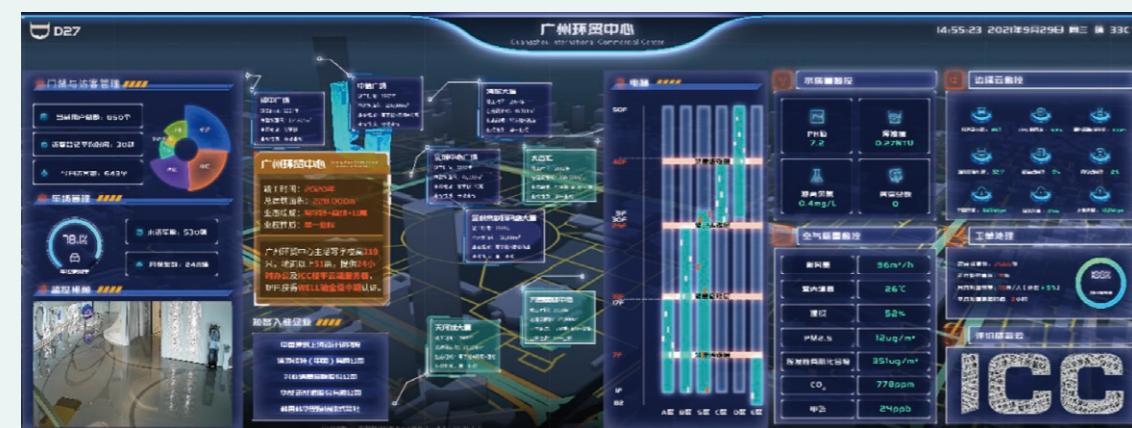
Best Practices in Operations & Management (Green Building) of the Year from Construction's Operation and Management Institute



Guangzhou International Commercial Center (ICC) offers brand new green office experience

Guangzhou International Commercial Center (ICC), as the first project of Yuexiu Office Building 3.0, adopts "Smart + Health + Community" as the core concept and combines natural elements into every area of the building. Guangzhou ICC achieved exceptional performance in seven areas, including air quality, water use and lighting, and was awarded the Platinum WELL Precertification by International WELL Building Institute (IWBI), recognizing the effort in implementing the healthy office philosophy in the office building.

- **Efficient energy management:** Guangzhou ICC has installed a smart energy efficiency monitoring platform to perform energy consumption analysis through smart control of facilities such as elevators and air conditioners, to achieve preventive green energy-saving management and control.
- **Creating a green corridor:** With the concept of "Metro Park", a landscape corridor of over 200 meters is built in the inner space, where visitors could be surrounded by refreshing leafy scenery, while lowering the urban heat island effect.
- **Healthy office space:** The fresh air system fully covers the underground parking space, and automatically changes the indoor temperature and humidity based on the density of the office area. The office area is comfortable, with the volume of fresh air each hour surpassing 36m³/person.



Smart energy efficiency monitoring platform

CREATING SUSTAINABLE COMMUNITIES WITH GREEN MANAGEMENT

Yuexiu Property is dedicated to developing a green living environment. In community properties, we established a green community with efficient operations for consumers and avoid wasteful resource consumption via smart management, garbage sorting, recycling of outdated materials, and promoting environmental protection.

- **Smart management:** Yuexiu Services has systematically built a smart platform that has been connected to multiple sub-business systems including the equipment management system (EBA). The EBA system is equipped with five major systems, being power supply and distribution system, water supply and drainage system, fire protection system, fan system, and elevator system, which could allow remote monitoring of equipment in real time, issue alarms when problems occur, collect real-time data to form charts and realize real-time monitoring of management conditions such as community energy efficiency.



Interface of community intelligence platform of Yuexiu Starry Garden

- **Waste renovation and recycling:** Recycling bins for used clothes are placed in certain communities by Yuexiu Services to encourage property owners to donate unused clothing. Property management personnel work with the community to stack, sort and pack the clothes, and donates clothes with good condition to people in need. Clothes that can no longer be used will be sent to specialized companies for secondary processing. In addition, some community property service personnel turned waste tires into flowerpot decorations by hand with their creativity, beautifying the community environment and reducing garbage pollution.



Placing recycling bins for used clothes



Turning waste tires into flowerpot decorations



06 /

RESPONSIBILITY: FOCUS ON "DUAL CARBON" GOAL, PROMOTE GREEN DEVELOPMENT

➤ **Garbage sorting:** Yuexiu Services actively promotes the garbage sorting in communities and carries out the program of "Beautiful Rejuvenation (美丽焕新)" in the property management project to rectify and upgrade the park environment, hardware equipment and facilities, as well as place intelligent garbage sorting equipment in certain communities to create a clean and civilized community.



Environmental public welfare project "Smart Garbage Sorting and Recycling in Glade Village in Conghua

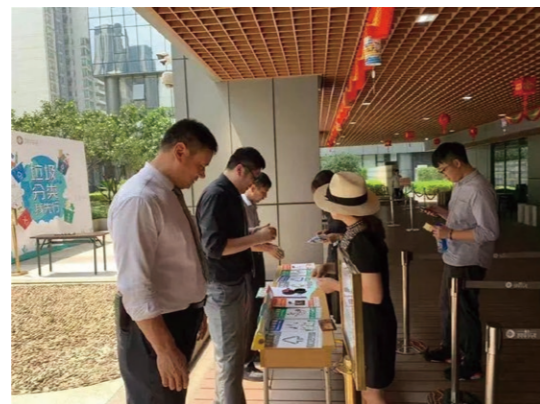


Garbage disposal intelligent "Delayed Delivery Point" in Guangzhou Starry Garden

➤ **Environmental protection publicity:** To promote the awareness of environmental protection into households, Yuexiu Services arranged a series of theme events, such as garbage sorting games and publicity campaigns to encourage home garbage sorting, to publicize the significance of environmental protection to community households.



Garbage sorting games in Green Garden



Promote household garbage sorting in Binhai Yuecheng

GREEN LEASING ENCOURAGES IMPROVEMENT OF ENVIRONMENTAL PERFORMANCE

Yuexiu Property actively explores green leasing and improves the professional management level of services. Yuexiu Financial Tower signed a green tenancy agreement with its tenants to encourage low-carbon working environment and jointly enhance the environmental performance of the building.

06 /

RESPONSIBILITY: FOCUS ON "DUAL CARBON" GOAL, PROMOTE GREEN DEVELOPMENT

Green tenancy agreements signed between Yuexiu Financial Tower and tenants (extract)

- Choose decorative materials (floor, board, paint) that fulfill the technical standards of environmental protection during the second decoration.
- Use equipment and detergent that meet the requirements of China Quality Certification Center (CQC).
- Pull back the motorized curtains in the unit during daylight hours.
- Place garbage and recyclables into corresponding bins based on their category and sort garbage in line with the applicable standards, which will be severely enforced.

GREEN OFFICE FACILITATES THE BUILDING OF ENERGY-SAVING ENTERPRISE

Yuexiu Property adheres to the concept of sustainable development in daily office operations and actively promotes paperless office. In 2021, we continued to enhance the recycling cycle of office supplies, and employed digital technologies such as electronic signatures to create a full-process intelligent filing platform, so as to minimize the use of paper and promote energy-saving enterprises. In 2021, Yuexiu Property reduced carbon emissions in office administration by 343,324.53 kilograms (verified by the Beijing Green Exchange) by promoting and implementing the smart mobile office system and online conference system, to achieve environmental conservation.

Yuexiu Property actively promotes electronic signature

Yuexiu Property actively promotes paperless offices and the use of electronic signatures and develops a smart signature platform, which forms a closed-loop management model of "front-end approval, mid-end seal and back-end filing", to achieve online automatic management of the entire process of document approval, seal, filing and retrieval. In 2021, a total of 167 enterprises in the headquarters and its subsidiaries implemented the electronic signature system, with an aggregate of 4,155 documents using electronic signatures, significantly reduced the use of paper and ink in document printing, sealing, scanning, circulation and manual filing, etc., and improved work efficiency and utilization of office resources.

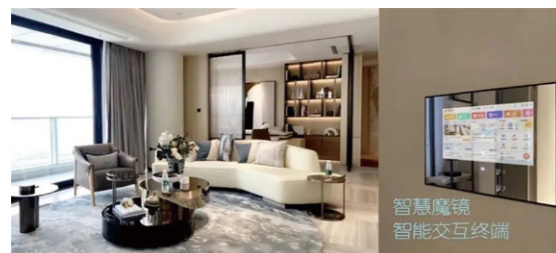


06 / RESPONSIBILITY: DEEPEN RESEARCH INTO SMART RESIDENCE, BUILD A SMART LIFE WITH DELICACY

Yuexiu Property has been actively exploring smart residence for a long time. In 2019, it cooperated with Alibaba Cloud to jointly establish a unified intelligent data integration platform – Yuexiu IoT Platform, which has laid a solid foundation for the centralized management of intelligent equipment and the interconnection of system data. With insights from the daily life of customers and on the basis of living scenarios, Yuexiu Property proposes the concept of smart residential system construction featured by daily conveniences, security and environmental health. It also provides smart solutions covering home control, traffic management and security control to tackle customers' concerns in their daily life, thus building a "smart life with delicacy" for customers.

COMFORTABLE RESIDENCE BROUGHT BY EASY CONTROL

- Smart interactive terminal: Innovative use of smart mirror to replace indoor video intercom extension, combined with voice control module embedded in smart mirror and mobile APP to realize home-based services, including whole-house smart home control, lighting control, scene control, calling elevator, property services and community services reserve.
- Whole-house scene system: Starting the "home mode" and "leave mode" directly through the voice or one click on switch, which enables remote control of the light brightness, music volume and powers of home appliances in the main area of the whole house, with conveniences to the owner delivered.
- Health management system: The indoor environment monitoring system is linked with the air conditioner and fresh air system to closely monitor indicators such as formaldehyde, TVOC, PM2.5, etc., while keeping the indoor air quality and temperature and humidity appropriate through automatic start and shutdown of the fresh air system. The bathroom is also equipped with a smart mirror. The skin detector and health management instrument enable the owner to timely detect his/her skin and physical condition to assist the health management.
- Security system: The system is equipped with water logging, gas, smoke sensors and security alarm system for 24-hour detection. When the owner leaves home, it will automatically shift to the "leave mode", and any abnormality will be alarmed in time and transmitted to the mobile phone of the owner. In addition, there is an emergency call button in the room to realize a one-click alert function, providing protection for the owners and families in an all-round way.



Smart Interactive Terminal



Whole-house Scene System



Skin Detection System of Smart Mirror



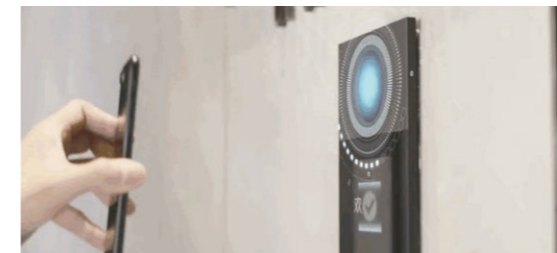
Security System



06 / RESPONSIBILITY: DEEPEN RESEARCH INTO SMART RESIDENCE, BUILD A SMART LIFE WITH DELICACY

ULTIMATE EXPERIENCE BROUGHT BY EFFICIENT MOVEMENT

- Smart human-centric system: The entrance and exit of the community is equipped with a face recognition system. After the owners enter the cell door, the elevator will wait automatically and then go directly to the floor where the owner lives. It allows fingerprints, keys and passwords to open the door, improving security, thus extending convenience from the community to the door.
- Smart pass for cars: When the owner's vehicle enters or exits the parking space, it automatically recognizes the license plate and actively lifts the bar to reduce waiting time. At the same time, the owner can lock the car with one click through the mobile APP after parking, lowering the risk of vehicle theft.
- Smart visitor system: Owners can register the vehicle information for visitors in advance through the visitor system, which can reduce the checking during the visiting and improve the visiting experience, on the premise of ensuring the safety of owners.



Elevator Control System



Smart Pass for Cars



Visitor System

SAFE COMMUNITY BROUGHT BY SMART MANAGEMENT AND CONTROL

- Monitoring alarm system: Relying on the AI system, it conducts intelligent monitoring of key areas for 24/7, and combines image recognition to analyze criminal acts. It alerts security personnel in a timely manner nearby the illegal entry of criminals into the community to eliminate monitoring blind angles, thus improving the efficiency of security efforts.
- Angel eyes system: When there are elders and children at community alone, the owner can remotely check the situation of the community activity area in real time through the mobile phone to ensure the safety of the families.



Smart Monitoring System



Angel Eyes



07

DIVERSIFIED BUSINESS DEVELOPMENT

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 customer values, it develops individualized products and customer-oriented products that help achieve a good future for customers.

Important ESG issues in this Chapter

- Policy response
- Promotion of industry development

SDGs issues to be responded to in this Chapter

3 GOOD HEALTH AND WELL-BEING 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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07 / DIVERSIFIED BUSINESS DEVELOPMENT

7.1 DEVELOPMENT OF THE HEALTH CARE BUSINESS

Yuexiu Property actively extends its business to the health care industry. We have established Guangzhou Yuexiu Health Industry Investment Holding Co., Ltd. as the subsidiary of Yuexiu Property. With the mission to “Improve Elderly Living and Create Happy Life” and the vision of “Becoming a leading group in China’s health care industry”, it has introduced international advanced elderly-care experience and resources and set up three core product lines of elderly care institutions, health care communities and rehabilitation hospitals. It acquired Langgao Elderly Care, a subsidiary of Langgao Group, and created three product lines combining medical care and elderly care institutions, namely Yuexiu “Sea” series, “Silver Beauty Garden” series, and “Langgao” series and the “Yue” series of health care communities, which provided five unique and high-quality health care services, including residence, medical care, nursing, catering and entertainment.

By 2021, Yuexiu Health, a subsidiary of Yuexiu Property, has expanded 21 projects nationwide. It has established in two core economic zones of Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta with nearly 8,000 beds, making it rank first in the industry. In addition, Yuexiu Health has successfully expanded its first Public-Private-Partnership (PPP) project, Guangzhou Elderly Service Center (廣州市老年人服務中心), with an aim to build a demonstration platform for community-based and home-based elderly-care complexes in Guangzhou.

Multiple Measures Taken to Lead Outstanding Health Care Services

- Improving the digital management and control:** A digital information system – digital health care system, has been established to make elderly care services in its various elderly care institutions more mobile, intelligent, process-based and commercialized. The systems are integrated into smart operation scenarios to improve service efficiency and quality, and integrate intelligent assessment, intelligent care, intelligent monitoring, AI analysis, and in-hospital smart card into intelligent smart operation scenarios to improve service efficiency and quality.
- Carrying out cultural education for the elderly:** It has created a professional elderly education brand – Yuexiu Changqing College (越秀常青學院) to meet the increasing artistic and cultural pursuits of the elderly. Yuexiu Changqing College is equipped with professional, experienced and kind teachers and a complete and standardized teaching system to provide the elderly with high-quality experience. By 2021, Haijiyuan (Guangzhi Road) Campus, Yueluju Campus and Haiyuehui (Xiwan Road) Campus of Yuexiu Changqing College, have been set up.
- Cultivating talents in the health care industry:** Yuexiu Health Nursing Training School (越秀康養護理培訓學校) was established, and cooperation in respect of trainings was carried out with Beile Shengzhiyi Kaier Company (倍樂生知一凱邇公司), an international excellent elderly care service provider. While introducing the in-person international advanced nursing training system, Yuexiu Health also actively responds to the call of the government and the state to cultivate talents in the elderly care industry for the society.
- Building a volunteer service team:** Yuexiu Health has also set up a team consisting of nearly 500 volunteers to serve every elder in need.



07 / DIVERSIFIED BUSINESS DEVELOPMENT

Join hands with China Housing Association to successfully hold the “2021 China Elderly Care and Health Care Industry Development Summit Forum”



On the “2021 China Elderly Care and Health Care Industry Development Summit Forum”, jointly held by Yuexiu Property, Yuexiu Health and China Real Estate Association on 22nd April 2021, all attendees witnessed the signing ceremony of Yuexiu Health and Langgao Group, and the plaque

granting ceremony of the “Elderly Care and Health Care Industry Base” of Yuexiu Haiyuehui (Xiwan Road) Elderly Care Apartment by China Real Estate Association. Such plaque granting fully reflects the industry-wide recognition and expectation of Yuexiu-Haiyuehui (Xiwan Road) Elderly Care Apartment.



07 /
DIVERSIFIED BUSINESS DEVELOPMENT

Silver Beauty Garden (Xiaoyuan North) Nursing Home of Yuexiu Health obtained CARF International Gold Standard (AL) Certification



On 12th September 2021, Silver Beauty Garden (Xiaoyuan North) Nursing Home of Yuexiu Health officially passed the CARF Assisted Living (AL) Gold Standard Certification, representing the first batch of domestic elderly care institutions and the first of South China to obtain the CARF Gold Standard for such category.

CARF-Commission on Accreditation of Rehabilitation Facilities is a global authoritative organization for the quality certification of medical, rehabilitation and

elderly care services. Silver Beauty Garden (Xiaoyuan North) Nursing Home of Yuexiu Health underwent inspections for a term of one and a half years, and finally obtained the highest-level certification specification in CARF certification standards with the longest period (three years) after passing a comprehensive evaluation of 17 major items. With the said certification obtained, the standardized, refined and people-centered service system of Silver Beauty Garden (Xiaoyuan North) Nursing Home of Yuexiu Health has stepped onto a new stage.

7.2 ACTIVE PARTICIPATION IN URBAN RENEWAL

Yuexiu Property actively responded to the urban renewal policies of Guangzhou. We established Yuexiu Property Urban Renewal Group, gave full play to the advantages of industrial and finance integration, and promoted the urban renewal in an orderly manner. We also continued to explore innovations in the urban renewal to revitalize old urban areas. Furthermore, for the development of urban brownfield, we carry out risk assessments, remediation, control and other activities for the abandoned industrial sites subject to soil and groundwater pollution problems, according to the requirements of regional planning and urban and rural construction needs, so as to reduce the impact of development and operation on the environment. In 2021, Yuexiu Property strengthened its engagement in urban renewal projects such as Nanyang Electric Appliance Factory (南洋电器厂) in Yuexiu District, Guangzhou, and steadily carried out the reconstruction projects of Lirendong Village and Dongliu Village in Guangzhou. As a result, urban development was promoted and vitality of regions was enhanced.

In-depth participation in the Nanyang Electric Appliance Factory Project



On-site commencement meeting for the starting area project of Nanyang Electric Appliance Factory

On 29th March 2021, Yuexiu Group set up a joint venture together with Guangzhi Group (廣智集團) and Yuerui Holdings (粤瑞控股) to acquire the qualification as the main entity of the renovation project of Nanyang Electric Appliance Factory in Yuexiu District, Guangzhou and its surrounding areas. As a subsidiary of Yuexiu Group, Yuexiu Property has wide experience in renewal and renovation, and will play an important role in the renewal and renovation projects of Nanyang Electric Appliance Factory and its surrounding areas.

The renovation project of Nanyang Electric Appliance Factory and its surrounding areas is a benchmark of “new vitality in an old city” in Guangzhou. Combining comprehensive renovation and fine transformation, the project will innovatively integrate the old factory and the old urban area, to explore the construction of “Demonstration area for new vitality and innovated development in old cities of Guangzhou”. It is committed to improving the regional living environment, upgrading various supporting facilities and promoting the comprehensive upgrade of the industry.

Improving the living environment: It makes every effort to improve the living quality of local residents, and strives to protect historical and cultural heritage such as Huanghua Monument (黃華碑) and Puji Temple (普濟院), so as to reshape city memory.

Upgrading supporting facilities: It aims to build “vertical city and vibrant neighborhood” by combining urban functions, constructing a vertical slow-traffic system, improving public service facilities and flexible sharing of public space, so as to enhance the living experience in an all-round way.

Upgrading industrial investment: A modern service industry park and an intelligent manufacturing headquarters will be built to realize regional industrial transformation and upgrading.

7.3 LONG-TERM RENTAL BUSINESS EXPANSION

Yuexiu Property actively responds to and implements the national call and policy of “Meeting the housing needs of all people” and “Encouraging both renting and purchasing” by optimizing resource integration as well as providing diversified rental products and services.

As a housing provider for urban youths, Yuexiu Property launched rental apartment brand including Yuexiu Star Home, Yuexiu Star Residence, and Star Apartment brands to realize their dreams in a diverse pool of products to meet their needs.

07 /
DIVERSIFIED BUSINESS DEVELOPMENT



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The first project of the service apartment brand “Yuexiu Star Residence” was launched



On 30th July 2021, as the first project of the serviced apartment brand “Yuexiu Star Residence”, Yuexiu Star Residence in Guangzhou International Commercial Center (廣州環貿中心) officially opened. Yuexiu Star Residence in Guangzhou International Commercial Center embodies the concepts of Intelligence, Green and Health as its primary design focus: The underground parking lots and living

space are equipped with air filters to improve the air quality as well as living environment; the curtain walls use LOW-E high transparency technology to reduce radiation, while maintaining excellent levels of natural lighting indoors; the building uses solid lightweight brick, which provides excellent sound insulation, and truly realizes the quality life featuring “prosperity outside, tranquility inside”.

Cooperation with Guangzhou Digital Finance Association as contracted apartment provider



On 20th January 2021, Yuexiu Star Home, a subsidiary of Yuexiu Property, and Guangzhou Digital Finance Association held a cooperation agreement signing ceremony. Yuexiu Star Home will cooperate with the Guangzhou Digital Finance Association to provide housing options for those employed in the financial sector, by integrating the centrally managed youth apartment brands Yuexiu

Star Home, individually rented Star Apartment, and service apartment brand Yuexiu Star Residence. The two parties will also carry out communications or cooperation in talent exchange, community activities, financial sharing and financial services for the residents of Yuexiu Star Home, so as to resolve housing problems for enterprises and meet diversified housing rental needs.

7.4 PROMOTING TOD MODE

Yuexiu Property pursues the national policy and relies on the increasingly improving transportation network to continuously promote the TOD mode. Currently, the TOD development of Yuexiu Property will enter a brand new 5.0 stage, being the development model of “Rail Construction + Land Development + Secondary Development + Urban Cloud Management + Industry Investment”. As of 31st December 2021, Yuexiu Property had a total of 6 TOD projects, with a total TOD landbank of 3.76 million m², accounting for approximately 13.9% of a total land bank of Yuexiu Property and 25.2% of the Group’s landbank in the Greater Bay Area, respectively.

During the year, Yue Melody, a subsidiary of Yuexiu Property, was awarded the “Bay Area Excellent Residence of the Year” by Southern Metropolis Daily; Yue Melody and Yue Galaxy were shortlisted into second and third batches respectively in the tenth “Guangsha Prize” (2021-2022), which fully reflect the high recognition of the comprehensive quality of TOD projects from the society.

Established TOD Research Institute to promote high-quality development of the industry

Yuexiu Property established the TOD research institute in order to gain an in-depth understanding of the development update of TOD and conduct market research, solve the technical difficulties of TOD projects such as complex complicated structure, complex functions and formats, and inter-professional collaboration.

With the profound comprehensive TOD development capabilities of Yuexiu Property, the research institute actively explores the future trends of TOD. It is committed to TOD innovation research, TOD technology industry incubation and comprehensive TOD development technology consultation. It gathers high-end intellectual resources such as industry-related governments, associations, research institutions and design institutions to provide assistance for the sustainable development path developed by TOD.

By 2021, the TOD Research Institute of Yuexiu Property has accumulated TOD core technology research results, such as the “Special Research Report on Structure Design for Comprehensive Development of Depot”, the “Special Research Report on Traffic Design for Comprehensive Development of Depot”, the “Special Research Report on Vibration and Noise Reduction Design for Comprehensive Development of Depot”, the “Special Research on Cost Control of Depot Cover Development Garage” and the “Special Research on Standardized Products of Depot Cover Residential Housing”.

Meanwhile, in order to strengthen the comprehensive research and analysis of domestic TOD, Yuexiu Property participated in the preparation of the “China Urban Rail TOD Index Report (2020)” with China Association of Metros, TOD Research Center of Southwest Jiaotong University/School of Public Administration and Politics and Law of Southwest Jiaotong University, and China Index Research Institute. It also co-organized the “Third Symposium on Group Standards of China Society of Territorial Economists” with Guangzhou Urban Construction Development and Design Institute Co., Ltd. (廣州城建開發設計院有限公司), which strengthened the planning of areas along the urban rail line, guided the exchange of industry technologies, and actively promoted the high-quality development of the TOD industry.



08

SUSTAINABILITY STRATEGY

The sense of responsibility and mission is Yuexiu Property's consistent undertaking for sustainable development. This responsibility is reflected in developing its own business and implemented to actively take environmental and social responsibility and realize the balanced development of economic, environmental and social benefits.

Important ESG issues in this Chapter

- Anti-corruption and bribery
- Anti-unfair competition
- Responsible governance

SDGs issues to be responded to in this Chapter








8.1 SUSTAINABILITY MANAGEMENT FRAMEWORK

Yuexiu Property has established an effective environmental, social and governance (ESG) risk management and internal monitoring system. It has implemented various ESG supervision levels, forming a whole process from decision-making, communication to execution. As the highest governance body of the Group, the Board of Directors is fully responsible for ESG matters of Yuexiu Property. The Group established the ESG Committee of the Board in March 2022, which is chaired by the Chairman of the Board and with one Executive Director and three Independent Non-executive Directors as members. As authorised by the Board, the ESG Committee is responsible for reviewing, formulating and approving the Group’s vision, goals, strategies and management policies regarding ESG issues, reviewing and evaluating the adequacy and effectiveness of the management framework for ESG matters at the Group level, identifying and assessing the ESG related risks and opportunities that have an impact on the Group’s operation, and regularly deliberating and reviewing the Group’s ESG goals and achievement. On top of that, the Group has also set up an ESG leadership group, which is led by the Chief Executive Officer and composed of main business leaders of the Group. The ESG leadership group is responsible for establishing and improving the ESG mechanism, coordinating and supervising ESG work, and is committed to incorporating sustainability into daily operation. For efficient and effective implementation of specific ESG work, the Group sets up an ESG working group under the ESG leadership group, which is composed of employees from functional departments of the headquarters and regional companies. The ESG working group is responsible for collecting, recording and reporting ESG related information and data, and implementing and improving the Group’s ESG concept, strategies and measures during daily operation management.

The Group’s job level, personnel allocation and specific responsibilities in ESG management and daily work are listed as follows:

ESG job level	Personnel allocation			Specific responsibilities
ESG Committee 	The Chairman of the Board serves as the Chairman, with one Executive Director and three Independent Non-executive Directors as members			<ol style="list-style-type: none"> Supervise ESG development direction and strategy Assess ESG-related risks and opportunities Develop key ESG targets and regularly review performance Supervise the work of the ESG management team Approve, confirm and publish ESG report
ESG Leading Group 	The General Manager serves as the team leader, with heads of relevant functional line or various department as the group members			<ol style="list-style-type: none"> Identify ESG-related risks Coordinate and arrange the dedicated personnel to implement ESG work Supervise concrete implementation of the ESG works Review effectiveness of ESG works and report to the management
ESG Execution Group 	ESG Management Office of the Group’s headquarters			The ESG Management Office of the Group’s headquarters, functional departments, regional companies and subsidiaries send dedicated colleagues to set up the execution group
	Functional departments	Regional companies	Subsidiaries	
				<ol style="list-style-type: none"> Collect, sort and submit information Implement specific work tasks Give timely feedback on the work situation



8.2 SUSTAINABILITY GOALS

In light of economic globalization, the sustainable development of enterprises is inseparable from their partners and closely related to the environment, society, and global changes. The United Nations has clearly defined 17 sustainable development goals to address the economic, social and environmental issues resulting from development, calling on countries to take action to achieve poverty alleviation, equality and climate change by 2030, and to promote economic prosperity, to protect the planet and move toward a sustainable development path. To achieve the sustainable development goals initiated by the United Nations, Yuexiu Property consistently implements the concept of sustainable development in the overall operation process, optimizes products and services through high-level corporate governance, and integrates the 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 the United Nations
Economic responsibilities To continue improving economic performance and achieving sustainable economic growth with the goal of “Business-driven Quality Improvement, Innovation-driven Development”.	  
Product responsibilities Strictly fulfill the promise of high-quality service, follow the concept of high quality, safety and green, and strive to be the industrial benchmark.	 
Responsibilities to employees Improve and refine human resource management, listen to employees, enrich employees’ lives, ensure occupational health, attach importance to employee training, and provide a better working environment.	     
Supply chain responsibilities Optimize supplier selection, control product quality, purchase green products, attach importance to responsible procurement, and supervise the whole supply chain process.	
Environmental responsibilities 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.	      
Social responsibilities 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, and fulfill all-around social responsibilities.	    



8.3 CAPITAL FOCUSES

In 2021, Yuexiu Property received recognitions from many authoritative institutions in terms of its performance in environmental, social and corporate governance, which reflected its steady financial growth and that its sustainable development has been widely recognized by the capital market.

Its MSCI ESG Rating was Raised to BB

In 2021, the latest ESG (Environmental, Social and Corporate Governance) rating results released by MSCI, an international authoritative index agency, showed that Yuexiu Property's ESG rating was raised from B to BB, with remarkable improvement in the scoring of "Green Building Opportunities" and "Corporate Governance", which fully demonstrated Yuexiu Property's outstanding performance in environmental protection, social responsibility and corporate governance efforts, as well as the recognition of the Group's sustainable development capability from the capital market.

It Has Been Selected as a Component Stock of the HSSUSB for Three Consecutive Years

In 2021, Yuexiu Property, with its achievements in sustainable development management and high-quality information disclosure, has been selected as a component stock of the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for three consecutive years and received an A-level rating, as well as is recognized as one of the enterprises with outstanding sustainable performance in the Hong Kong stock market. These fully reflected the investment value of the Group and the corporate image of assuming social responsibility.

It Received a Three-Star Rating in Its First GRESB Appraisal

In the authoritative 2021 rating report released by the GRESB (Global Real Estate Sustainability Benchmark), an international agency focusing on the ESG performance of global real estates and infrastructures in October 2021, Yuexiu Property received a three-star rating in its first appraisal. In such report, Yuexiu Property achieved a good performance in various indicators such as sustainable development policies and reporting, stakeholder engagement, construction certification and wastes. Yuexiu Property's sustainability level has been recognized by the international authority.



8.4 RESPONSIBLE COMMUNICATION

Stakeholders in different background are fellows 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 works with all stakeholders to achieve a sustainable future.

Stakeholders	Status of stakeholders	Main focuses	Response to demands
Residents	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 management service quality	Regular visits Satisfaction surveys Complaint hotlines Resident property management
Mall/office users	Users can directly experience the service and quality of its office buildings and shopping malls, as well as a safe and comfortable shopping environment.	Malls/office buildings geographic location Malls/office Internal environment Property management service quality Security facilities Rental level	Complaint mailbox Routine inspections Complaint hotlines Satisfaction surveys
Employees	An expanding team of outstanding employees promotes 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
Governments	The support of the government to Yuexiu Property encourages it to make 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
Shareholders and investors	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 Shareholder's meeting Investor meetings and roadshows Investor hotline/mailbox



08 / SUSTAINABILITY STRATEGY

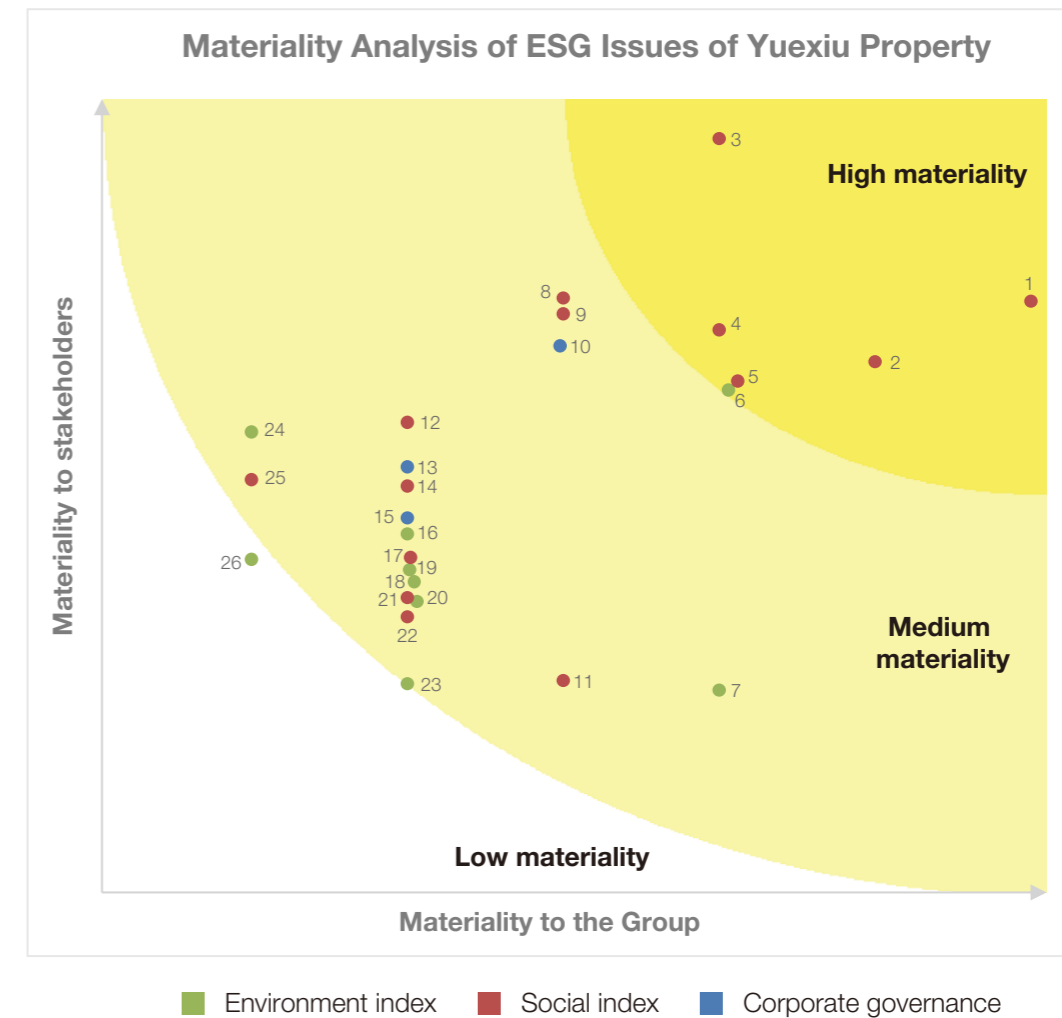
08 / SUSTAINABILITY STRATEGY

Stakeholders	Status of stakeholders	Main focuses	Response to demands
Suppliers	The suppliers provide Yuexiu Property with high-quality products and services and become 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
Media	Media reports can enhance awareness of the community of Yuexiu Property's operation 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
Local community	Yuexiu Property makes its contribution to the development of the communities.	Community development Public services	Community public services Complaint hotlines

8.5 RESPONSIBILITY ISSUES

The stakeholders on various ESG issues and the degree of importance of the issues are the basis for assessing the importance of Yuexiu Property. In 2021, Board of Director reviewed the ESG management related issues of Yuexiu Property in the previous year based on the HKEX Environmental, Social and Governance Reporting Guide, and adjusted the ESG major issues of Yuexiu Property in combination with the business development trends of the Group and benchmarking peer enterprises in this year. In 2021, the Board of Director of the Company have conducted materiality analysis of ESG issues of Yuexiu Property, in consideration of a number of factors with the stakeholders including employees, various suppliers, owners, office buildings/mall users and investors of the company.

After the analysis, we identified 6 issues of high concern, including "customer complaint handling", "product and service quality", "employee safety and health", "employee rights protection and composition diversity", "policy response" and "green building". This report will focus on its management performance in order to effectively respond to the concerns of stakeholders.





ESG Materiality Ranking (from high to low)		
High materiality	1	Customer complaint handling
	2	Product and service quality
	3	Employee safety and health
	4	Employee rights protection and composition diversity
	5	Policy response
	6	Green building
Medium materiality	7	Effective use of materials
	8	Consumer privacy
	9	Employee remuneration and welfare
	10	Anti-corruption and bribery
	11	Talent attraction and retention
	12	Employee training and development
	13	Responsible governance
	14	Reasonable marketing and promotion
	15	Anti-unfair competition
	16	Wastewater management
	17	Public services
	18	Pollutant Management
	19	Energy conservation
	20	Greenhouse gas and carbon emissions
	21	Supply chain ESG management
	22	Protection of intellectual property rights
	23	Tackling climate change
	24	Waste management
	25	Promoting industry development
Low materiality	26	Biodiversity and land use

8.6 ANTI-CORRUPTION

Yuexiu Property continues to improve and strictly implement various rules and regulations, guides the integrity of the enterprise, improves the anti-corruption management mechanism, enhances the integrity awareness by standardizing the behavior of employees, and promotes the improvement of the reporting mechanism, so as to promote the fair operation of the enterprise and maintain the vitality of long-term development.

Management Framework

Yuexiu Property abides by business ethics. The Board of Directors is dedicated to maintain and establish a comprehensive anti-corruption management structure, and to ensure the clean and efficient operation of the Group. As the executive department, the disciplinary committee office is responsible for managing the Group's anti-corruption matters and coordinating the implementation of anti-corruption-related management work by various functional departments and subsidiaries in order to integrate integrity into daily work.

In order to enhance the participation of the management in anti-corruption supervision, an anti-corruption working group has been formed, comprising of supervisors, the head of the disciplinary committee office and the heads of other relevant functional departments of the Company. The working group holds a joint supervision meeting and a special meeting of the anti-corruption work coordination group on a quarterly basis, to study the rectification of integrity problems, the closed-loop inspections of key business lines, the investigation results of various types of complaints and reports and other issues, to improve the level of anti-corruption management. Aiming at the prevention and control of integrity risks, the working group has carried out self-inspection and assessment of corporate integrity risks, focused on seven key areas and integral sections such as production and operation management processes and asset transactions to compile a list of integrity risk management, helped the full-time human resource management department to compile and complete the guideline for the prevention and control of integrity risks, reviewed and updated the manuals for industrial risk prevention and control in the health care business and long-term apartment rental business, and further improved the integrity risk prevention and control system in key areas.



Anti-Corruption Policy

Yuexiu Property actively promotes the establishment of the anti-corruption system and formulates internal policies such as Administrative Rules for Integrity Supervisors. In 2021, we have revised the Accountability Management Measures, to clarify the definition of the violations of rules and discipline or misbehavior of all levels of management personnel, as well as penalties for the violations of rules and discipline of different degrees, so as to more effectively restrain the behavior of management personnel.

Employee Training on Business Ethics

Yuexiu Property consistently implements discipline education and integrity education, organizes case warning education, laws and regulations publicity and other training activities. At the same time, we encourage new employees to sign the Undertaking for Personal Integrity, make full use of the management account of post integrity risk points, carry out integrity education for all employees, and further enhance the awareness of integrity and self-discipline of junior employees. In 2021, we organized training on integrity education, and cooperated with suppliers to carry out 21 special training activities on "integrity and co-construction", covering Yuexiu Property directors, executives, contract employees, outsourced employees and suppliers, with 134 trainings in total and over 16,000 participants.

Regular Audits of Ethical Standards

Yuexiu Property continues to carry out internal audits. In response to the existing integrity risk, the disciplinary committee office carries out risk research on key business modules on an annual basis, analyzes and summarizes the special audit feedback issues and the key business line inspection issues, evaluates the progress of rectification, and gradually sorts out specific business risk handling plans. In addition, in compliance with the requirements of Yuexiu Group, its parent company, along with relevant government regulatory authorities, Yuexiu Property deploys and organizes special inspections and patrols for special issues or specific groups of employees, with approximately 3-4 times each year. In 2021, Yuexiu Property has deployed and initiated a total of 12 special rectification works for private lending participation, illegal occupation of public housing, drunk driving and other issues. It has also organized self-inspection and self-rectification of conflicts of interest, identified integrity risks in a timely manner, and promoted prevention of integrity risks.

Anti-Corruption Policy for Suppliers

Yuexiu Property has vigorously promoted the integrity, education, and behavior standards of suppliers and issued internal policies such as Procurement Accountability Management System and Detailed Rules for the Accountability Management of Suppliers to regulate the behavior of employees and suppliers in the procurement functions. In order to ensure fair competition during the bidding process, we have clearly stated anti-collusion requirements in all bidding documents and required the bidding and evaluation personnel to sign integrity agreements on the newly built digital bidding and purchase platform.

Whistleblower Protection

Yuexiu Property adheres to the principle of "Opening to Anti-corruption", disclosing the reporting mailbox, telephone number and other channels on the official website, and smoothing the reporting channels. For reported clues, we will contact the informant three times to provide feedback on the progress and results of the investigation, and effectively follow up the reporting clues. In addition, we standardize the handling procedures of complaint reporting in strict accordance with the Report Confidentiality Policy. We keep the informant's identity information highly confidential during the handling process. We have set up a special file room and a confidential cabinet to store report information. From report receiving to cases investigation, relevant materials are managed by specified personnel. Any retaliation against the informant is strictly forbidden and once spotted, we will process it seriously.

Anti-Money Laundering

Yuexiu Property strictly abides by the Anti-unfair Competition Law of the People's Republic of China and other laws and regulations, and formulates the Fund Management Measures, Measures for the Management of Three Public Matters and other internal systems. The financial department is responsible for the raising, utilization, balance and transfer of the fund of the Group on a consolidated basis. It has always been vigilant in supervising any employees and suppliers to perform anti-money laundering, anti-terrorist financing, and anti-improper profit-making activities and adheres to compliance operations.

In 2021, Yuexiu Property neither had any lawsuits involving corruption, bribery, extortion and money laundering, nor participated in any unfair competition or violation of monopoly legislation and legal proceedings.



08 / SUSTAINABILITY STRATEGY

08 / SUSTAINABILITY STRATEGY



The Group's Annual Report for the Year of 2020 Was Awarded:

2021 International ARC Awards – Honors – Traditional Annual Report: Property Development: Commercial

2021 International ARC Awards – Bronze Winner – Interior Design: Property Development: Commercial

Yuexiu Qin Yue Lane – The 10th (2021-2022) “Guangsha Prize”

China Real Estate Association, the Center for Housing Industrialization of the Ministry of Housing and Urban-Rural Development

Yuexiu Victory Center – The 10th (2021-2022) “Guangsha Prize”

China Real Estate Association, the Center for Housing Industrialization of the Ministry of Housing and Urban-Rural Development

Yantai Yuexiu Elegant Mansion Elegant Mansion – The 10th (2021-2022) “Guangsha Prize”

China Real Estate Association, the Center for Housing Industrialization of the Ministry of Housing and Urban-Rural Development

8.7 SOCIAL RECOGNITIONS

Listed Company Awards of Excellence 2021

Hong Kong Economic Journal

China Property Award of Supreme Excellence 2021

Organizing Committee of China Property Award of Supreme Excellence

Top 50 China Real Estate Development Enterprises of 2021 in Comprehensive Capability

China Real Estate Association, Shanghai E-house Real Estate Research Institute, China Real Estate Appraisal Centre

TOP 30 China Real Estate (Commercial) Development Enterprises of 2021 in Comprehensive Capability

China Real Estate Association, Shanghai E-house Real Estate Research Institute, China Real Estate Appraisal Centre

2021 Top 30 Among Top 100 Most Valuable Brand of China Real Estate

China Real Estate Newspapers

2021 Most Stable Real Estate Company in China

The Time Weekly

2021 Top 30 Listed Real Estate Companies in China

Guandian Index Academy

2021 China TOD Benchmark Company

China Times

2021 ESG Leading Model Enterprise in Real Estate

Hexun.com

Top 20 Guangdong Property Enterprises with High Credit

Four Major State-owned Banks, China Interchange Association of Top Credit-rating Property Enterprises Association



09

QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

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

ESG issues in this Chapter

- Product and service quality
- Employee safety and health
- Protection of intellectual property rights
- Supply chain ESG management

SDGs issues to be responded to in this Chapter





09 / QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

9.1 QUALITY IMPROVEMENT

Yuexiu Property adheres to the concept of “high quality and beautiful buildings”, strictly abides by the Construction Law of the People’s Republic of China, Product Quality Law of the People’s Republic of China, Regulations on Quality Management of Construction Projects and other laws and regulations, formulates the Guide of Yuexiu Property on Quality Management of Construction Projects, SSCS System Implementation Management Rules, Management Rules of Standard Delivery Process, Management Rules of Quality Control, Guidelines for Joint Acceptance of Residential Projects before Delivery, Guidelines for Internal Acceptance of Products, Management Rules of Product Quality Assurance and Maintenance and other internal systems, establishes the inspection mechanism of three-level quality control of “city-regional platform-headquarters” and monthly inspection report reporting and inspection mechanism, and continuously improves the project quality.

Improvement of the Project Management and Control System

Our primary task is to establish a sound management system. Based on the construction management system upgrade last year, we have established an assessment and evaluation mechanism for regional platforms to guide regional companies to carry out systematic construction in terms of organizational structure, risk management and control, quality control, construction digital intelligence platform application, construction planning and other aspects. In 2021, 19 documents of system and management requirements were published.

Promotion of Process Risk Management

In regard to the risk management of the whole project cycle, we set up 6 risk identification stages for inspection, including the main body start-up, mid-term inspection, and acceptance of delivery, clarifying the risk management actions at each stage and standardizing the project process management. At the same time, we establish a risk checklist by project, organize project risk analysis meetings on a monthly basis, conduct risk rating and report on a quarterly basis, and resolve major risk issues in a timely manner.

Quality Assessment by Third Party

In 2021, the process quality assessment by a third party covered 8 regional companies and 23 cities. The score of the quality assessment delivered by the third party is exceeding the industry average.

Commencement of Training and Education

We have created two construction training brands, namely “Be a Part of Successful Construction Team” and “Construction Training Camp”, to provide empowerment training for regional companies and construction management. The training covers construction system, quality assessment, digital intelligence platform, construction planning, etc. More than 20 training activities were carried out with more than 5,000 participants times, so as to help enhance the comprehensive ability of construction staff.

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Comprehensive Promotion of Construction Digital Intelligence Platform Application

In 2021, Yuexiu Property comprehensively promotes the application of construction digital intelligence platform, covering construction management processes such as actual measurement, safety acceptance, project inspection, and third-party evaluation. At the same time, the platform opens up the enterprise resource planning (ERP) system, and identifies the risks of supply, completion and delivery. The platform also achieves various online project management operations, inspections and evaluations, and visually displays the front-line project management results and the supervision and inspection results of the group headquarters and regional companies in real time, helping to improve the level of project management information management. In 2021, the engineering digital intelligence platform has completed more than 20 online and offline training and publicity for all projects under construction in eight major regions in China, covering more than 5,000 people. The system covers more than 140 project stages and achieves 100% application of all functional modules.





Launch of the First Engineer Culture Festival

On 28 October, 2021, the closing ceremony of Yuexiu Property's first engineer culture festival and the standardization demonstration projects awarding ceremony were held in Yuexiu Starry City, Guangzhou. The engineer culture festival this year promoted the spirit of "ingenuity". Through the "Six Ones" series of activities, including "one engineer culture lecture, one engineer oath ceremony, one caring greeting to workers, one model site for viewing, one high-quality project exhibition, and one site open day", the festival focused on system construction, order construction, and quality improvement to carry out special actions, thereby enhancing the soft power of engineering personnel.

Leveraging the "Six Ones" series of activities in the engineer culture festival, Yuexiu Property carried out in-depth selection of engineering standardization demonstration projects and created the first batch of 11 engineering standardization demonstration projects, effectively functioning as a demonstration to promote the improvement of the construction quality of various projects nationwide.



9.2 HEALTH AND SAFETY

Yuexiu Property adheres to the idea of "Life and Safety First", which takes "Assume Responsibility, Strengthen Capacity, Improve Quality and Control Risk" as its primary work line. The Group has established a dual prevention system and built a long-term mechanism to classify safety risks and investigate and deal with hidden dangers. We also improve the safety management organization structure by focusing on each level's work safety while encouraging and implementing safety standardization control across all business activities. Yuexiu Property introduces third-party personnel to comprehensively inspect, evaluate, assess project companies, and consolidate safety management to improve safety management steadily.

Management Framework

Yuexiu Property has established a safety management structure and formed a work safety committee, with the chairman and general manager of Yuexiu Property as the responsible person. The work safety committee's office coordinates the work safety management, and functional departments of the head office of each headquarters, subsidiaries, and regional companies serve as the first person responsible for work safety at each level. Every year, the persons in charge must sign the Work Safety Responsibility Agreement and strictly implement employee safety operation procedures. Employees are also required to conduct assessments on safety knowledge and on-site operations. Regional companies also have established safety committee management centers that implement regional safety management and supervision for construction projects to ensure that the work safety is integrated into the front-line operations. In 2021, Yuexiu Property strengthened its safety management staffing. There were 85 safety management personnel and 43 registered safety engineers in total in the Group and its subordinates, and the foundation for the improvement of safety management is laid.



Safety Certification and Policy Guarantee

Yuexiu Property actively promotes the safety management system certification, strictly abides by the Work Safety Law of the People's Republic of China, Fire Protection Law of the People's Republic of China, Emergency Response Law of the People's Republic of China and other laws and regulations in the area where they operate. Based on the occupational health and safety management system OHSAS 18000/ISO 45001 standards, the Group has set and implemented the Administrative Measures on Work Safety Responsibility System, Management Measures of Work Safety Accountability, Administrative Measures for Emergency Plans of Work Safety Accidents, Emergency Plan for Group Emergencies and other internal policies, which comprehensively covers safety management and supervision, assessment management, responsibility investigation, contingency plans, education training, etc. These policies provide effective and comprehensive guidance for the safety management of the Group. At the same time, Yuexiu Property has formulated the Residential Property Work Safety Site Operation Guide, Commercial Property Work Safety Management and Control Regulations, Safety Standardization Control Regulations for Health Care Business and other management systems to further standardize the work safety management of various business types. In 2021, Yuexiu Property has compiled and revised the Work Safety Accident Reporting and Investigation Management Measures and the Work Safety Accident Hidden Inspection and Management Rules, and formulated 312 safety systems, including the Demolition Project Safety Standardized Management and Control Specifications for urban renewal formats, to improve the safety management system.

Safety Management of Contractors

According to the Articles of Safety Management of Related Parties, Yuexiu Property implements safety management and control such as introduction of contractors, process supervision and duty performance rating, and supervises the safety production carried out by contractors in an all-round way.

Selection and engagement of contractors	Performance process management	Performance evaluation	Supervision and management
We clarify the safety objectives and requirements, review the safety qualifications and safety production conditions of the contractors, and sign safety production management agreements with contractors.	Safety disclosure and truthful recording are carried out before entering the site. We assess the safety management capability of the on-site management personnel of the contractors, and regularly organize safety inspections during the production process to supervise the rectification of safety issues.	We regularly evaluate the safety performance of the contractors, adjust the safety credit rating, incorporate major safety hazards of the contractors into the safety performance evaluation, and continue to use or withdraw from the contractors depending on the rectification condition.	The safety production, supervision and management department of the Group carries out regular or irregular safety management, supervision and inspection of the contractors to its subordinates.

Target to Improve Safety Performance: Four Guarantees

Yuexiu Property maintains the "Four Guarantees" bottom line of work safety, which are defined as no direct work safety liability accidents, no major environmental pollution accidents, no major internal security accidents, and no major food safety liability accidents.



09 /
QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

Management Performance

Safety management performance of Yuexiu Property in 2021

- Recorded 0 case of official vehicle traffic deaths with full responsibility;
- Recorded 0 case of liability accidents such as fire, explosion, collapse with financial losses of over RMB100,000;
- Recorded 0 case of food safety and environmental pollution liability accidents;
- Recorded 0 case of public security incidents with adverse consequences on social stability.

Continuous Safety Inspection

Yuexiu Property continues to enhance safety management and control. Throughout the year, we have organized 3,574 safety inspections, including safety inspections for resumption of work and production, unannounced inspections for project safety, fire safety inspections, and wind and flood prevention inspections. In total, the Group identified 18,900 hidden dangers with a closed-loop rectification rate of 100%.

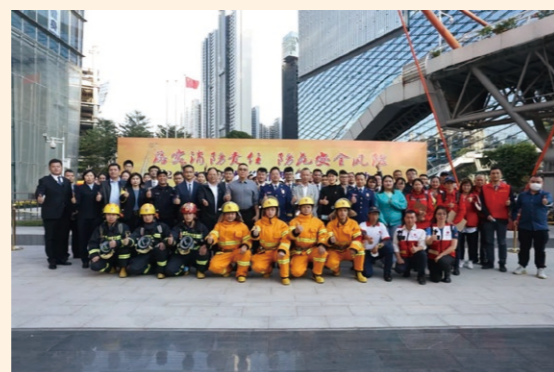
Launching Diversified Safety Culture Activities

Safety culture activities: Yuexiu Property actively organizes various forms of safety culture activities to carry out safety publicity and education for the employees to improve their safety awareness. During the year, units at all levels of the Group have carried out 57 activities, including safety knowledge competitions, safety painting competitions and safety training activities, involving 58,000 person-times of employees.

Emergency drills: In 2021, Yuexiu Property and its subordinates have organized 1,524 emergency drills, with 37,807 person-times of drill participation, enhancing the employees' ability of emergencies prevention and self-rescue during emergencies.



Safety knowledge competition



Emergency fire drills in Yuexiu Financial Tower



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QUALITY PRODUCT AND PROGRESSIVE DEVELOPMENT

9.3 PRODUCT AND SERVICE INNOVATION

Yuexiu Property focuses on innovation and exceeding other. We continue to develop green and healthy residence products, integrate advanced concepts in our technologies and products, put forth new ideas, and create innovative products and quality services. In 2021, Yuexiu Property created a contracting center that takes into account of both design and functionality, which provides customers with a convenient and efficient service experience.

Newly Upgraded Signing Service Center

In 2021, the newly upgraded and built Yuexiu Property Signing Service Center (Yue-lifestyle Gallery) was officially put into trial operation, with purpose of achieving the upgrading and optimization of service standards. The contracting center has fully promoted digitalization, and applied the management information integration, online tool empowerment, intelligent construction and intelligent analysis data to the three stages of the process of contracting, i.e., before, during and after the signing. It achieves closed-loop business optimization, enables paperless, mobile, intelligent and visualized on-site operation, completes the contracting work more efficiently, saves time for customers, and improves user experience.



9.4 INTELLECTUAL PROPERTY AND TRADEMARK MANAGEMENT

Yuexiu Property actively responds to the protection of intellectual property, strictly abides by the Copyright Law of the People's Republic of China, Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, Civil Code of the People's Republic of China and other laws and regulations. The Group has formulated relevant regulations on intellectual property and trademark management. The legal department implements intellectual property applications, registrations, changes, and other intellectual property work, guaranteeing the Group's technology R & D, business development, and daily operation. At the same time, we continue to strengthen the monitoring and investigation of the infringement of intellectual property in the market, discover and deal with the relevant infringement in a timely manner, and effectively protect enterprises' intellectual property.

In addition, we also publicize intellectual property laws and regulations and advocate employees to safeguard other people's intellectual property. For any materials involving other people's patents and intellectual property, we shall use them carefully within the authorised legal scope after being authorized so as to reduce the risk of infringing other people's intellectual property.



9.5 SUPPLY CHAIN MANAGEMENT

Suppliers are important partners of Yuexiu Property. We select quality suppliers and establish standardized supplier management processes such as bidding and supplier evaluation to create high-quality products for customers. In addition, we have long been committed to growing together with our partners, identifying and controlling environmental and social risks in the supply chain, vigorously promoting green procurement, and actively fulfilling our corporate citizenship responsibilities.

Optimization of Supplier Management

Yuexiu Property has continuously improved bidding, procurement, supplier assessment, grading and classification management, and other aspects and strives to optimize supply chain management. We formulate the Administrative Measures for Bidding and Procurement, Management Rules for Bidding Invitation and Procurement for Non-construction Projects, Work Guidelines for Shortlisting (Database Entering) of Material and Equipment Suppliers and other internal systems. We standardize the bidding process, specify the inspection and evaluation standards of suppliers, implement the classification management of suppliers, and improve the quality management of suppliers. In 2021, Yuexiu Property has newly promulgated the Management Rules for Construction Project Suppliers, sorting out the inspection and entry, expansion, graded application, re-evaluation, contract performance evaluation, and strategic application of suppliers and improving the supplier management system.

2021 No. of suppliers	Southern China	Eastern China	North China	Central China	Northeast China	Southwestern China	Hong Kong, Macau, Taiwan and overseas	Total
	15,574	2,761	353	3,333	2,969	1,300	560	26,850

Entry audits for suppliers: For potential suppliers, we carry out entry audits and conduct preliminary screenings, site investigations, and data audits on suppliers' qualifications, licenses, performance ability, technical level, etc. In 2021, we recorded and rated the on-site inspection process through the "digital bidding and purchase platform" and "Yue Work" APP, achieving traceable on-site inspection information throughout the process.

Evaluation of suppliers' performance: For suppliers in the database, we carry out classified and hierarchical management and dynamically adjust them according to the actual business activities. At the same time, we evaluate suppliers' performance. In case of unqualified performance evaluation, we will require improvement, suspension of bidding, locking and blacklisting, etc. (as the case may be).

Enhancement of supplier management: We have set up a material laboratory and systematically created a material workshop exhibition hall. The material laboratory displays new materials and decoration materials, while the exhibition hall displays single-product materials such as sanitary ware and kitchen appliances according to standardized packages, clarifying corporate procurement standards to the suppliers. In addition, we arrange suppliers to train construction personnel on process methods and materials, strengthen the exchange and sharing of advanced process methods and innovative materials, and improve the quality of supply.

Promote transparent procurement: We have established the Procurement Accountability Management System, Detailed Rules for the Accountability Management of Suppliers Procurement and other internal policies. We also require suppliers to sign an integrity agreement to further standardize the behavior of employees performing bidding and purchase functions and suppliers. In addition, we organized integrity publicity and education activities of the suppliers, and cooperated with suppliers to carry out 21 special training activities on "integrity and cooperation".

Promotion of digital bidding and purchase: We make great efforts to promote the construction of the digital bidding and purchase platform. We have further optimized the functions of Yuexiu Property digital bidding and purchase platform. Regarding the under-supervised traditional local bid opening and evaluation, we have established a remote bid evaluation system to achieve the visualization, standardization and traceability of the bid opening and evaluation process, and to carry out real-time supervision of the bid opening and evaluation process.



Create a Remote Bid Evaluation System

On 9 December, 2021, the remote bid evaluation system coordinated and constructed by Yuexiu Property was officially launched, and it was given priority to pilot operation at the Group's headquarter. At the same time, by formulating the "Remote Bid Evaluation Management Guidelines" to standardize the work process, the remote bid evaluation system realizes multiple real-time online monitoring and risk identification and early warning of the environment, dynamic desktop and behavior of the bid evaluation room and the judges throughout the process of bid evaluation, thus implementing whole-process, real-time and effective supervision of the "bid opening and evaluation" section. We will strive to promote the following four goals and functions using the remote bid evaluation system:

Transparent bidding and purchase: The bid opening and evaluation process and the bid evaluation expert review interface are under scrutiny;

Standardized bidding and purchase: With gradual decentralization of the bidding and purchase business, the key section of bid opening and evaluation shall be effectively supervised, while the bid evaluation experts shall perform their duties and standardize the evaluation under supervision;

Real-time supervision: Regarding speeches and behaviors of evaluation experts that may affect fair evaluation during the bid evaluation process, the system performs intelligent analysis and provides early warnings, and records possible non-compliant evaluation behaviors of evaluation experts in real time;

Traceability: The whole process of bid opening and evaluation is dynamically recorded through digital technology. The management departments of each business line and the supervision departments at all levels of the Group can retrieve information at any time to restore the status of the review process retrospectively.

Advocating Responsible Procurement

Yuexiu Property also devotes itself to promoting sustainable development in the society, in which "sustainable procurement" has been a key task. We actively assess the sustainable development performance of suppliers. During the review, we give extra points to suppliers who can provide certifications of ISO14001, ISO45001 and other quality management system and occupational health and safety management systems. At the same time, we require the suppliers to include the expenses of safe and civilized construction measures into the budget, implement green construction and guarantee employee safety. We require suppliers to set up special accounts for workers' wages to ensure the normal payment of employees' salaries. We also incorporate the requirements of sponge city and prefabricated construction into the bidding management.

In addition, we actively promote green product procurement, requiring the construction contractor to use environmental-friendly and energy-saving commercial concrete and other materials in accordance with the Engineering, Procurement and Construction Contract to ensure that the project complies with national regulations on energy conservation and consumption reduction. At the same time, the Hong Kong subsidiaries of Yuexiu Property purchase copiers with ISO 14001 Environmental Management System Certificate and use papers certified by Forest Stewardship Council.



10

ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

Adhering to the core motto “Where Good Living Starts” and guided by the green development vision of “Build Green and Harmonious Space, Have a Low-Carbon Living”, Yuexiu Property focuses on green development. Through the development model of green building, construction, operation, and office, we aim to build green and livable communities, promote sustainable business operation and construct an ecological and civilizational society.

ESG issues in this Chapter

- Waste management
- Energy conservation
- Water resources management
- Green building
- Pollutant management
- Biodiversity and land use
- Tackling climate change
- Greenhouse gas and carbon emissions
- Effective use of materials

SDGs issues to be responded to in this Chapter





Yuexiu Property Green Development Strategy

- **Green building:** Focus on achieving “model of residential flats with meticulous process”, improve the environmental management mechanism of construction projects, promote green building and sustainable urban space, and utilize green financial instruments to support green development.
- **Green construction:** Actively comply with the green building systems, reduce environmental interference throughout project development, and protect the ecological environment.
- **Green property:** Advocate sustainable operation, use innovation and technology means and information-based tools to intensify energy consumption management and improve the resource efficiency of buildings and facilities, thus creating a green business and living environment.
- **Green leasing:** Actively explore green leasing to make buildings greener, cleaner and more efficient. Keep close communication with building users to explore measures to reduce energy and water consumption and greenhouse gas emission.
- **Green community:** Focus on greening of the overall design, highlight full lifecycle landscape, rely on local natural resources, and construct a livable, ecological, residential and green community.
- **Green office:** Construct paperless office, take energy conservation measures, enhance waste classification, and maximize waste reuse.
- **Green promotion:** Organize diversified environmental activities on a regular basis to enhance the awareness of employees, residents and customers and other stakeholders regarding environmental protection, and build green offices and communities.



ESG TARGETS


Targets

Achievement



Greenhouse Gas Emission Reduction Targets

- 🎯 To promote paperless office.
 - Advocate the use of electronic document for circulation and communication and contacts through e-mails;
 - Actively promote the use of electronic signatures;
 - Equip with more electronic reporting tools;
 - Advocate the reuse of waste paper.
- 🎯 To improve the dust management on construction sites, and implement measures of air testing and exhaust emission management.
 - By the end of 2021, **100%** of the construction sites had been equipped with environmental monitoring systems and environmental-friendly dust reduction measures.






Waste Reduction Targets

- 🎯 To promote the separate collection and recycling of waste in office areas.
 - Carry out the recycling of idle office supplies and set up a requisition area to improve the recycling rate;
 - Promote the replacement of disposable batteries with rechargeable batteries;
 - Strengthen the reuse of accessories of scrapped computer (office equipment).
- 🎯 By 2025, the utilization rate of aluminum mould and climbing scaffolding in the construction process will reach **80%** (by the number of projects), reducing the use of wood framework.
 - By the end of 2021, the utilization rate of aluminum mould and climbing scaffolding in the construction process reached 60% (by the number of projects).
- 🎯 To improve the ratio of prefabricated construction and reduce waste on the construction sites.
 - The application rate of recyclable prefabricated temporary construction measures (enclosure walls, construction board houses) had been increased, and the waste generated on the construction sites had been reduced.
- 🎯 By 2025, **100%** of new development projects will be equipped with waste sorting facilities.
 - Provide waste sorting facilities for new development projects during the design, construction and property management process.

10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

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	Targets	Achievement
 <p>Energy Use Targets</p>	<ul style="list-style-type: none"> To promote the use of LED energy-saving lamps in office areas and construction sites. To comprehensively strengthen the energy consumption management of buildings and facilities and equipment, and improve the efficiency of resource use. 	<ul style="list-style-type: none"> Promote LED lamps in the office area, and install sound and light control switches properly to reduce “non-stop lighting” to a certain extent; Popularize the use of LED lighting at construction sites of projects under development. Actively introduce intelligent means and information-based tools, strengthen energy consumption management of commercial and residential projects, and promote tenants to take measures to reduce energy consumption.
	 <p>Water Use Efficiency Targets</p>	<ul style="list-style-type: none"> To reduce the use of water on the construction sites and gradually promote the recycling of water resources on the construction sites.
 <p>Other Targets</p>	<ul style="list-style-type: none"> To ensure there is 0 major environmental pollution accidents. To ensure that there is 0 work safety direct liability accidents. 	<ul style="list-style-type: none"> There was 0 major environmental pollution accident in 2021. There was 0 work safety direct liability accidents.

10.1 GREEN BUILDING

Yuexiu Property adheres to the “Intelligent, Green, and Low-carbon” development philosophy by applying green building standards to all the construction projects such as residential projects, office and commercial projects. The Group continues to contribute to developing green buildings in terms of improving systems, strengthening management and updating technology.

In terms of systems, Yuexiu Property has formulated plans in accordance with the Green Building White Paper. The Group has designed and constructed green buildings with reference to the National Guidelines for Design of 1-Star and 2-Star Green Buildings, the Management Measures for 1-Star and 2-Star Green Building Identification Logo (for Trial Implementation), the Detailed Rules for Implementation of Green Building Identification Logo (Revised for Trial Implementation) and the Detailed Rules for Management of Green Building Construction Projects. Regional branches have also incorporated the green building technology in Technical Standards for Residential Projects of Regional Companies and promoted green buildings.

In 2021, Yuexiu Property continued to promote green building certifications. We have obtained 16 new green building certifications with a total certified floor area of more than 2.34 million m²¹, with a year-on-year increase of 58.3%.

Key projects of Yuexiu Property that obtained green building certification in 2021			
Project Type	Project Name	Level of Certification	Area of Certification (m ²)
Residential project	Phase V of Suzhou Never Land	National 1-star	283,200
Public building	Phase III of Wuhan Yuexiu International Financial City	National 2-star	587,716
Residential project	Residential buildings D1, D2 and basement of Plot 114 of Guangzhou Starry Haizhu Bay	Provincial 1-star	38,381
Public building	Commercial building D3 of Plot 114 of Guangzhou Starry Haizhu Bay	Provincial 1-star	14,983
Residential project	Plot B of Huadu Royal Mansion	Provincial 1-star	146,315
Residential project	Plot C of Huadu Royal Mansion	Provincial 1-star	133,959

¹ The green building certifications obtained in 2021 refer to the certificates of green building design label. According to the revised Green Building Evaluation Standard (GB/T 50378-2019), since 2019, the green building evaluation of the housing and urban-rural construction departments in China and above the prefecture-level city has been carried out after the construction project is completed, and the evaluation of design certification has been gradually stopped. Therefore, the Company foresees that as a result of the increase in the green building certification cycle of new development projects in the future, the issuance of green building certification for some projects may be delayed. Such delay causes the inconsistency between green building reporting period in the ESG report and annual report, and cannot be included in the statistics of the green building certification projects in the current reporting period.



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

Key projects of Yuexiu Property that obtained green building certification in 2021			
Project Type	Project Name	Level of Certification	Area of Certification (m ²)
Public building	Plots 5#, 6# of Changsha Yue Lake Stage Land No.038	Provincial 1-star	32,000
Residential project	Plots 1-4# and basement of Changsha Yue Lake Stage Land No.038	Provincial 1-star	99,800
Residential project	Chen Tougang Metro Depot of Guangzhou Yue Infinity	Provincial 2-star	73,217
Residential project	Residential buildings 3-4#, 9-62# and basement of Guangzhou Yue Melody	Provincial 2-star	527,564
Public building	15 classes Kindergarten, 18 classes kindergarten of Guangzhou Yue Melody	Provincial 2-star	9,296
Public building	Teaching building in 45 classes nine-year school of Guangzhou Yue Melody	Provincial 2-star	15,463
Public building	Gymnasium in 45 classes nine-year school of Guangzhou Yue Melody	Provincial 2-star	2,691
Residential project	Guangzhou Yue Galaxy 1-8#	Provincial 2-star	236,539
Public building	Guangzhou Nansha International Financial Center (Podium 3#4#, office 3#, office 4#, basement of Phase XII of Nansha Southern Le Sand)	Provincial 2-star	54,383
Residential project	Guangzhou Nansha Joy Bay (Buildings 4#-13# and D2 basement of Phase XIII of Nansha Southern Le Sand)	Provincial 2-star	85,637



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

10.1.1 Prefabricated Construction

Prefabricated construction can effectively improve production efficiency and overall quality, reduce building energy consumption, and reduce traditional buildings' energy and resource consumption. In 2021, we formulated the Selection Strategy and Technical Guidelines of Prefabricated Construction and improved the Guidelines for Site Standardization Construction System (SSCS 2.0), to comprehensively upgrade the new construction system SSCS 2.0, enhance the construction concept of "Quality, Efficient, Green, Intelligent", and vigorously promote the application of prefabricated construction.

In 2021, among the projects under construction of Yuexiu Property, prefabricated construction technology has been applied in 38 of them, resulting in significant improvement in project quality, safety and civilization, anti-leakage and other aspects. The comprehensive index score of third-party evaluation for these projects increased by 2% compared with the overall level of the Group, reaching the benchmark level of the industry.

Upgrade of Site Standardization Construction System (SSCS 2.0)

Yuexiu Property upgraded and introduced a new construction system (SSCS2.0). The system features "high-accuracy" and "fully interspersed construction", optimizing the process under the premise of project quality guarantee. Through reasonably adjusting the schedule of sub-divisional works, it conducts individual process in parallel or succession, reduces the loss and unnecessary reconstruction caused by process connection, improves the efficiency and reduces the overall cost.

- **Quality construction:** Promote simplistic construction contents, quality resource investment and refined progress management, improve the fineness of physical space and reduce the occurrence of common quality issues;
- **Efficient construction:** Improve the technical standards of the process, optimize the construction organization and management, and carry out the process interconnection to achieve the improvement of resource efficiency and shorten the overall construction period;
- **Intelligent construction:** Apply engineering digital intelligence platform and construction intelligent tools to promote digital management and intelligent construction, and realize real-time supervision of the whole process;
- **Green construction:** Apply a number of prefabricated processes and promote the repeated recycling of building materials, to achieve energy conservation and emission reduction in the construction process.



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

Results of Prefabricated Construction in the Phase II of International Campus of South China University of Technology

Yuexiu Property has actively promoted the application of prefabricated technology in the Phase II of Guangzhou International Campus of South China University of Technology, focusing on safety and quality while enhancing production efficiency. The project has a total construction area of 590,000 m². Apart from public teaching facilities including campus service center, lecture building, faculty dormitory and students' dormitory, the project covers municipal supporting facilities, public works and other peripheral ancillary facilities. A total of 18 single units and 30 buildings will be built.

The project promotes the application of prefabricated technology, and focuses on the management of component supply, goods-lifting safety and sleeve grouting quality. Processes such as laminated panels with no ribs on all sides and grouting connection of vertical components are adopted in the project to create standardized moulds that are easy to reuse and to improve on-site construction efficiency. The three buildings on the campus all adopt the prefabricated construction technology, with prefabricated application ratio exceeding 60%.



Processing Factory of Prefabricated Construction

On-site Hoisting

10.1.2 Biodiversity Protection

Biodiversity protection is a significant action to maintain ecological balance and promote the harmonious development of human and nature. In accordance with the Environmental Impact Assessment Law of the People's Republic of China, Yuexiu Property carries out environmental assessments 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.

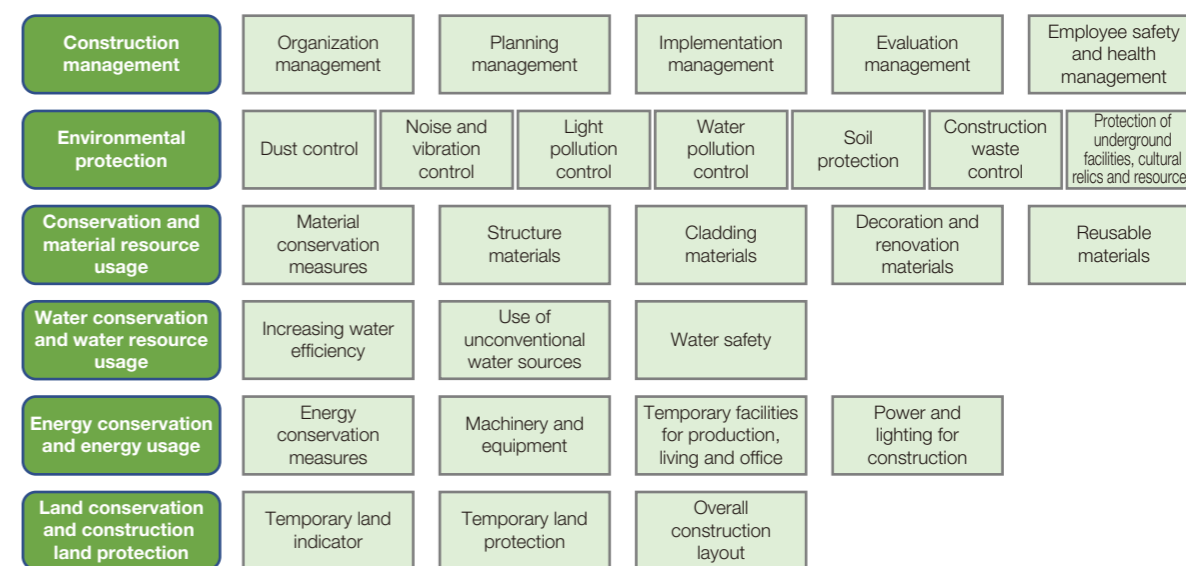
In 2021, no environmental penalty for damaging biodiversity was imposed on Yuexiu Property.

10.1.3 Green Construction

Yuexiu Property constructs projects in strict accordance with the Guide of Yuexiu Property on Quality Management of Construction Projects, the Detailed Rules of Guangzhou City Construction and Development Co., Ltd. for Civilized Construction Management, and the Yuexiu Property Standardization Atlas for Safe and Civilized Construction. Yuexiu Property clearly stipulates "Conservation in Four Aspects and One Goal", i.e. ensuring energy conservation, land conservation, water conservation, material conservation and environmental protection during the construction process. In addition, we have built a green construction management structure, and the project department has established a green construction leading group and a working group. The working group is comprised of members of the project department. It is mainly responsible for maintaining the integrity of green construction energy-saving and consumption-reducing equipment and facilities, and conducting daily inspections and assessments to ensure green construction.

In 2021, Yuexiu Property strictly abided by laws, regulations and local systems, actively cooperated with the government in inspection and supervision, received process quality assessment by a third party, and strictly implemented the requirements of environmental impact assessment in all aspects, with a 100% coverage rate. There were no environmental pollution accidents or accidents with significant adverse impacts on the environment or natural resources.

Green Construction Management System





10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

Green Construction Management Measures:

Reduction of pollution emissions

- Carrying out dust control:** We have set up automatic car washing tanks, water guns, fog guns and other washing devices and three-stage sedimentation tanks at the entrance of the construction site, to clean the vehicles leaving the site. We also designated personnel to clean the roads outside the site regularly to keep the entrances and exits of the site clean and tidy. Regular inspections and irregular random inspections of smoke and dust are carried out to ensure that the emissions meet the standards.
- Carrying out sewage discharge management:** We have set up multi-stage sedimentation tanks to control the sludge content of the discharged sewage. Oil traps are set up in the canteen and we clean up oil stain in a timely manner. We designated personnel to monitor the sewage to ensure that the discharge meets the standards.
- Carrying out solid waste control:** We have set up temporary waste disposal points to separate and store toxic and hazardous wastes in separate categories. Appropriate construction materials are selected to reduce the generation of corner waste.
- Carrying out noise control:** We reasonably arranged construction time to reduce nighttime construction. Vehicles entering the construction site are required to be prohibited from honking. We have set up noise monitoring points for each gate, and designated personnel to regularly monitor whether the noise violates relevant regulations.

Efficient use of resources

- Water resource conservation:** We use water-saving products, and we have installed metering devices and implemented water management. We have set up large reservoirs to strengthen the recycling and utilization of surface water and rainwater. We regularly check water supply pipelines, replace aging faucets, pipeline valves and other water supply equipment to reduce waste of water resources.
- Energy conservation:** We use LED energy-saving lamps, energy-saving water dispensers, efficient construction machinery and other energy-saving equipment to improve energy efficiency. Time switch control is adopted for tower crane lighting to reduce the waste of power. We have installed independent electricity meters to monitor power consumption in a timely manner, analyze excess power consumption and rectify bad energy consumption behaviors in a timely manner.
- Consumables conservation:** We purchased reusable construction materials and strictly regulated the on-site usage of steel, wood, concrete and other construction materials. In order to lower the quota of material loss, we strengthened our supervision and management. Meanwhile, to reduce waste generated from construction supplies, we applied new construction technologies, such as straight thread connection technologies for steel bars and electroslag pressure welding technology.
- Land conservation:** We reasonably planned the site's construction layout, established underground storage warehouses, classified and stored construction materials into the warehouse to reduce the occupied land.



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

10.2 GREEN OPERATION

In order to further implement the green philosophy, Yuexiu Property optimizes the operation measures of environmental protection. We build low-carbon green communities through multidimensional measures such as green initiatives, energy conservation and emission reduction transformation, and resources conservation.

Yuexiu Property and its subsidiaries continue to follow the internal regulations such as Management Procedures of Environmental Protection, Management Regulations on Waste Classification, Management Regulations on Waste and Public Energy Management Regulations to clarify the classification requirements for wastes and standardize the statistical work of energy consumption, and take measures to reduce energy consumption. Yuexiu Services, a subsidiary of Yuexiu Property, complies with the Management Procedures of Environmental, Health and Safety Monitoring and the Environmental Factor Identification and Evaluation Management Procedures to identify the impact of pollutants such as waste gas, wastewater, solid wastes and noise on the environment in a timely manner, so as to avoid potential environmental hazards brought by our operations as much as possible.

Through a series of measures during the project construction and subsequent operation, Yuexiu Property integrates the green and low-carbon philosophy into the enterprise's daily operation and effectively reduces carbon emissions. In 2021, we emitted 72,322.73 tons of greenhouse gas.

Greenhouse Gas Emissions of Yuexiu Property

GREENHOUSE GAS EMISSIONS	Total Emission of 2021 (Ton)	Total Emission of 2020 ¹ (Ton)	Total Emission of 2019 (Ton)
SCOPE I ² GREENHOUSE GAS EMISSIONS	3,491.21	3,488.44	2,631.45
SCOPE II ³ GREENHOUSE GAS EMISSIONS	68,831.52	54,901.41	76,390.95
TOTAL GREENHOUSE GAS EMISSIONS	72,322.73	58,389.85	79,022.40
EMISSION DENSITY (TON/PERSON)	4.43	5.13	5.88
EMISSION DENSITY (TON/RMB1,000,000 REVENUE)	1.26	1.26	2.06
EMISSION DENSITY (TON/10,000 M ²)	26.68	23.79	33.11

¹ Greenhouse gas emissions and density refer to How to Prepare an ESG Report? issued by The Stock Exchange of Hong Kong Limited in May 2021. In which, there are guidelines for environmental key performance indicators and updated emission factors calculation of greenhouse gas emissions of using electricity, and the related data generated therefrom, including the amount of greenhouse gas emissions in 2020, the density of greenhouse gas emissions, etc.

² 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, for example emissions from its own transportation vehicles.

³ According to the ISO 14064 GHG inventory standards, GHG emissions category II refers to indirect energy emission sources, for example indirect greenhouse gas emissions caused by the purchase of electricity.



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

10.2.1 Renovation Towards Energy Conservation

Yuexiu Property is committed to continuously improving energy-saving performance. The main consumption of Yuexiu Property is electric energy. In order to improve energy efficiency, we transform and replace old equipment, and introduce new environmental friendly lighting equipment to reduce overall energy consumption. In 2021, our integrated energy consumption was 5,991,331.27 mWh.

	Total consumption
GASOLINE (LITER)	479,931.60
DIESEL OIL (LITER)	86,671.74
NATURAL GAS (M ³)	954,959.00
PIPELINE GAS (M ³)	2,325.00
CANNED LIQUEFIED PETROLEUM GAS (KG)	34,554.00
ELECTRICITY CONSUMPTION (MWH)	118,454,066.36
TOTAL ENERGY CONSUMPTION (MWH)	5,991,331.27
TOTAL ENERGY CONSUMPTION (MWH/PERSON)	367.12
TOTAL ENERGY CONSUMPTION (MWH/RMB1,000,000)	104.42
TOTAL ENERGY CONSUMPTION (MWH/10,000 m ²)	2,210.01

Yuexiu Property Improves Energy Efficiency of Commercial Projects

Yuexiu Property is committed to improving the energy efficiency of commercial projects and creating a benchmark for green operation.

Guangzhou ICC builds an intelligent energy efficiency monitoring platform, which has an overall control of 18 intelligent systems within the project. Through information collection and intelligent management and control, energy consumption analysis is carried out on the data of elevators, air conditioners and other facilities and equipment, and reasonable resources allocation is adjusted for off-peak hours and busy hours, so as to achieve preventive green energy-saving management and control.

Yuexiu Financial Tower adopts a "breathing curtain wall" composed of inner and outer curtain walls. Sun shades and natural ventilators are installed on the curtain wall to reduce the temperature difference. It also has the characteristics of low carbon, environmental friendly, heat preservation, heat insulation and noise reduction. Comparing to the traditional curtain wall, it saves 42%-52% of energy when heating, and 38%-60% when cooling, substantially reducing carbon emissions during operation of facilities and equipment of the building.



10 / ENVIRONMENT PROTECTION AND GREEN DEVELOPMENT

10.2.2 Renovation Towards Water Conservation

Protecting and saving water resources is Yuexiu Property's consistent initiative. Through technical, administrative and economic management measures such as the 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 terms of property management, we actively promote rainwater collection, set up reclaimed water recycling facilities, and use reclaimed water recycling to water and clean the plant so as to realize the recycling of water resources. Wastewater generated from cleaning vehicles in the engineering sectors is also recycled and used in toilets and dust cleaning. In 2021, Yuexiu Property's water consumption was 2,049,041.46 m³.

Water Consumption of Yuexiu Property

	2021	2020	2019
TOTAL WATER CONSUMPTION (M ³)	2,049,041.46	2,745,537.63	3,735,810.17
WATER CONSUMPTION INTENSITY (PER PERSON)	125.55	241.05	369.88
WATER CONSUMPTION INTENSITY (PER RMB1,000,000 REVENUE)	35.71	59.38	97.44
WATER CONSUMPTION INTENSITY (PER 10,000 M ²)	755.82	1,118.80	1,565.07

Water-Saving Renovation of Residential Projects and Commercial Projects

Yuexiu Property actively promotes water-saving renovation of operating projects to improve the efficiency of water use.

A movable sprinkler irrigation system was added to the garden green space of Jiangmen Starry Mountain to reduce waste of water by hand watering. After the renovation, the amount of water saved is about 1,400 tons/year, and the cost saved is about RMB 6,200/year.

An air-conditioning condensate water recycling system was installed in Yuexiu Financial Tower to supplement water for air-conditioning cooling towers; a rainwater recycling system was also installed in the same building, in order to use the reclaimed water for toilet flushing, garage washing, landscape water supplement and other scenarios to save water.



10.2.3 Making the Best Efforts in Waste Recycling

Yuexiu Property strictly controls waste management in operational 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, achieving waste reduction, harmlessness and recycling. In 2021, Yuexiu Services, a member of Yuexiu Property, promoted waste classification and launched campaigns for promoting environmental awareness during the operation of property projects and commercial projects so as to contribute to creating a resource-saving society.

Yuexiu Property (Central GBA Region) Promote Construction Waste Recycling

In 2021, Yuexiu Property (Central GBA Region) adhere to the concept of green building and environmental friendly. In the process of project development and construction, they always adhere to the principle of waste recycling and require construction units to transport waste steel bars and bricks to waste recycling stations for recycling. About 12,200 tons of construction waste has been recycled throughout the year.

During the excavation of the foundation pit, we fully considered the volume of the earthworks for the project. The excavated earthworks are placed in open space and then reuse when backfilling, in order to reduce the generation of pollutants. The annual reused volume of earthworks was about 57,000 tons.

10.3 GREEN OFFICE

In addition to developing and operating projects, Yuexiu Property also regularly focuses on resource utilization and energy consumption at its own offices. We adhere to the philosophy of "Green Office" and endeavor to create a green workplace. In 2021, Yuexiu Property issued the Notice on Advocating "Energy Saving and Consumption Reduction, Exploiting Potentials" in the Headquarters Office, refining the energy saving and emission reduction measures in office, and strengthening employees' awareness of saving resources. Through the establishment of a field patrol management system and measures to phase out high-energy-consuming lighting equipment, the energy consumption of office electricity was reduced.

We actively promote paperless office. We continuously promoted the Office Automation System and video conference and further promoted to reuse office papers. In 2021, the Group implemented a comprehensive file system and pre-processing system, and some of its subsidiaries achieved online management of documents throughout the entire process, the use of paper for document printing, copying, scanning, archiving and other processes is reduced.

Promotion of Waste Recycling by Yuexiu Property (Central China Region)

Yuexiu Property (Central China Region) actively promotes waste recycling and reuses to reduce office waste.

- **Recycling of waste batteries:** Encourage employees to take initiatives to put waste batteries in designated recycling places, significantly reducing careless discards of used batteries. A total of 370 waste batteries of various types were recycled in 2021.
- **Recycling of waste printing paper:** Set up a waste paper recycling area in the printing room to advocate employees to put waste printing paper in the recycling area, encourage the waste printing paper used as draft paper, paste the invoice documents and other work, so as to control the use of printing paper.



10.4 GREEN LEASING

Yuexiu Property actively explores green leasing, prioritizing the procurement and supply of green and safe products or services. Yuexiu Financial Tower signed green tenant agreements with tenants, in order to advocate to use reused or recycled decoration materials, equipment, cleaners and other materials which meet environmental protection requirements. We also require tenants to implement garbage classification to jointly improve the environmental performance of the property. Meanwhile, we hold environmental protection promotion campaigns for stakeholders such as tenants and commercial partners from time to time to encourage tenants to protect the environment together.

10.5 TACKLING CLIMATE CHANGE

Yuexiu Property pays close attention to the impact of climate change on the Group's development. We gradually carry out the identification and sorting out of climate change risks and their potential impacts, including physical risks mainly due to extreme weather, and transition risks that the Company needs to make changes in policies, compliance, technologies, markets and reputations to adapt to climate change.

At the management level, we have raised the attention of managers of functional departments and leaders to climate change. In important meetings, we conducted systematic assessments to identify risks and opportunities brought by climate change to the Group's business and strategies, and took actions to address climate change.

At the product level, we continue to improve the project design and reduce climate-related impacts on living experiences by taking measures to deal with climate change in the design scheme. Yuexiu Property formulated the Yuexiu Property Meteorological Disaster Emergency Plan to improve our disaster mitigation systems for extreme weathers such as typhoons, heavy rains, rainstorms, high temperature, thunderstorms and gale and other extreme weather. We also improve the meteorological disaster emergency system and operation mechanism to strengthen the meteorological disaster prevention and disposal capacity of the Group. We have set up a meteorological disaster emergency command center. By identifying different levels of meteorological risks, from risk prevention, early warning, emergency response to post-disaster arrangement and safety assurance, we respond in a timely manner and implement safety production responsibilities, so as to minimize or avoid casualties and property losses caused by climate disasters.

Carried Out Emergency Management towards Severe Rainstorm Disaster

In July 2021, Zhengzhou suffered severe rainstorms, an extreme meteorological disaster. The road traffic was completely suspended, and the project was severely affected. Yuexiu Property (Central China Region) quickly launched an emergency plan and issued the Emergency Notice on Work Safety in Extreme Weather such as Severe Rainstorm, instructing the project company to arrange for all employees to work from home and provide emergency supplies for employees who stranded in the office. At the same time, we arranged for a complete suspension of the project, strengthened emergency duty and drainage of accumulated water. We arranged 16 high-power pumps to pump water continuously throughout the day to ensure the safety of the construction site. Before the resumption of the project, the Group carried out investigation of hidden dangers on the site, strengthened the outer frame, tower crane foundation bolts and other facilities, resumed normal construction of the project, and reduced the impact of extreme weather on production.



11

FULL-HEARTED COMMITMENT AND SINCERE SERVICE

Yuexi Property adheres to the “customer-centered” concept and always puts customers’ needs first. We concurrently provide high-quality products and considerate services for every customer. We attach importance to our customers’ information security, provide diversified communication channels, listen attentively, respond to their demands earnestly, and strive to maintain a harmonious relationship with our customers.

ESG issues in this Chapter

- Product and service quality
- Customer complaint handling
- Consumer privacy
- Reasonable marketing and promotion

SDGs issues to be responded to in this Chapter





11.1 PROTECTION OF CONSUMER RIGHTS AND INTERESTS

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

11.1.1 Responsible Marketing

Yuexiu Property strictly abides by the Measures for Regulating the Sales of Commercial Housing and other regulations of PRC, and improves the Mobile Sales Center Management Standards. A special area is set up in the sales center to provide relevant project information for customers including pre-sale licenses, land use permits, project planning and design, adverse factors inside and outside the red line, commercial housing sales management measures and other information, in order to ensure that the information conveyed in the sales process is true, legal and accurate.

In order to protect consumers' right to know, Yuexiu Property engaged a third-party company to carry out marketing risk inspections in the exhibition area of the first sales launch project, and implement in-depth inspections on sales materials, content of speeches, public documents and others, including adverse factors inside and outside the red line, different apartment types, educational information of explanations of uncertainties, and risk reminders for customer payments, etc. Therefore, we can keep proper records of risk points, complete inspection reports and provide feedback to each project. Then, we can follow up the rectification results of risk points properly, effectively reduce the occurrence of marketing risks, ensure the truthfulness of the display content before the opening of the sales center, and enhance consumers' trust in our brands and products.

In addition, we arranged unannounced visits and random inspections by sending mysterious customers to the project sales center every month. We check the reception standards in four major aspects including telephone reception, on-site reception, property service and sales center decoration, so as to effectively check whether the information conveyed, and displayed content in the sales center is true.

11.1.2 Information Security

Yuexiu Property attaches high importance to ensuring information safety. The Group strictly abides by the Data Security Law of the People's Republic of China and other laws and regulations, and strictly implements internal regulations such as the Mobile Sales Center Management Standards, Customer Information Management and Collaboration Rules, Data Management Measures and Information Project Management Rules. We have clarified the responsibilities of employees in respective duties. For the internal information management of the Company, we have set up an access control mechanism, and established an approval mechanism for important operations such as data access, internal and external transmission and use, desensitization, and decryption in order to take authority control, record and monitor the operations for employees who may have access to customer information. It also signs confidentiality agreements with employees and conducts security training and education on a regular basis to improve the level of employee information security management. In 2021, Yuexiu Property revised the Guidelines for the Management of Enjoy Club, which clarifies the responsibilities of each functional line in the management of Enjoy Club customer information, and it requires relevant departments to deal with customer information in compliant with relevant rules and regulation.

We continue to strengthen customer privacy protection and strictly follow the personal Information Protection Law of the People's Republic of China. We regulate the process of customer information access, user access rights and the environment in which customer information is dealt with to prevent illegal use and transmission of customer information. In this way, we provide our customers with a full process guarantee, from marketing consultation to delivery, and provide our customers with customer-oriented services while strictly controlling the risk of contract violation. In 2021, we updated the Privacy Protection Policy of Enjoy Club to avoid misunderstanding on how to handle the personal information for personalized advertising and information sharing. In addition, we have set up a customer authorization and consent confirmation point on the Yuexiu Fangbao platform, and the information can be collected only with consent of the customer.

In 2021, Yuexiu Property did not receive any complaints or was not involved in legal proceedings for violation of consumer data and privacy protection regulations and loss of consumer data.



11.2 ATTENTIVE COMMUNICATION AND SERVICE

Yuexiu Property has always listened attentively to customers and carefully considered their suggestions. Under the pursuit of "Good Products, Good Services, Good Brands and Good teams", we are committed to "Where Good Living Starts" for customers by building a good service system that covers product quality and service care.

11.2.1 Active Response to Customer Demands

Yuexiu Property actively facilitates customer communication. In 2021, we have been always listening to customers' opinions from multiple channels, including on-site complaints, "Enjoy Club", 400 hotline, official website, WeChat and WeChat group. At the same time, we pay attention to the progress of resolving customer complaints. For customer complaints that have not been resolved after being urged twice, we arranged the person in charge of customer relations in such regional company to follow up on the processing progress and improve processing efficiency. In 2021, Yuexiu Property received a total of 33,195 customer complaints, and the time for closing complaints was shortened by 50% year-on-year.

In order to further improve the quality of customer service, we have revised the Detailed Provisions on Customer Complaint Management to refine the classification of customer complaints into 9 service scenarios, including sales service, product design, construction process management, delivery service and maintenance service, which improved the pertinence of complaint analysis and response strategies. According to the scope and extent of the incident, we divided customer complaints into four levels. For major and important customer complaints, the group headquarters would personally oversee to ensure timely handling. In addition, we have formulated the Guidelines for Proactive Quality Inspection Activities during the warranty period to further enhance the guarantee of the maintenance service, and proactively provide housing quality inspection activities before the expiration of the warranty period to reduce service disputes and protect the rights and interests of customers.

In 2021, the complaint closing rate of Yuexiu Property reached 96.62%, and the overall score of customer satisfaction was 87, reflecting our responsiveness to complaints.

11.2.2 Diverse Communication Channels

In order to create a more diversified, open and convenient communication channel, Yuexiu Property has established a club member platform – Enjoy Club, and organized regional branches to maintain WeChat public accounts to receive information and handle affairs promptly. We carried out activities such as Yuexiu Family Letter and Construction Site Open Day, to provide customers with more diversified communication methods channels, and listen to customers' voices closely.

Proactive communication

By carrying out the Yuexiu Family Letter broadcast activity, we proactively report the project construction progress to the owners, to meet the owners' expectations during the building construction process.

Promoting on-site visit and experience

By organizing the Construction Site Open Day activity, we invite owners to visit the project site to learn about the construction process, project layout, delivery standards, etc., identify risks in advance and rectify them, and strengthen communication and interaction with owners, to continuously improve the experience of owners.

Improving intelligent services

We continue to promote the application of the "human-machine coordination" intelligent service platform, and provide members with 7*24 uninterrupted service by virtue of the intelligent customer service "YueYue".



11 / FULL-HEARTED COMMITMENT AND SINCERE SERVICE

11.3 BUILDING A HARMONIOUS COMMUNITY

Yuexiu Property provides customers with high-quality property services through its Yuexiu Services, to create a warm and comfortable home for customers. In addition, we take the initiative to take care of customers, promote the beautification and integration of the community, and create a better life for home owners.

11.3.1 Caring for Customers

Yuexiu Services of Yuexiu Property has been fulfilling its brand mission of "Create a better life with dedication", paying attention to customer experience, providing customers with multiple customer relationship maintenance activities such as warm-hearted and convenient services, festival celebrations and community activities, to create a warm and harmonious community atmosphere for residents.



Free Medical Consultation for Residents



Safety Inspection for Battery Cars in the Community



Fan Cleaning Service for Residents



Educational and Cultural Activity

11.3.2 Quality Improvement

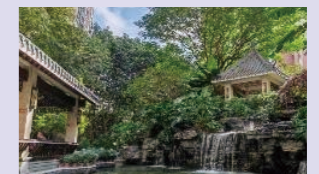
In order to improve the quality of property services, Yuexiu Property integrates community needs by virtue of its Yuexiu Services, and carries out a series of community improvement activities such as "Enhanced Service" campaign, so as to provide owners with a comfortable and reassuring living environment.

11 / FULL-HEARTED COMMITMENT AND SINCERE SERVICE

Yuexiu Services launched the "Enhanced Service" campaign

From September to November 2021, Yuexiu Services launched a 3-month "Enhanced Service" campaign to improve service quality, covering 10 major regional nationwide, with the aim of providing "thoughtful customer service, complete security, continuous maintenance, comfortable environment and pleasant sales offices". This campaign led to an increase of overall residential customer satisfaction score to 88.2 for the whole year, due to improvement in 62 touch points, such as environmental improvements, engineering improvements, fire drills and equipment site visit, and 1,500 service standards.

Targets	Measures	Results
Comfortable environment	Overall upgrade and renewal of greenery, sanitation, leisure facilities, etc.	About 1,600 environmental rectification Pruning of nearly 6,000 trees Replanting of approximately 20,000 m ² lawn Replanting of nearly 10,000 m ² ground cover and approximately 9,000 bushes
Reliable engineering and maintenance	Standardized management of equipment room, and renewal of wall, ground and pipe marks	About 2,000 engineering rectification Upgrading and renewal of approximately 4,000 public facilities Standardising approximately 100 equipment rooms About 5,000 surveillance cameras installed
Assured security and order	Enhanced security and strengthened community safety management	Approximately 200 emergency drills Nearly 100 fire drills Handling approximately 20,000 cases of illegal parking
Attentive customer service	Improved customer service quality and open customer communication channels	Approximately 90,000 households visits Approximately 100 manager reception days Nearly 700 equipment room visit open days
Pleasant sales offices	Refined service touch points to provide high-quality reception on site	Meticulous care





12

PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

Yuexiu Property takes outstanding talents as the foundation for our sustainable development. We continue to optimize and improve the human resources management system, adhere to the principle of fair and open recruitment, and pay close attention to protecting employees' legitimate rights and interests and ensuring a healthy and safe working environment. The Group also aims to provide a good career development platform for employees and build an open, efficient and harmonious team.

Important ESG issues in this chapter

- Talent attraction and retention
- Employee safety and health
- Employee remuneration and welfare
- Employee training and development
- Employee rights protection and composition diversity

SDGs objectives to be responded to in this chapter





12 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

12.1 EMPLOYMENT OVERVIEW

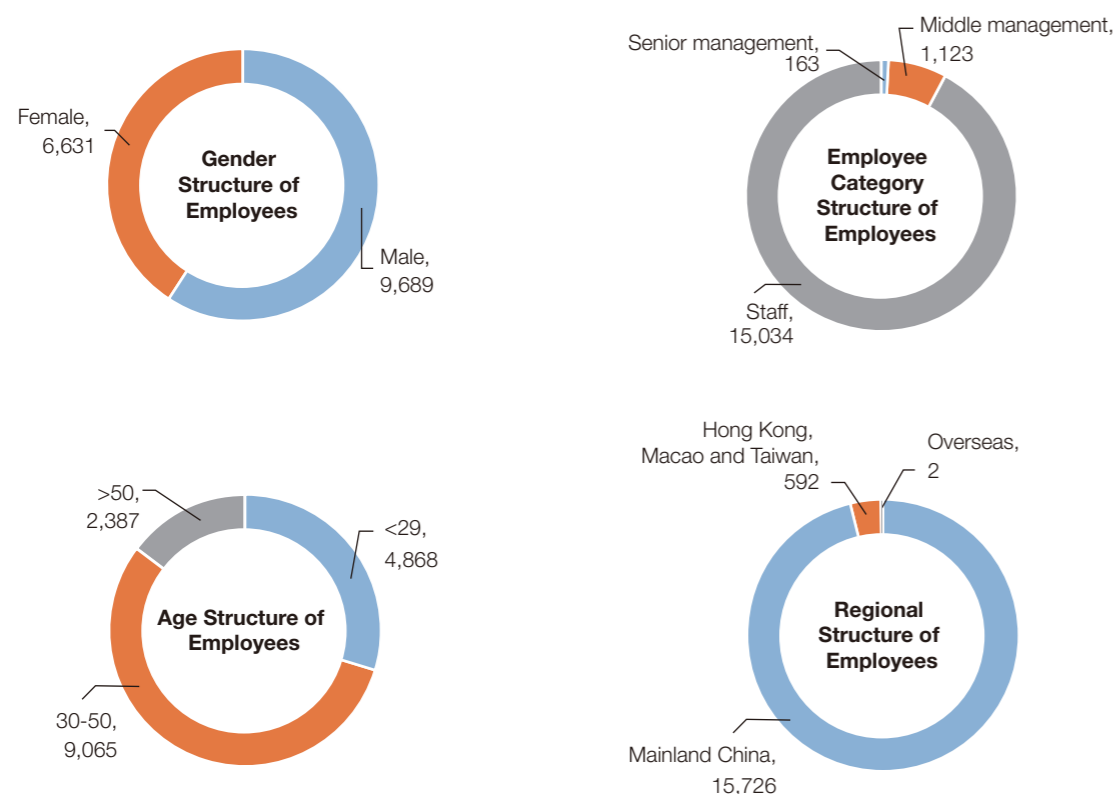
Adhering to the “People-oriented” talent concept, Yuexiu Property strictly abides by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, and the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, and has released systematic internal human resources regulations such as the Yuexiu Property Compensation Management Standards, the Performance Management Measures, the Talent Evaluation and Application Management Measures, and the Labor Contract Management Measures. These measures cover various aspects such as anti-discrimination, anti-child labor and anti-forced labor, health and safety, remuneration and welfare, working time, performance assessment, code of conduct, occupational training, effectively protecting employees’ basic rights. In 2021, Yuexiu Property won the “Best Employers in China’s Real Estate Enterprises (中國房地產最佳僱主企業)” award from the KeYan Intelligence (可研智庫) and jointly granted by the Ehconsulting (億翰智庫). The Group was also selected as the “2021 Top 100 China Real Estate Enterprises in terms of Organizational Capability (2021中國房地產組織力百強企業)”, in light of the construction capability of our organization.

Diversified Employment

Yuexiu Property believes that protection of employment plays a key role in social stability. Therefore, it strives to create employment opportunities to increase employment and development in the locations where it operates. We actively attract outstanding talents and ensure the supply of talents for enterprises through campus recruitment, social recruitment, Internet and other channels. When the organizational structure needs to be changed, we will publish information in a timely manner and discuss better solutions with employees to minimize negative effects.

As of the end of 2021, Yuexiu Property had a total of 16,320 employees.

Employee structure in 2021



12 / PEOPLE-ORIENTED AND PLEASANT ATMOSPHERE

12.2 PROTECTION OF 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, 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.

Equal Employment Opportunity

Yuexiu Property adheres to the principle of equal employment opportunity. In addition to abiding by relevant laws and regulations, we stipulate in our internal management rules that all items applicable to employees and partners shall enshrine the principle of diversity and inclusiveness to ensure that employees are given equal opportunities.

We are committed to promoting gender diversity, continuously optimizing the staff structure, and achieving a reasonable distribution of employees by gender, age, region, etc. In addition, the Group provides equal employment opportunities for the disabled, ensures equal opportunities for all people, strives to eliminate discrimination or arbitrary dismissal of employees, and encourages effective collaboration among employees in a multi-cultural atmosphere.

Complaint Mechanism

Formal channels and procedures are set up to collect feedback, employees’ opinions and suggestions on the Group, so that employees can express their needs and opinions. We have established a reporting mechanism and various communication channels such as employee mailboxes, heart-to-heart talks, and employee representative meetings to ensure that employees can report suspected improper, fraud or rights violations and other illegal acts in absolute confidentiality. We take strict measures to keep the identities and contents of all informers confidential to protect employees from being intimidated or retaliated.

At the same time, we have also extended relevant measures to our supply chain. For details, please refer to the chapter “Anti-corruption”. In addition, we abide by international standards such as the Universal Declaration of Human Rights, fully consider the public interest in the process of grievance settlement, and actively promote the participation of both parties in communication in order to reach a mutually agreed solution.

In 2021, we did not receive any complaints from employees due to human rights violations.

Anti-Discrimination

Yuexiu Property embraces the differences among employees. In addition to complying with relevant laws and regulations, we stress that the anti-discrimination provisions ought to be applied to employees and partners in our internal management, which are prescribed in the Management Rules for Talent Allocation. During the process of appointment of staff and arrangement of work, it is necessary to ensure the objectivity of the recruitment process and selection criteria, match employees strictly according to the job qualifications, and treat all employees equally, regardless of their gender, age, ethnicity, race, nationality, place of origin, religion, sexual orientation, political affiliation and other different social status. Meanwhile, we ensure that anti-discrimination-related content is covered in the training that employees, suppliers and partners participate every year, and we actively consider raising the awareness of the rights of vulnerable groups. Furthermore, we take a positive and constructive view of employee communication diversity and actively explore added value for the Group by developing diversified human resources and interpersonal relationships.

In 2021, we did not have any disputes or legal proceedings on employment discrimination or any discrimination and inequality in the workplace.

Respect for Human Rights and Fundamental Rights

Based on the basic principles of the UN Global Compact, we refine the internal regulations, require the headquarters and its subsidiaries to strictly implement them in the workplace, and encourage as well as urge suppliers and partners to protect human rights, such as freedom of speech, association and collective bargaining, including:

Respect for the freedom of peaceful assembly and association: We respect employees’ right to form and join organizations such as labor unions and employee representative councils under the laws and regulations of our operations. We strive to protect employees from fear of retaliation, intimidation or harassment and protect their freedom of opinion and expression.

Prohibition of child labor and forced labor: The Group strictly prohibits any kind of forced labor by any of our operators and partners. We sign labor contracts with all regular employees, sign labor contracts with interns and temporary workers, and implement confidentiality agreements. Internally, we have strengthened human rights training for our employees so that they are more aware of their rights and behaviors that may infringe on other employees’ rights. Externally, we strictly review the human rights protection situations of our suppliers and give warnings, punishments, or even terminate cooperation agreements if there are any violations.

In 2021, Yuexiu Property did not have lawsuits or violations of human rights, child labor, or forced labor.



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Social Protection

Following market principles, Yuexiu Property complies with the salary and welfare policies and systems formulated by the state and the Group, provides competitive salary levels in the industry, attracts external talents, and emphasizes fairness, rationality, and incentive internal welfare treatment.

We build an incentive mechanism of “fixed salary + floating salary + welfare” to ensure that employee’s remuneration can reflect the value of the position. Meanwhile, according to the relevant system of performance assessment, we provide evaluation and feedback on employees’ performance, strengthen the linkage between performance and salary level, and give sufficient incentives to employees. For senior management and core backbone personnel who have an important impact on the sustainable development of the enterprise, we implement the “share award scheme” for long-term incentives, and formulate performance bonus plans for employees in different positions to achieve a combination of short-term incentives and long-term incentives. In addition, besides the basic “five insurances and one fund” and paid annual leave, we also purchased commercial insurance for employees and provided compensation on meals, clothes, accommodation, and transportation to continuously enhance employee’s sense of belonging. In 2021, Yuexiu Property released internal systems such as Yuexiu Property Rewards and Punishments Management Rules, Yuexiu Property Employee Remuneration Incentive System Management Rules, Yuexiu Property Remuneration and Welfare Implementation Rules and Yuexiu Property Performance Management Rules to continuously improve the remuneration system.

12.3 PROMOTE TALENT DEVELOPMENT

Yuexiu Property strives to provide more room for employees’ career development and creates multiple career development channels for employees to achieve all-round development. We strive to provide a fair, just and open career development platform. In order to improve our talent development system, we 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, and the Yuexiu Property Junior and Senior Management Selection and Recruitment Management Measures, Guangzhou City Construction & Development Co., Ltd. (廣州市城市建設開發有限公司) Talent Allocation Management Rules and other management systems. In addition, we continue to improve our talent training system, stimulate employees’ initiative, and enhance personnel capability in strict accordance with the Training Planning Procedures that is revised every year and other related training regulations.

12.3.1 Promotion Paths

Yuexiu Real Estate has formulated a comprehensive talent selection and position management system, clearly defining the functional requirements and promotion standards of positions and ranks for fresh graduates, staff, middle management and senior management.

Equal Promotion Mechanism

We adhere to the promotion principle of “fairness and justice, scientific selection, and merit-based admission” in accordance with the Yuexiu Property Talent Allocation Management Rules, and are committed to recruiting talents that match the Company’s culture and team development needs, and adopt scientific interview methods and evaluation tools. We match talents in strict accordance with job qualifications to ensure a scientific, objective and consistent recruitment process and selection criteria.

Multiple Development Channels

We have built a three-channel development path of “management + professional skills + marketing”, and continued to strengthen internal talent activation channels. Through talent review, engagement questionnaires, internal open competition, reserve talent cultivation projects, and the Starry Talent Development Platform, we have achieved an efficient flow of internal talent. The Group’s human resources are maximized and optimized in allocation and use, and we also provide a broader development platform for outstanding employees. In addition, we have carried out talent reserve, formulated the Management Measures for Key Talents of Yuexiu Property, and set up a working mechanism for AB positions mainly for middle and senior management personnel to ensure the stability and reserve of key talents of the enterprise. In 2021, we have completed the talent review of 129 middle and senior managers in the group headquarters, and piloted the 360-evaluation system in the Group’s real estate business, laying the foundation for the establishment of enterprise talent echelon and key talent pool.



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12.3.2 Talent Training System

Yuexiu Property firmly believes that long-term development depends on the working skills of employees. We have built a reasonable talent training system for our employees, and continuously improved talent cultivation and management by creating a learning platform and appointing internal lecturers, in order to deliver high-quality talents to the Company.

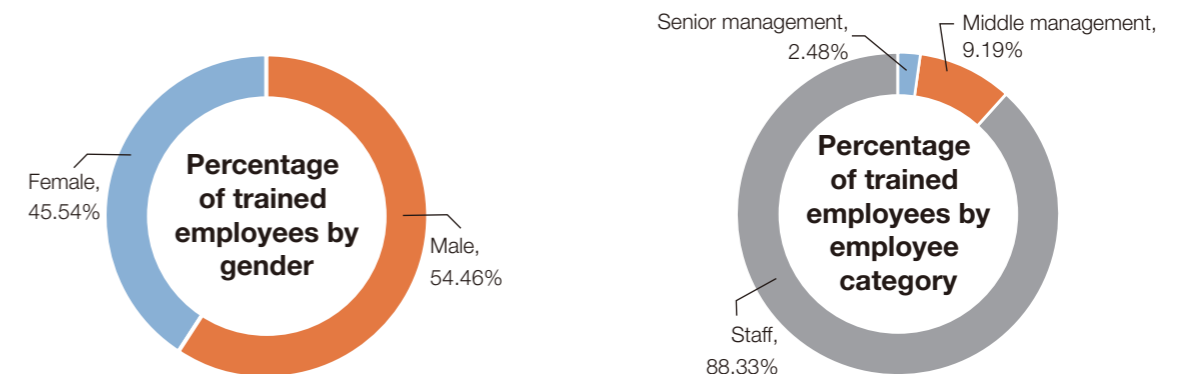
Improving the talent training system: We have built a scientific and reasonable talent training system integrating “external training and internal training”, and have continuously carried out four training programs: “Hummingbird Program”, “Sea Swallow Program”, “Swan Program” and “Roc Program” to provide employees with targeted development counseling for their career life cycle, and enhance their core competitiveness. We optimized onboarding items to facilitate new hires to integrate themselves into the team quickly and effectively.

Accelerating learning platform improvement: We continued to optimize the learning platform, and enriched the learning resources available on the platform in order to meet the possible maximum learning needs of different employees. In 2021, we offered more than 500 additional online courses, and operated more than 300 offline training programs online, covering 20,000 attendances.

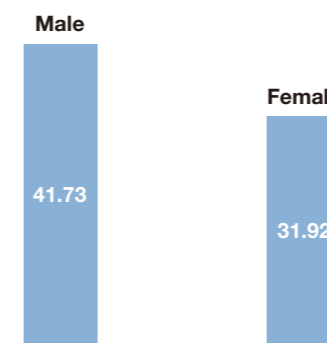
Optimizing the internal lecturer mechanism: We improved the internal lecturer mechanism by deepening certification standards for lecturers and courses in order to empower internal lecturers with differentiation. In 2021, more than 500 internal lecturers were certified with a view to activating internal excellent knowledge and realizing knowledge sharing.

In 2021, employees of Yuexiu Property received 176,016 trainings, and the average training hours of employees were 37.82 hours. At the same time, the number of trained employees accounted for 100% of the total number of employees.

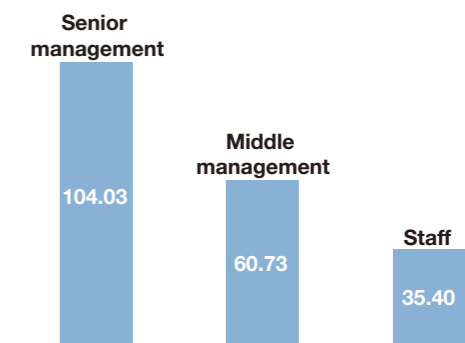
Employee Training in 2021



Average training hours by gender (hour)



Average training hours by employees category (hour)

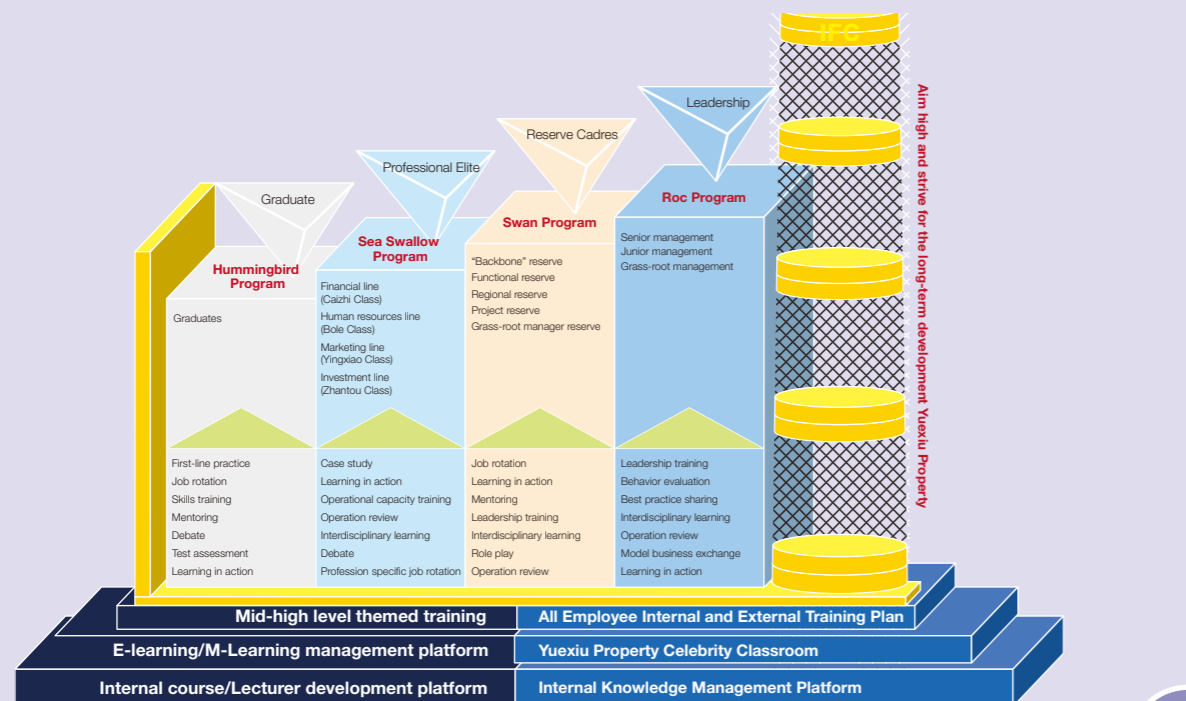




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Yuexiu Property Talent Training System

Yuexiu Property talent training system consists of: "Hummingbird Program", "Sea Swallow Program", "Swan Program" and "Roc Program", covering professional skills, business manners, and management ability, etc. This training system is designed to pool a group of competent, determined, loyal and high-quality talents so as to inject fresh blood into the Group and promote our sustainable development.



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Roc Program was officially launched

In September 2021, Yuexiu Property officially launched Roc Program, aiming at promoting the breakthrough and solution of core business problems and improving the leadership of management personnel at various levels through special training workshops. The special training comprised two stages: Analysis on industry development trend and management and operation of benchmarking enterprise, and study on operation from financial perspective. Trainees of the program analyzed the operation-related problems faced by the Group through the workshops, and then discussed measures to solve those problems, and proposed effective countermeasures for improving the Group's operation ability.



Carrying out "Swan Program" (Phase III)

On 15-16 October 2021, the opening ceremony of "Swan Program" (Phase III), a talent training project of Yuexiu Property, was held in Huadu, Guangzhou. With the goal of training the back-up management personnel of Yuexiu Property at various levels, the program will continuously enrich the reserve cadres, thus promoting the steady development of the Company. 68 industry elites have been selected from more than 4,000 resumes as trainees of the program. By completing military training, dialogue in the dark, backpacking and other challenges, and through the subsequent practice on a rotating basis and tutor counseling, trainees can improve their business ability and develop their management thinking, thus becoming a member of the core talents of the enterprise to support the long-term development of the enterprise.





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12.4 OCCUPATIONAL SAFETY AND HEALTH

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 several safety management systems, clarified the rules and regulations and operating procedures of work safety, and guaranteed the occupational safety of employees.

12.4.1 Building a Safe Workplace

Yuexiu Property attaches great importance to employees’ occupational safety. The Group has prepared the Occupational Health Management System, Occupational Hygiene Management System Accident Report and Management Measures, Detailed Rules for Identification and Control of Potential Dangers and other documents to further optimize the occupational safety management system, and construct a work safety committee and other safety management structures to implement the responsibility of safety management.

At the same time, we stipulate labor protection, labor conditions and occupational hazard protection clauses in the labor contracts, further clarifying the rights and obligations of both parties. We also attach importance to the prevention and control of hazards. The offices and the safety supervision department regularly check on the working environment in the office area to ensure the health and safety of employees during their work. In order to deal with emergencies, the Group conducts emergency drills twice a year, and the labor union organizes safety education activities to enhance employees’ safety awareness.

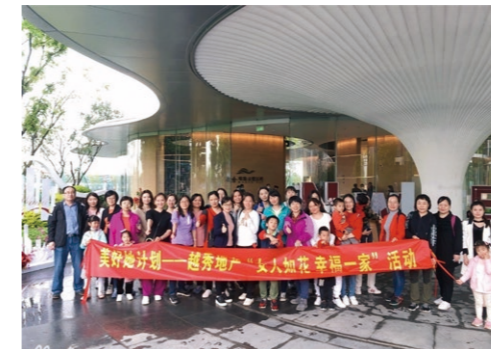
During the normal epidemic prevention and control stage, Yuexiu Property always pays attention to the health protection of employees, and continuously purchases and distributes epidemic prevention materials to ensure the safety of employees. Yuexiu Property encourages employees to vaccinate against COVID-19, with the vaccination rate reaching 95% and the total number of vaccinations reaching 38,000 person-time, so as to improve employees’ self-protection ability. At the same time, the Group keeps the office area clean and disinfected every day, checks the temperature of employees, purchases a large number of epidemic prevention supplies to be maintained in public areas and distributed to employees, and vigorously promotes and publicizes scientific epidemic prevention knowledge to raise the epidemic prevention awareness of all employees.



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12.4.2 Physical and Psychological Health Assurance

Yuexiu Property attaches great importance to employees’ physical and psychological health, and actively carries out a variety of caring activities for employees to constantly enhance employees’ sense of belonging and happiness to the Group. We actively provide assistance for employees in need. In 2021, the labor union launched activities covering employees in need, model workers, craftsmen, front-line security guards for epidemic prevention and families of expatriate cadres, and donated consolation money of more than RMB100,000. As a part of our attention to health of employees, we, in addition to organizing annual physical examination for employees, also organize a variety of activities for employees, such as Joy Run team, basketball team, badminton team and bowling team, to stimulate their vitality. In addition, for female employees, we provide an additional special physical examination once a year, and also organize health seminars for female employees to show our care for them.



“Make Her More Beautiful Plan—Women Are Like Flowers in a Happy Family” Campaign



Festival Celebration for Employees



“JOY RUN FOR BETTER LIFE” Joy Run Team



Yoga Team



13

GIVING BACK TO SOCIETY WITH GREAT LOVE

As a response to the guiding principle of “corporate social responsibility mindset”, Yuexiu Property promotes social development with actions, responds to the call of the state to carry out rural revitalization activities, cares for socially vulnerable groups, support the development of education, culture and sports, actively supports the anti-epidemic work and participates in public welfare activities together with all walks of life. On the road to promoting social progress, we will do our utmost to contribute love and support.

ESG issue included in this Chapter

- Public services

SDGs issues to be responded to in this Chapter





13 / GIVING BACK TO SOCIETY WITH GREAT LOVE

13.1 RURAL REVITALIZATION

To shoulder its responsibility of a state-owned enterprise, Yuexiu Property actively supported rural revitalization and made its contributions to regional development. In 2021, while consolidating the poverty alleviation achievements, we actively carried out a series of rural revitalization support work, and integrated our own resources to support the regional industrial development, employment and entrepreneurship, village infrastructure and rural public service improvement, thus promoting the realisation of the regional development potential.

Hundreds of Management Trainees (毓秀生) of Yuexiu Property Contributing to Rural Revitalisation

On August 6-7 2021, Yuexiu Property organized 100 Management Trainees to go to Chimi Village, Guangdong Province to carry out a special campaign of rural revitalization in order to consolidate the poverty alleviation achievements with actions.

The 5-year targeted assistance work came to a successful end. Hundreds of Management Trainees undertook the rural revitalization action, and they established three revitalization teams in Chimi Village to carry out assistance activities: The marketing team of "Live Commerce to Assist Farmers with Love", the construction team of "Renovating Houses and Sympathizing with Farmers in Need" and the beautification team of "Beautifying Campus and Painting Walls" to contribute to the improvement of rural industry and environment.

Consolidating industrial poverty alleviation: In "Sale Live to Assist Farmers with Love" campaign, the marketing team broadcast live on several social network platforms, selling agricultural products with local characteristics in Chimi Village, expanding sales channels for agricultural products in Chimi Village, and at the same time, the proceeds were used as student aid funds to subsidize college tuition fees of students with difficulties in the village, to reduce the burden of families with difficulties.

Improving the living environment: In the "Renovating Houses and Sympathizing with Farmers in Need" campaign, the construction team cleaned houses, spliced wardrobes, and repaired leaky roofs to improve the living environment for the lonely elderly with diseases and mobility disabilities, and helped them to purchase daily necessities.

Beautifying the public environment: In the "Beautifying Campus and Painting Walls" campaign, the beautification team became painters and plasterers, and they painted the walls for Chimi Primary School with colors, adding happiness to children's life in Chimi Village.



Comparison of walls before and after painting



Sale Live to Assist Farmers with Love

Contributing to Bijie Industry-Education Integration Assistance Project

On 24 September 2021, the groundbreaking ceremony of Bijie Industry-Education Integration Assistance Project of Guangzhou Yuexiu Group was held in Baili Dujuan Management District. This project is a result of joint efforts of Yuexiu Group, Marriott International and Bijie Vocational and Technical College, and it will be the first international hotel industry-education integration training base in Guizhou.

In this cooperation, Yuexiu Property, as the coordinator and developer of the project, plans to build the first international hotel in the region with high specifications and standards, introduce Fortune 500 enterprises to Bijie to further enhance the international image of the city and the economic benefits of tourism, and promote regional targeted poverty alleviation, industrial poverty alleviation and education-based poverty alleviation through the innovative assistance means of integration of production and education, thus helping to improve the regional development.



Promoting poverty alleviation through consumption

In 2021, given that the export channel of litchi was blocked as a consequence of resurgence of regional outbreak of COVID-19, the trade unions at various levels of Yuexiu Property actively launched purchase for charity campaign. Through shopping platforms, trade unions purchased rice, oil and seasonal food for poverty alleviation and then distributed those foods as condolences for significant festivals. In addition, the trade union also encouraged employees to participate in consumption for charity, and carried out activities such as "consumption for charity with love" to buy agricultural products such as milk, vegetables, and fruits, etc.

In 2021, Yuexiu Property called on all labor unions of the Group to purchase "poverty alleviation products", which valued approximately RMB1,619,900. During the Spring Festival in January and the Mid-Autumn Festival in September, Yuexiu Property (Central GBA Region) purchased poverty alleviation products approximately amounting to RMB220,000 on the poverty alleviation platform, to help consolidate the poverty alleviation achievements.



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13.2 PRACTICE PUBLIC SERVICES

Yuexiu Property not only actively participates in charitable donations, but also holds various public welfare activities, expanding its contact with the community. We also proactively take on social responsibilities by encouraging our employees and the public to participate in philanthropic activities, aiming to contribute more love and warmth to the society. Community participation prevents and solves problems and promotes partnership with local organizations and stakeholders, enabling the Group to fulfill its duty as an outstanding organizational citizen. In 2021, the number of employees participated in voluntary activities is 4,238 person-times in total.

In 2021, Yuexiu Health's Volunteer Team carried out more than 30 volunteer service activities with cumulative service hours of 1,000 hours and cumulative more than 5,500 service recipients. Yuexiu Health made full use of its resource advantages to assist the subdistrict where it is located in nucleic acid screening and cooperated with several medical institutions to carry out health screening and free clinic services, helping to promote community care. In addition, we actively carry out public welfare activities in relation to sports, and encourage regional companies to carry out public welfare voluntary activities, conveying our care to the society.

"Yuexiu Cup" Hunan City Healthy Run 2021

On 18 December 2021, the "Yuexiu Cup" Hunan City Healthy Run 2021, which was sponsored by Hunan Daily Press and Hunan Provincial Sports Bureau and hosted by Yuexiu Property, was held. Yuexiu Property pays attention to and supports the establishment and development of sports culture in the city. By organizing the "Yuexiu Cup" Hunan City Healthy Run, it encourages elite contestants from all walks of life to become athletes to conquer the whole 7.66 km city run together, thus promoting the popularization of nationwide fitness, and encouraging the public to love life and pay attention to health.



Opening ceremony of Healthy Run



Silhouette of Runners Participating in Health Run



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13.3 CARE ABOUT EDUCATION

Yuexiu Property actively promotes education at all levels, participates in activities to improve the education quality, and fosters education popularization, so as to promote education equality. We actively strengthen cooperation with colleges and universities, introduce high-quality education resources, promote the sharing of high-quality resources, improve local education, and assist the popularization of education.

Introducing GDUFS Knowledge City Experimental Primary School

In October 2021, Yuexiu TOD Town (越秀·星匯城) TOD Project signed a cooperation framework agreement with Guangdong University of Foreign Studies, pursuant to which GDUFS Knowledge City Experimental Primary School was introduced. The school will establish 24 classes in the southern campus in Huangpu District Knowledge City to provide more abundant and high-quality educational resources for regional students.



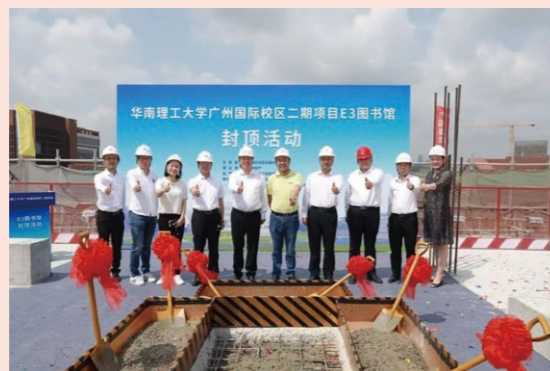


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Completion of Structural Topping-out of Library of South China University of Technology Guangzhou International Campus Phase II Project

Yuexiu Property undertook the phase II project of Guangzhou International Campus of South China University of Technology. Since the official commencement of construction in July 2020, Yuexiu Property has been promoting the construction with high efficiency and high quality, and the service center, public teaching building, comprehensive logistics building, and gymnasium have been successfully topped out.

On 14 April 2021, a topping-out event was held for the library of the phase II project. The library is a landmark building with the highest per square meter cost, the most unique design and the most complicated construction in the international campus, and the structural topping-out signals a phased victory for the phase II construction. Yuexiu Property will continue to devote itself to helping the region to develop high-quality university and promote the development of education.



13.4 INDEMNIFICATORY HOUSING

Yuexiu Property pays attention to people's livelihood guarantee. While developing residential projects, we build affordable housing to provide affordable housing for low-income groups, thus improving people's living conditions.

Yuexiu Revival TOD Project Offering Indemnificatory Housing

Yuexiu Property plans to develop indemnificatory housing with floor area of 21,600 square meters as a part of Yuexiu Revival TOD Project in Miaotou area of Huangpu, Guangzhou. There will be two blocks of indemnificatory housing, each of which will comprise 23 floors. There will be 386 households in total, each of which has an area of less than 60 square meters. The facade style will be the same as that of the commercial housing of the project. Based on these, Yuexiu Property makes contributions to improving people's livelihood and promoting social harmony and stability.



13 / GIVING BACK TO SOCIETY WITH GREAT LOVE

13.5 SUPPORTING THE FIGHT AGAINST THE PANDEMIC

Under the normalization of pandemic prevention and control, Yuexiu Property is committed to ensuring production and quality in a sound and orderly manner, and implementing regular pandemic prevention and control to ensure the safety and health of employees and related parties. In 2021, some areas of Guangzhou experienced repeated outbreaks of COVID-19. As a state-owned enterprise that has been deeply rooted in Guangzhou for a long time, Yuexiu Property has effectively played a leading role and continued to send reinforcements to help fight against the pandemic at the frontline so as to ensure the orderly implementation of the anti-pandemic work at the frontline across the country. In addition, Yuexiu Property has donated more than 40 batches of resources to the frontline of anti-pandemic work, and provided free accommodation for medical personnel, thereby offering solid and strong support for the fight against the pandemic.

Supporting the Frontline of Anti-Pandemic Work across China

Supporting the frontline of anti-pandemic work in Haizhu, Guangzhou: On 30th May, Yuexiu Property and Yuexiu Group responded quickly with active deployment by taking only 3 hours to complete the organization of a team of 18 CPC members and volunteers. The team arrived Jinbi Garden community at 2:00 p.m. on the same day, and carried out pandemic prevention and control support services such as on-site guidance and order maintenance in an orderly manner in strict accordance with the unified arrangement of the street and community. As of the end of May, Yuexiu Property had organized a total of 5 volunteer service teams with a total of 134 volunteers to provide support at the frontline and support the anti-pandemic work in Haizhu District with practical actions.

Supporting the frontline of anti-pandemic work in Liwan, Guangzhou: From 31st May to 12th June, Yuexiu Services, a subsidiary of Yuexiu Property, organized a total of over 300 property management service personnel to provide support in Zhongnan Street, Liwan District. They undertook strenuous anti-pandemic tasks under a three-shift work system in high-risk areas of the pandemic, and assisted in the management of pandemic prevention and closure of Zhongnan Street, Liwan District.

Supporting the frontline of anti-pandemic work in Huadu, Guangzhou: On 5th June, we arranged frontline sales elites of the Yuexiu Elegant Mansion of Yuexiu Property, being one of the designated nucleic acid testing sites in Xinya Street, to form a volunteer team to help get ready the nucleic acid testing site, materials and staff within an hour, and provide drinking water and other materials to the public at the site.

Supporting the frontline of anti-pandemic work in Nansha, Guangzhou: On 5th June, Yuexiu Property organized more than 30 volunteers from various areas in Guangzhou to Nansha to assist in the on-site work of the closed-off management of the community in Nansha Binhai New City and Jia'an Garden, and purchased more than 2,000 sets of protective clothing, 2,500 masks as well as more than 50 loads of purified water and milk, providing sufficient protective materials and daily supplies for 2,350 households.

Donation to Help Fight Against the Pandemic Together

Providing free accommodation: Since the repeated outbreaks of the pandemic in Liwan District in May, Guangzhou Yuexiu Housing Rental Development Investment Co., Ltd., a subsidiary of Yuexiu Property, has provided 30 apartments for medical staff of Fangcun Hospital of Guangdong Provincial Hospital of Traditional Chinese Medicine for free as charity housing to resolve the accommodation and commuting problems of medical staff.

Donating daily supplies: On 9th June, Yuexiu Property donated a total of 44,580 boxes of Fengxing Milk and 23,136 bottles of electrolyte replenishment drinks to the frontline of the anti-pandemic work in Liwan District, spreading care to the core areas of the pandemic.



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Donating protective materials: In the afternoon of 7th June, Yuexiu Property donated a batch of protective materials to the Charity Society of Haizhu District Civil Affairs Bureau, including 10,000 packs of masks and 5,000 sets of protective clothing. In addition, since 6th June, Urban Renewal Group, a subsidiary of Yuexiu Property, has provided protective materials worth hundreds of thousands of Renminbi to more than 30 old villages, old communities and streets, including Lirendong Village in Panyu District, Nanshitou Street in Haizhu District and Jianshe Street in Yuexiu District.



Organizing security personnel to support the closed-off management of Liwan District



Assisting in the crowd diversion of a nucleic acid testing site in Liwan District



Assisting the nucleic acid testing personnel in registration of information in Huadu District



Assisting in the preparation work of a nucleic acid testing site in Nansha District



Donating daily supplies to the frontline of anti-pandemic work in Liwan District



Donating protective materials to Lirendong Village

13 / GIVING BACK TO SOCIETY WITH GREAT LOVE

13.6 CELEBRATING THE 100TH ANNIVERSARY OF THE FOUNDING OF THE CPC

Yuexiu Property is always grateful for the prosperity and democracy of the country. On the occasion of the 100th anniversary of the founding of the Communist Party of China (CPC), Yuexiu Property organized a series of activities to pay tribute to the centenary of the founding of CPC and to solidly promote the study and education of the history of CPC and the patriotic culture. Furthermore, Yuexiu Property also jointly produced 100 episodes of "Salute to CPC!" micro-classes with Central Propaganda Department of the Communist Youth League, Guangdong Provincial Committee of the Communist Youth League and Southern News Media Group, which has contributed to the enrichment of resources for studying the history of CPC.

Organizing the educational themed walking activity for youth league members

On 8th May 2021, Yuexiu Property, together with Liede Street Social Worker Service Station and other units, held the walking activity with the theme of "Study CPC History, Strengthen Faith in CPC and Follow CPC's Leadership" – Liede Street Youth League Members Learning and Education and Celebrating the 100th Anniversary of the Communist Party of China. In the activity, we organized youths to participate in the walk in Liede Village, which has a long history and where tradition meets modern culture, and completed the themed tasks such as the century-old CPC history talk for the youth, the display of achievements for the youth and the gathering of youth power, in order to help the youth to further understand the glorious history of the Communist Party of China.





14 FUTURE PROSPECTS

In 2022, Yuexiu Property will continue to work hard in sustainable development, pursuit excellence, make steady progress in comprehensive development starting from six major fields of responsibility, and work hand in hand with all stakeholders.



14 / FUTURE PROSPECTS

ECONOMIC RESPONSIBILITY

- Committed to operating with integrity, adhere to the development model of “equal focus on residential property development and commercial property operations” and organic integration of diversified businesses, continue to enhance economic performance, and create sustainable economic benefits.
- Promote digital development, help reduce costs and increase efficiency at all stages of production, operation and management, and inject new impetus into corporate operation.

PRODUCT RESPONSIBILITY

- Adhere to customer orientation and focus on product system research, continue to optimize and upgrade the offerings, and provide customers with safer, richer and better quality products and achieve a better life.
- Focus on customers, optimize the complaint handling mechanism, expand the customer communication channels, effectively protect the rights and interests of consumers, provide customers with diversified, intelligent and humanized quality services, and become a brand worthy of customers' trust.

ENVIRONMENTAL RESPONSIBILITY

- Committed to harmonious development, adhere to the implementation of green building, green construction, green operation, green leasing and green office, integrate the concept of sustainable development in product research and development, design, production and management, and build a livable, industrious and pleasant green city pattern.
- Vigorously promote the efficient use of resources, continue to promote energy conservation and emission reduction, accelerate the low-carbon transformation, and stick to the high-quality development path of ecological priority and green development.

RESPONSIBILITY FOR EMPLOYEES

- Committed to being people-oriented, continue to implement the protection of employees' rights and interests, provide employees with a safe, equal and inclusive working environment, care for the physical and psychological health of employees, and improve employee satisfaction.
- Continue to optimize the employee training system, implement diversified development paths and build a dynamic and creative talent team to enhance the sustainability of the Group.

RESPONSIBILITY FOR SUPPLY CHAIN

- Advocate mutually beneficial and win-win partnership, build a fair and just supplier screening mechanism and a sound supply chain management system, continuously strengthen our supply chain management, and create a good cooperation environment.
- Continue to incorporate environmental protection elements into the supplier management mechanism, improve the performance of suppliers in fulfilling their responsibilities, and promote the development of a green supply chain.



14 / FUTURE PROSPECTS

SOCIAL RESPONSIBILITY

- Adhere to the “social responsibility of an enterprise”, respond to the call of the nation to build a harmonious society, and strive to actively consolidate the achievements of poverty alleviation through rural revitalization, and caring for and helping farmers, etc.
- Actively participate in public welfare and community investment, organize volunteer services, focus on education, culture and public welfare, and take part in building a better society.



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

POLICY LIST

ESG Indicator	Laws, Regulations/Policies	Internal Policies
A. Environment	National Hazardous Waste Inventory Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Green Construction Evaluation Standard for Building Engineering Environmental Protection Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China Emission Standard of Environment Noise for Boundary of Construction Site	Green Building White Paper National Guidelines for Design of 1-Star and 2-Star Green Buildings Management Measures for 1-Star and 2-Star Green Building Identification Logo (for Trial Implementation) Detailed Rules for Implementation of Green Building Identification Logo (Revised for Trial Implementation) Detailed Rules for Management of Green Building Construction Projects Management Procedures for Environmental Protection Management Regulations on Waste Classification Management Regulations on Waste Public Energy Management Regulations Management Procedures of Wastes and Chemicals Solid Wastes Inventory Hazardous Chemical Substances Inventory Management Procedures for Environmental Factor Identification and Evaluation Management Procedures for Environmental and Health Safety Monitoring Yuexiu Property Standardization Atlas for Safe and Civilized Construction Detailed Rules for Office Area Administration Construction Environment Governance Guidelines Guangzhou City Construction and Development Co., Ltd. Detailed Rules for Civilized Construction Management Floor Service Standard of Guangzhou International Financial Center Meteorological Disaster Emergency Plan Technical Standards for Residential Projects of Regional Companies
B1. Employment	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 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 Performance Management Measures 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 Reward and Penalty Management Rules Management Rules for Yuexiu Property Employee Salary Incentive System Detailed Implementation Rules for Salary and Welfare of Yuexiu Property Yuexiu Property Performance Management Rules

ESG Indicator	Laws, Regulations/Policies	Internal Policies
B2. Health and Safety	Labor Law of the People's Republic of China Fire Protection Law of the People's Republic of China Work Safety Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Occupational Diseases Emergency Response Law of the People's Republic of China Work Injury Insurance Ordinance Regulations on Work Safety License OHSAS 18001 Occupational Health and Safety Management System Regulations on Supervision and Management of Occupational Hygiene in the Workplace Regulations on the Reporting, Investigation and Handling of Work Safety Accidents	Administrative Measures on Work Safety Responsibility System Work Safety Accountability Regulations Occupational Hygiene Management Security/Deposit System for Safe Production Responsibilities Appraisal System for Work Safety Responsibilities Detailed Rules for Implementation of Public Security Work Safety Assessment, Reward and Punishment System Management Measures of Work Safety Accountability Management Measures for Emergency Plans for Work Safety Accidents Emergency Plans of Work Safety Accidents Emergency Plan for Group Emergencies Work Safety Responsibility System Work Safety Responsibility System Assessment Implementation Plan Work Safety Education and Training Rules Occupational Health Management System Occupational Hygiene Management System Measures of Investigation on Occupational Diseases-related Accidents Input and Guarantee System for Work Safety Detailed Rules for Work Safety Performance Appraisal Reporting Guidelines of Work Safety Accidents and Accidents Involving Danger Work Suspension and Restoration Safety Management Guidelines Detailed Rules for Work Safety in Construction Phases Provisions on Work Safety Risks Investigation and Elimination Regulations on Work Safety in Sales Fields Management Standards of Work Safety Expert Database Yuexiu Property Full-time Security Management Staffing Standards "Three Simultaneous" Management Systems on Construction Projects Safety Facilities Construction Environment Governance Guidelines Residential Property Work Safety Site Operation Guide Commercial Property Safety Standardization Management and Control Regulations Safety Standardization Control Regulations for Health Care Industry Work Safety Accident Reporting and Investigation Management Measures Management Rules for Work Safety Risks Investigation and Elimination Standardized Management and Control Specifications for Demolition Safety Management Rules for Safety of Related Parties



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

ESG Indicator	Laws, Regulations/Policies	Internal Policies
B3. Development and Training		<p>Yuexiu Property Learning and Development System</p> <p>Management Measures for Reserved Talent Cultivation</p> <p>Mentorship System Regulations</p> <p>Management Measures of Internal Trainer Team and Training Courses</p> <p>Management Measures for Development of Yuexiu Property Key Talents</p> <p>Management Measures for Talent Evaluation and Application</p> <p>Yuexiu Property Job Position Management Standards</p> <p>Yuexiu Property Development Subsidiary Post Management Operation Guidelines</p> <p>Management Measures for Selection and Recruitment of Yuexiu Property Middle and Senior Management</p> <p>Management Rules on Staffing for Guangzhou City Construction and Development Co., Ltd.</p> <p>Training Program Process</p> <p>Management Rules on Staffing</p>
B4. Labor Standards	<p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Employment Promotion Law of the People's Republic of China</p> <p>Social Insurance Law of the People's Republic of China</p> <p>Prohibition of the Use of Child Labor Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Protection of Minors</p>	<p>Management Measures for Labor Contract</p>



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ESG Indicator	Laws, Regulations/Policies	Internal Policies
B5. Supply Chain Management	<p>Tendering and Bidding Law of the People's Republic of China</p>	<p>Guangzhou City Construction and Development Co., Ltd. Tendering and Procurement Administration Measures (Revised)</p> <p>Guangzhou City Construction and Development Co., Ltd. Construction Suppliers Management Measures (Revised)</p> <p>Guangzhou City Construction and Development Co., Ltd. Materials and Equipment Suppliers Shortlisting Guidelines (for Trial Implementation)</p> <p>Rules for the Management Database of Bid Evaluation Experts</p> <p>Pre-recruitment Work Manual</p> <p>Management Rules of RFP Leading Team Meetings</p> <p>Management Guidelines of Bid Evaluation Experts for Construction Projects</p> <p>Management Measures for Selection of Contractors and Bid Evaluation Experts</p> <p>Strategic Procurement Results Management Rules</p> <p>Management Rules for Bid Invitation and Procurement for Non-construction Projects</p> <p>Management Rules for Bid Invitation for Construction Projects</p> <p>Management Rules for Design (Consulting) Service Providers</p> <p>Management Measures on Bidding and Procurement 《招標採購管理辦法》</p> <p>Guidelines for Shortlisting (Selecting) Material and Equipment Suppliers</p> <p>Management Rules on Construction Suppliers</p> <p>Remote Bid Evaluation Management Guidelines</p>



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ESG Indicator	Laws, Regulations/Policies	Internal Policies
B6. Product Responsibilities	<p>Copyright Law of the People's Republic of China</p> <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>Civil Code 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 Sound 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-Star and 2-Star Green Buildings Management</p> <p>Measures for 1-Star 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>GB 50368-2005 Construction Code for Residential Buildings</p> <p>Measures for Regulating the Sales of Commercial Premises</p> <p>Data Security Law of the People's Republic of China</p> <p>Personal Information Protection Law of the People's Republic of China</p> <p>Regulations on Quality Management of Construction Projects</p>	<p>Quality control systems:</p> <p>Yuexiu Property Guidelines on Quality Management of Construction Projects</p> <p>Yuexiu Property Guidelines on Real Estate Product Quality Insurance Management</p> <p>Yuexiu Property Quality Prevention Manual</p> <p>SSCS System Implementation Management Rules</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 Sales Center Management Standards</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>Prefabricated Construction Selection Strategy and Technical Guidelines</p> <p>Standardization Construction System (SSCS 2.0) Guidelines</p> <p>Technical Standards for Residential Projects of Regional Companies</p> <p>Management Rules of Standard Delivery Process</p>

APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

ESG Indicator	Laws, Regulations/Policies	Internal Policies
		<p>Management Rules of Product Quality Assurance and Maintenance</p> <p>Management Rules of Quality Control</p> <p>Guidelines for Joint Acceptance of Residential Projects before Delivery</p> <p>Guidelines for Internal Acceptance of Products</p> <p>Guidelines for Active Quality Inspection Activities During the Warranty Period</p> <p>Management Measures of Customer Relationship</p> <p>Detailed Provisions on Customer Complaint Management</p> <p>Annual Resident Satisfaction Survey Plan Complaint Handling Procedures</p> <p>Management Rules of Members of Enjoy Club</p> <p>Manual of Members of Enjoy Club</p> <p>Rules of Recommend House-purchasing of Members of Enjoy Club</p> <p>Guidelines for Customer Relationship of Risk Inspection before Opening of Project Exhibition Area</p> <p>Regulations on Management of On-site Service</p> <p>Customer Resource Management and Collaboration Rules</p> <p>Data Management Measures</p> <p>Information Project Management Rules</p> <p>Enjoy Club Management Guidelines</p> <p>Enjoy Club Privacy Policy</p>
B7. Anti-corruption	<p>Company Law of the People's Republic of China</p> <p>Anti-money Laundering Law of the People's Republic of China</p> <p>Anti-monopoly Law of the People's Republic of China</p> <p>Anti-unfair Competition Law of the People's Republic of China</p> <p>Interim Regulations on Banning Commercial Bribery</p>	<p>Yuexiu Property Guidelines for Full Implementation of Talks around the Principal Roles with Respect to Strict CPC Governance</p> <p>Yuexiu Property Implementation Plan for the Supervision of CPC Discipline Committee over Grassroots Conduct</p> <p>Guidelines for the Implementation of the "Three Important and One Large Matter" Decision-making System</p> <p>Detailed Rules for Corporate Supervision and Administration</p> <p>Accountability Management Measures</p> <p>Administrative Rules for Integrity Supervisors</p> <p>Undertaking for Personal Integrity</p> <p>Recruitment Accountability Management System</p> <p>Detailed Rules for the Accountability Management of Suppliers Recruitment</p> <p>Report Confidentiality Policy</p> <p>Fund Management Measures</p> <p>Detailed Rules of Three Public Expenses</p>
B8. Community Investment	<p>Charity Law of the People's Republic of China</p> <p>Welfare Donations Law of the People's Republic of China</p>	



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

PARTS OF KPI LIST

Environmental KPIs				
ESG Indicator	Unit	2019	2020	2021
A1. Emissions				
A1.2 Greenhouse gas emissions and density				
Scope I: Carbon dioxide emissions	Ton	2,631.45	3,488.44	3,491.21
Scope II: Carbon dioxide emissions	Ton	76,390.95	54,901.41	68,831.52
Total carbon dioxide emissions	Ton	79,022.40	58,389.85	72,322.73
Emission density (Ton/person)	Ton/person	5.88	5.13	4.43
Emission density (Ton/RMB1,000,000)	Ton/RMB1,000,000	2.06	1.26	1.26
Emission density (Ton/10,000 m ²)	Ton/10,000 m ²	33.11	23.79	26.68
A1.3&A1.4 Waste Generation				
Total weight of hazardous waste	Ton	10.69	14.96	14.60
Hazardous waste density (Ton/person)	Ton/person	0.0009	0.0013	0.0009
Hazardous waste density (Ton/RMB1,000,000)	Ton/RMB1,000,000	0.0003	0.0003	0.0003
Hazardous waste density (Ton/10,000 m ²)	Ton/10,000 m ²	0.0045	0.0061	0.0054
Total weight of non-hazardous waste	Ton	18,915.05	41,563.92	44,987.53
Non-hazardous waste density (Ton/person)	Ton/person	1.66	3.65	2.76
Non-hazardous waste density (Ton/RMB1,000,000)	Ton/RMB1,000,000	0.49	0.90	0.78
Non-hazardous waste density (Ton/10,000 m ²)	Ton/10,000 m ²	7.92	16.94	16.59
Waste fluorescent tubes	Ton	8.51	11.40	10.90
Waste selenium drums and cartridges	Ton	1.18	1.24	1.75
Waste electronic and electrical equipment	Ton	1.00	2.32	1.95
Waste paper	Ton	437.41	587.14	264.82
Construction waste	Ton	18,475.02	40,975.20	44,719.50
Waste furniture	Ton	2.62	1.58	3.21
A1.5&A1.6 Waste Recovery				
Recycling of computers	Piece	259	335	370
Recycling of metal construction waste	Ton	10,854.26	2,007.18	5,070.20
Earthwork recovery	Ton	231,576	684,459	1,147,746



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Environmental KPIs				
ESG Indicator	Unit	2019	2020	2021
A2. Use of Resources				
A2.1 Total energy consumption and density				
Total energy consumption	MWh	6,066,296.81	5,784,399.77	5,991,331.27
Energy consumption intensity	MWh/person	600.62	507.85	367.12
Energy consumption intensity	MWh/RMB1,000,000	158.23	125.11	104.42
Energy consumption intensity	MWh/10,000 m ²	2,541.39	2,357.13	2,210.01
Gasoline	Liter	433,220.23	396,334.44	479,931.60
Diesel oil	Liter	30,287.15	38,386.53	86,671.74
Canned LPG	Kg	30,424.00	34,655.00	34,554.00
Natural gas	m ³	641,876.45	1,096,163.00	954,959.00
Pipeline gas	m ³	97,899.80	9,458.00	2,325.00
Total electricity consumption	kWh	89,392,937.86	89,974,099.73	118,454,066.36
A2.2 Water consumption and density				
Total water consumption	m ³	3,735,810.17	2,745,537.63	2,049,041.46
Total water consumption intensity	m ³ /RMB1,000,000	97.44	59.38	35.71
Total water consumption intensity	m ³ /person	369.88	241.05	125.55
Water consumption intensity per 10,000 m ²	m ³ /10,000 m ²	1,565.07	1,118.80	755.82

Remark:

- In 2021, the data collection scope of environmental KPI included: Yuexiu Property office area (including 15 office areas of the Group), and the public areas in the projects managed by the Group. Among them, the relevant information and data of the included commercial property project, Yuexiu Financial Tower, will no longer be included in the ESG report of the Group, as the disposal transaction of the project was completed during the reporting period.
- GHG emission refers to carbon dioxide emission only, excluding other types of greenhouse gas such as methane and nitrous oxide emitted by other emission sources.
- Due to the business nature of Yuexiu Property, greenhouse emissions, including nitrogen oxides, sulphur oxides and other pollutants discharged under the national laws and regulations, are not significant during daily operation. As such, Indicator A1.1 is not disclosed.
- Scope I Carbon Dioxide Emissions: GHG emissions from combustion activities of fossil energy, such as gasoline, diesel, natural gas, oil, and pipeline gas, and industrial production processes; Scope I GHG emissions are calculated with reference to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Operating Units (Enterprises) of Public Buildings (Trial) issued by the General Office of the National Development and Reform Commission and the Reporting Guidance on Environmental KPIs.
- Scope II Carbon Dioxide Emissions: GHG emissions from purchased electricity and heat; Scope II GHG emissions are calculated with reference to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Operating Units (Enterprises) of Public Buildings (Trial) issued by the General Office of the National Development and Reform Commission and the Reporting Guidance on Environmental KPIs. In particular, electricity emission factors for Hong Kong are made reference to the Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report?" issued by The Stock Exchange of Hong Kong Limited in May 2021; and electricity emission factors for Mainland China are made reference to the Guidelines on Accounting Methodology and Reporting of Corporate Greenhouse Gas Emissions of Power Generation Facilities (2021 Revised Edition) issued by the Ministry of Ecology and Environment.
- The GHG emissions and intensity in 2020 are made reference to the Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report?" issued by The Stock Exchange of Hong Kong Limited in May 2021. We update the electricity emission factors used to calculate GHG emissions, together with the relevant data generated therefrom, including GHG emissions and GHG intensity in 2020. In particular, the replacement of the electricity emission factors resulted in the change of GHG emissions from 80,244.47 tons to 58,389.85 tons in 2020.
- Due to the business nature of Yuexiu Property, all wastes generated come from offices, without falling into the National Hazardous Waste Inventory. As such, disclosure of Indicators A1.3 and A1.4 is combined. At the same time, according to the disclosure requirements, Indicators A1.3 and A1.4 are converted into the total weight of waste and the relevant data generated therefrom in 2021, as well as the total amount of waste and waste density from 2019 to 2020.
- The construction and demolition waste in the indicator A1.4, the metal construction waste recovery and earthwork recovery in indicator A1.5 and A1.6, and the pipeline gas in the indicator A2.1 only covers the office area of Yuexiu Property (including the headquarters of the Group, 15 office areas of various subsidiaries), and 13 commercial property projects for which the Group provides property management.



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Social KPIs					
ESG Indicator	Unit	2019	2020	2021	
B1. Employment					
B1.1 Total workforce by gender, employment type, age group and geographical region					
	Total number of employees	Person	10,100	11,390	16,320
Gender	Male employees	Person	6,695	7,026	9,689
	Female employees	Person	3,405	4,364	6,631
Employment Type	Full-time employees	Person	/	/	16,289
	Part-time employees	Person	/	/	31
Employee Category	Senior management	Person	71	126	163
	Middle management	Person	622	859	1,123
	General staff	Person	9,407	10,405	15,034
Age Group	29 years old or below	Person	3,793	3,998	4,868
	30-49 years old	Person	5,414	5,888	9,065
	50 years old or above	Person	893	1,504	2,387
Geographical Region	Mainland China	Person	10,083	10,796	15,726
	Hong Kong, Macau and Taiwan	Person	16	592	592
	Overseas	Person	1	2	2
B1.2 Employee turnover rate by gender, age group and geographical region					
	Turnover rate of all employees	Percentage	/	/	37.50%
Gender	Male employee turnover rate	Percentage	/	/	35.84%
	Female employee turnover rate	Percentage	/	/	39.92%
Age group	Turnover rate of employees aged 29 or below	Percentage	/	/	51.30%
	Turnover rate of employees aged between 30 and 49	Percentage	/	/	30.85%
Geographical Region	Turnover rate of employees aged 50 or above	Percentage	/	/	34.61%
	Employee turnover rate in Mainland China	Percentage	/	/	37.19%
	Employee turnover rate in Hong Kong, Macau and Taiwan	Percentage	/	/	45.70%
	Employee turnover rate overseas	Percentage	/	/	0%
B2. Health and Safety					
B2.1 Number and rate of work-related fatalities occurred in each of the past three years (including the Reporting Year)					
	Number of work-related fatalities	Person	0	0	1
	Rate of work-related fatalities	Percentage	0%	0%	0.01%
B2.2 Lost days due to work injury					
	Total number of days lost due to work-related injuries	Day	343	342	441
B3. Development and Training					
B3.1 Percentage of employees trained by gender and employee category					
	All employees	Percentage	100%	100%	100%
Gender	Male	Percentage	69.14%	64.63%	54.46%
	Female	Percentage	30.86%	35.37%	45.54%
Employee Category	Senior management	Percentage	1.03%	0.69%	2.48%
	Middle management	Percentage	7.51%	5.98%	9.19%
	General staff	Percentage	91.46%	93.33%	88.33%
B3.2 Average training hours completed per employee by gender and employee category					
	All employees	Hour	49.82	21.81	37.82
Gender	Male	Hour	54.88	24.42	41.73
	Female	Hour	39.89	17.60	31.92
Employee Category	Senior management	Hour	45.29	26.27	104.03
	Middle management	Hour	64.29	21.00	60.73
	General staff	Hour	48.90	21.82	35.40



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Social KPIs					
ESG Indicator	Unit	2019	2020	2021	
B5. Supply Chain Management					
B5.1 Number of suppliers by geographical region					
	Total	Supplier	3,479	13,050	26,850
Geographical Region	Southern China	Supplier	2,270	7,428	15,574
	Eastern China	Supplier	587	1,474	2,761
	Northern China	Supplier	234	0	353
	Central China	Supplier	241	1,877	3,333
	Northeast China	Supplier	99	1,842	2,969
	Southwestern China	Supplier	11	429	1,300
	Northwest China	Supplier	0	0	0
	Hong Kong, Macau, Taiwan and overseas	Supplier	37	0	560
B6. Product Responsibilities					
B6.2 Number of complaints received related to products and services					
	Total number of complaints related to products and services	Case	6,090	15,670	33,195
B7. Anti-corruption					
B7.1 Number of legal cases regarding corrupt practices					
	Number of filed or concluded legal cases regarding corrupt practices	Piece	0	0	0
B7.3 Description of anti-corruption training provided to directors and staff					
	Number of anti-corruption training courses	Course	/	/	134
	Number of directors and employees attending training	Person-time	/	/	16,085
B8. Community Investment					
B8.2 Resources contributed to the focus area					
	Employees' participation in public welfare/voluntary events	Person-time	763	967	4,238

Remark:

- B2.1 The incident was not related to work safety. After the incident, the Group actively followed up on comforting the employee's family and relevant handling work and assisted the employee's family in obtaining the compensation and related benefits from social security agency. Meanwhile, the Group also granted consolation allowance to the employee's family, which is aimed to protect the employee's rights and interests to the full extent.
- Indicator B3.2 As the online learning platform "Yue Learning (悦學習)" has been gradually improved, and Yuexiu Services has further improved the training statistics. The average number of training hours for employees by gender and employee type increased significantly year-on-year in 2021.
- Indicator B5.1 Since the launch of a digital procurement platform by Yuexiu Property in 2020, the number of service providers in residential property management and commercial management projects has increased significantly due to the business expansion of Yuexiu Services, and the number of suppliers of Yuexiu Property recorded remarkable growth in 2021. Among them, the geographical location category is based on the location of the headquarters of subsidiaries.
- Indicator B6.2 As Yuexiu Property further expands customer complaint channels and refines the complaint classification, and the number of residential property management and commercial management projects has increased significantly due to the business expansion of Yuexiu Services, and the number of customer complaints recorded a significant increase in 2021. However, given that the rate of closed complaints of Yuexiu Property reached 96.62%, the overall customer satisfaction scored 87 points, the complaint response rate of Yuexiu Services reached 100%. The customer satisfaction score of residential property management services was 88.20 points, and the average tenant satisfaction for commercial projects was 93%. The complaint handling work received overall recognition from customers in 2021.
- Indicator B8.2 As Yuexiu Services further improves the statistics of employees' participation in volunteer activities, there was a significant increase in the number of employees participating in public welfares/volunteer activities in 2021.



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REPORTING STANDARD INDEX

Indexes of "Environmental, Social and Governance Reporting Guide" of HKEX			
Issues	Disclosure Requirements	Disclosure Section	Notes
A. Environment			
A1 Emissions	General disclosure KPI A1.2, A1.3, A1.4, A1.5, A1.6	Environment Protection 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	Environment Protection 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	Environment Protection and Green Development	
A4 Climate change	General disclosure KPI A4.1	Environment Protection and Green Development	
B. Society			
B1 Employment	General disclosure KPI B1.1, B1.2	People-oriented and Pleasant Atmosphere	
B2 Health and Safety	General disclosure KPI 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	
B5 Supply Chain Management	General disclosure KPI B5.1, B5.2, B5.3, B5.4	Quality Product and Progressive Development	
B6 Product responsibilities	General disclosure KPI B6.2, B6.3, B6.4, B6.5	Quality Product and Progressive Development Full-hearted Commitment and Sincere Service	There are no product and service recall events that have a significant impact on the Group's operations during the reporting period and therefore KPI B6.1 does not apply; the Group abides by laws and regulations concerning protection of intellectual property.
B7 Anti-corruption	General disclosure KPI B7.1, B7.2, B7.3	Sustainability Strategy	
B8 Community investment	General disclosure KPI B8.1, B8.2	Giving Back to Society with Great Love	



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Global Reporting Initiative (GRI) Guidelines Content Index – Core Options			
GRI Guidelines Indicators	Details	Quote	Notes
General Standard Disclosures			
Organization Profile			
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	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	Detailed information of financial subdivision is recorded in the 2021 annual report.
102-8	Data relating to employee and other workers	People-oriented and Pleasant Atmosphere	Seasonal and part-time jobs do 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 changes
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
Strategy and Analysis			
102-14	Statements of Decision Makers	Environmental, Social and Governance Board Statement, Management Message	
Ethics and Integrity			
102-16	Description of the organization's values, principles, standards and norms of behavior	Sustainability Strategy, Management Message	For details, please visit our website: http://www.yuexiuproperty.com/gywm/ppln/



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Global Reporting Initiative (GRI) Guidelines Content Index – Core Options			
GRI Guidelines Indicators	Details	Quote	Notes
Governance			
102-18	Governance structure	Sustainability Strategy	
Communication with Stakeholders			
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	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	
Reporting Practices			
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 changes in the boundary
102-50	Reporting period	About the Report	
102-51	Date of the last report	N/A	Please refer to Yuexiu Property's 2020 environmental, social and governance 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

Global Reporting Initiative (GRI) Guidelines Content Index – Core Options			
GRI Guidelines Indicators	Details	Quote	Notes
Management Approach			
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	
Economic Topics			
Economic performance			
Management Approach			
201-1	Direct economic value generated and distributed by the organization	About Yuexiu Property Company Limited About Yuexiu Property Company Limited	
Indirect Economic Impacts			
Disclosure management approach			
203-1	Carrying out infrastructure investment and supporting services and its impact	Quality Product and Progressive Development, Giving Back to Society with Great Love Quality Product and Progressive Development, Giving Back to Society with Great Love	
Purchasing Practices			
Disclosure management approach			
204-1	Proportion of spending on local suppliers at significant locations of operation	Quality Product and Progressive Development Quality Product and Progressive Development	
Environmental Topics			
Energy			
Disclosure management approach			
302-1	Energy consumption within the organization	Environment Protection and Green Development, Sustainability Performance Overview Environment Protection and Green Development, Sustainability Performance Overview	
302-3	Energy intensity	Environment Protection and Green Development, Sustainability Performance Overview	



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Global Reporting Initiative (GRI) Guidelines Content Index – Core Options			
GRI Guidelines Indicators	Details	Quote	Notes
Water			
Disclosure management approach		Environment Protection and Green Development, Sustainability Performance Overview	
303-1	Total water drawn from source	Environment Protection and Green Development, Sustainability Performance Overview	Within the Scope of the Report, municipal water supply is the only source of water.
Emissions			
Disclosure management approach		Environment Protection 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	
Sewage and Wastes			
Disclosure management approach		Environment Protection and Green Development	
306-2	Total weight of wastes by type and disposal method	Environment Protection and Green Development, Sustainability Performance Overview	
Social Topics			
Employment			
Disclosure management approach		People-oriented and Pleasant Atmosphere	
401-1	New employees and dismissed employees	People-oriented and Pleasant Atmosphere	
Occupational health and safety			
Disclosure management approach		People-oriented and Pleasant Atmosphere	
Training and education			
Disclosure management approach		People-oriented and Pleasant Atmosphere	
404-1	Average training hours per year per employee	People-oriented and Pleasant Atmosphere	



APPENDIX I: SUSTAINABILITY PERFORMANCE OVERVIEW

Global Reporting Initiative (GRI) Guidelines Content Index – Core Options			
GRI Guidelines Indicators	Details	Quote	Notes
Local Communities			
Disclosure management approach		Giving Back to the Society with Great Love	
413-1	Operating activities relating to social engagement, social impact assessment, and neighborhood development plan	Giving Back to the Society with Great Love	
Customer Health and Safety			
Disclosure management approach		Full-hearted Commitment and Sincere Service, Sustainability Performance Overview	
416-1	Breaches of health and safety laws and regulations relating to product and service	N/A	No incident occurs in the reporting period.
Customer Privacy			
Disclosure 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 has no complaints regarding breaches of customer privacy or losses of customer data.
Complaint Mechanism			
Disclosure management approach		Full-hearted Commitment and Sincere Service	
Compliance			
Disclosure management approach		Sustainability Strategy	
307-1	Breaches of environmental laws and regulations	N/A	No incident occurs in the reporting period.
419-1	Breaches of social laws and regulations	N/A	No incident occurs in the reporting period.



APPENDIX II: FEEDBACK FORM

Dear reader,

Thank you for reading this Report! This is our 2021 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: esg@yuexiuproperty.com.

Yuexiu Property Company Limited 2021 ESG Report Feedback Form

Name

Company

Position

Telephone

Email

Your appraisal: (please put ✓ in the corresponding box)

	Excellent	Good	Ordinary	Poor	Very Poor
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?
