



越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

Stock Code: 00123

WHERE GOOD
LIVING STARTS



Environmental, Social and
Governance Report

2022

Contents

CHAIRMAN'S MESSAGE	4
SUSTAINABLE DEVELOPMENT POLICIES	8
STATEMENT OF THE BOARD	8
OUR SUSTAINABILITY GOVERNANCE FRAMEWORK	9
SUSTAINABILITY RESPONSIBILITIES AND STRATEGIES	12
SUSTAINABILITY PROGRESS IN 2022	16
SUSTAINABILITY VISION TO 2030	18
YUEXIU PROPERTY PROFILE	19
ABOUT THE REPORT	20
MATERIALITY ISSUES AND STAKEHOLDER ENGAGEMENT	22
MATERIALITY ISSUES	22
COMMUNICATION WITH STAKEHOLDERS	24

CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT	26
MANAGEMENT APPROACH	28
1.1 TACKLING CLIMATE CHANGE	31
1.2 SUSTAINABLE BUILDINGS	34
1.3 GREEN MANAGEMENT	47

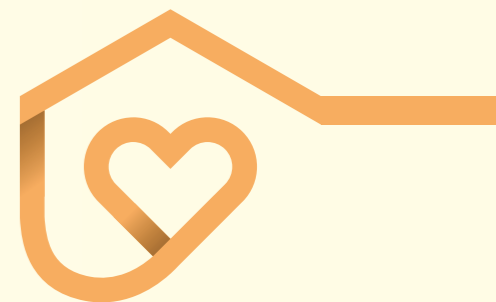
CHAPTER 2 HEALTHY RESIDENCE	62
MANAGEMENT APPROACH	64
2.1 BUILDING HEALTHY RESIDENCE	67
2.2 CONTROLLING PRODUCT QUALITY	70
2.3 IMPROVING SERVICE QUALITY	72
2.4 PROTECTION OF CUSTOMER RIGHTS AND INTERESTS	78

CHAPTER 3 PEOPLE-ORIENTED	84
MANAGEMENT APPROACH	86
3.1 EMPLOYEE RIGHTS PROTECTION	88
3.2 TALENT TRAINING AND DEVELOPMENT	94
3.3 EMPLOYEE HEALTH AND SAFETY	100

CHAPTER 4 BUILDING A HARMONIOUS SOCIETY	104
MANAGEMENT APPROACH	106
4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN	108
4.2 SUPPORTING COMMUNITY DEVELOPMENT	113
4.3 BOOSTING RURAL REVITALIZATION	119
4.4 PRACTICING PUBLIC WELFARE ACTIVITIES	121

CHAPTER 5 CORPORATE GOVERNANCE	126
MANAGEMENT APPROACH	128
5.1 RISK MANAGEMENT	130
5.2 BUSINESS ETHICS	132
5.3 INTELLECTUAL PROPERTY	134
5.4 SUSTAINABILITY INVESTMENT	136

APPENDIX	
Social Recognitions	137
ESG Performance	138
Indexes of "Environmental, Social and Governance Reporting Guide" of HKEX	144
Global Reporting Initiative (GRI) Content Guidelines Index	150
SASB Metric List	159
FEEDBACK FORM	161





Mr Lin Zhaoyuan
Chairman



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The ESG capability and performance will be our core competitiveness in the future as it brings out our positive elements to the fore so that our development potentials can be released further to improve the corporate value and run across the industry cycle. Looking back to the past year, we followed the policy of “proactive practice of the green and low-carbon cycle development concept and integration of energy saving, ecological environmental protection and carbon peaking and neutrality strategic orientation and target requirements into the enterprise development strategy and planning” and sought progress while maintaining stability under great pressure to consolidate the sustainable development concept continuously. Besides, we still unswervingly pursued coordinated development with environment and society and strived to give back to customers, employees, shareholders and society while fulfilling our economic responsibilities.

”

Looking back at 2022, the accelerated changes unseen in a century contributed to a more complex, severe and uncertain external environment and we were still at a critical period for achieving the great rejuvenation of the Chinese nation. The Report to the 20th National Congress of the Communist Party of China clearly pointed out that “high-quality development is the primary task of building China into a modern socialist country in all aspects”. In the face of numerous challenges, such as the urgent need for

macroeconomic recovery, the increasingly serious climate problem and the public's strong demand for a better life, we have been actively thinking about how to seek opportunities for business development and cope with severe challenges from the complicated current situation to fully fulfil the new vision for development and achieve high-quality development.

Yuexiu Property attaches considerable importance to the integration of sustainable development concept into various dimensions of business development so as to promote ESG works steadily, all around from full chains and comprehensively. We established an Environmental, Social and Governance Committee (“ESG Committee”) of the Board in 2022, which was chaired by me and with one Executive Director and three Independent Non-executive Directors as members. The ESG Committee is responsible for reviewing and approving the Company's vision, goals, strategies and management policies regarding ESG issues and giving ESG-related recommendations to the Board of

Directors. In order to secure the efficient advancement and implementation of ESG works, the ESG Leadership Group and ESG Execution Group are set up under the ESG Committee with clear ESG work responsibilities of the functions and the regional persons in charge, forming a top-down thorough ESG governance framework. Our specialized organizational structure and professionals boost Yuexiu Property to move forward to the new stage of sustainable development with more transparent communication means, stronger driving force, greater development efficiency, forming an ESG management atmosphere that has become an integral part of the corporate culture.

We are guided by the goal of "carbon peaking in 2030 and carbon neutrality in 2060", carry forward the dual carbon strategies actively and steadily and are committed to realizing carbon neutrality in the operation and property development: to achieve net zero emission of value chain by 2060 and 35% lower in carbon dioxide emissions per unit area of commercial and office buildings in 2030 compared to 2021. All of our new building projects are designed at least as per the 1-star standard for green buildings and we also vigorously advocate application of prefabricated building, keep exploring and constructing buildings with ultra-low energy consumption, use smart energy management tools and other measures to facilitate saving and emission reduction of buildings, and promote green and low-carbon conventions for tenants to promote the green transformation and development of the society. Meanwhile, Yuexiu Property refers to the TNFD framework to improve natural resource related risk management and response capabilities, and takes measures to cope with the changing nature-related risks. As a responsible property developer, we attach great importance to the impact of the full life cycle of projects on the surrounding biodiversity, and participate in the management of brownfield proactively, committing to turning brownfield into greenfield, helping cities achieve environmental, economic and social balance as much as possible in the process of development and trying our best to protect the natural ecological environment and historical and cultural features.

Developing the circular economy, promoting the efficient use of resources, and establishing a circular industrial system for resources and a recycling system for waste materials are of great significance for ensuring resource security, promoting the target of carbon peaking and carbon neutrality, and promoting ecological civilization construction. Yuexiu Property attaches great importance to the circular economy and applies its principles to operation and management. By creating a green supply chain, purchasing green building materials, and vigorously promoting prefabricated buildings and sponge city construction, implementing green business management methods such as reducing and recycling construction waste at the source, we aim to ultimately achieve a circular operation of the entire project life cycle from research and development,

planning and design, construction, sales, use, to disposal, following the "raw materials-products-waste materials-raw materials" cycle, with minimal negative impact on the environment and the highest resource utilization efficiency, and to achieve coordinated optimization of economic and social benefits of the project, promoting high-quality development of the enterprise and society.

We actively respond to the national strategy of "getting involved in global governance in response to climate change" and we are also aware that we should not overlook the potential impact of climate risks on our corporate operations. According to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and HKEX's Guidance on Climate Disclosures, we identify and assess climate-related risks and strengthen their management as one of our corporate risks. Meanwhile, we seize the green opportunity to scale up sustainability investment. Yuexiu Real Estate Investment Trust (00405.HK), our investee, successfully executed an HKD3.8 billion sustainability-linked loan in November 2022.

We pay attention to integrating ESG philosophy into our core businesses and put forward the corporate development strategy to build the Company with "Quality Products, Quality Services, Strong Brand, Capable Service Team" in 2022. We adhere to the "customer-centered" concept and always insist on responsibility and integrity to provide customers with good products and services with high standard and quality and live up to people's expectations towards a better life, which in turn injects constant source of motivation for our development. We create a high-quality standardized system by strengthening product quality, project design, community support and property services. In 2022, we have launched "Yes My Life" YES Healthy Living System with features of "health +intelligence", which meets the customers' multi-dimensional needs for city, community, housing, services and humanities from their perspective, making us a leading pioneer of good life in the future.

We follow the strategy of strengthening China through human resources development—"Science and technology are the primary productive forces, human resources are the primary resources and innovation is the primary driving force" to accelerate the implementation of innovation-driven development strategy. We continue to invest in digital transformation and intelligent development to upgrade our technological level and improve management efficiency while reducing management risks. We attach considerable importance to talents attraction and retention and closely integrate the growth of our staff with the development of the Company, committing to creating a corporate development mode led by outstanding talents. By adhering to the "people-oriented" concept, we provide employees with a broad platform to fully demonstrate their own style and keep moving to increase their engagement and

satisfaction. We attach greater importance to their sound in physical and mental health and support and encourage our employees to work happily and live a fulfilling life, enhancing their happiness in all aspects.

"Beyond Excellence". 2023 will witness the milestone moment of the Company's 40th anniversary. We will insist on implementing sustainable development to comprehensively promote carbon neutrality campaign and conduct an in-depth financial impact analysis of climate and prepare coping strategies so as to create a happy workplace for employees, to provide customers with high quality products and services and to make a greater contribution to economic and social development, urban transformation and upgrading, and owners' happiness.

SUSTAINABLE DEVELOPMENT POLICIES

SUSTAINABLE DEVELOPMENT POLICIES

STATEMENT OF THE BOARD

Adhering to the mission of “Where Good Living Starts”, the Group integrates environmental protection and social responsibilities into preparation of corporate operating strategies and continues to promote sustainable self-development.

The Board of Directors of the Company (the “Board”) places high importance to the ESG management and takes the full responsibility for ESG work and monitoring the development direction and strategies of ESG. The Company has established a thorough ESG governance framework and formed an ESG Committee chaired by the Chairman of the Board who is responsible for taking charge of ESG management, with one Executive Director and three Independent Non-executive Directors as the members who engage in the regular discussions and reviews of the Group’s ESG development risks and opportunities. In addition, an ESG Leadership Group led by the Chief Executive Officer and composed of main business leaders is formed to take charge of establishing and improving the ESG mechanism and coordinating and supervising ESG work. At the same time, in order to promote the institutionalization, standardization and transparency of ESG governance, the Company has approved formal documents to define the scope of responsibilities and procedures at each level of ESG management to fully ensure the orderly promotion and efficient implementation of the relevant work.

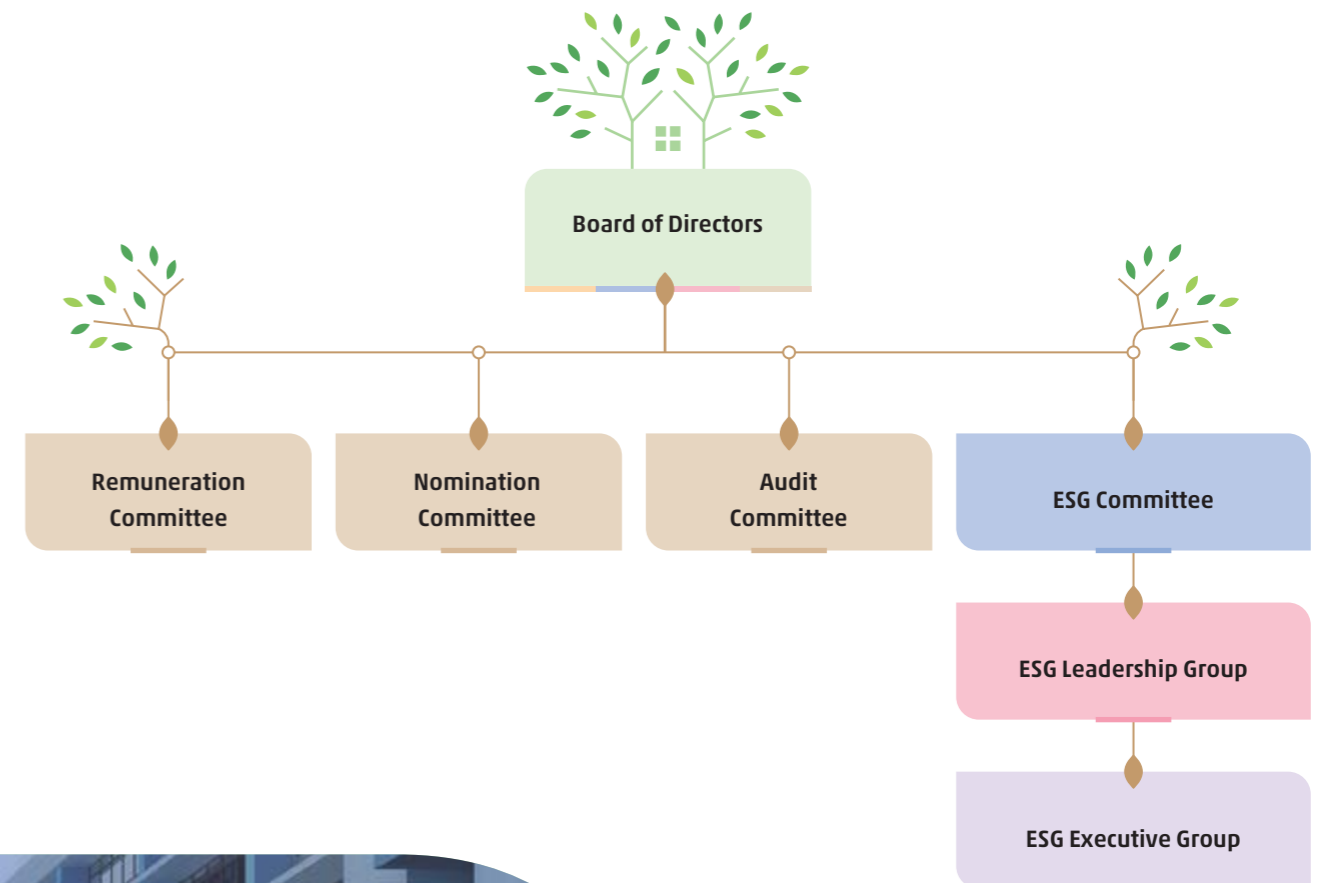
The Board pays close attention to international and domestic ESG governance trends together with internal management status review and identification of ESG risks and opportunities. Through a regular communication mechanism among stakeholders, the Company obtains an understanding on the internal and external recommendations, requirements and concerns, assesses and prioritizes ESG materiality issues, and fully considers the above factors when formulating and adjusting the Company’s management policies.

The Board conducts regular inspections on the Group’s ESG issues, including reviewing and approving the targets and improvement plans covering greenhouse gas emissions, waste disposals, energy and water resources consumptions. The Board will also examine and discuss the ESG-related goals on the Board meetings and will review and follow up the progress in performing these goals.

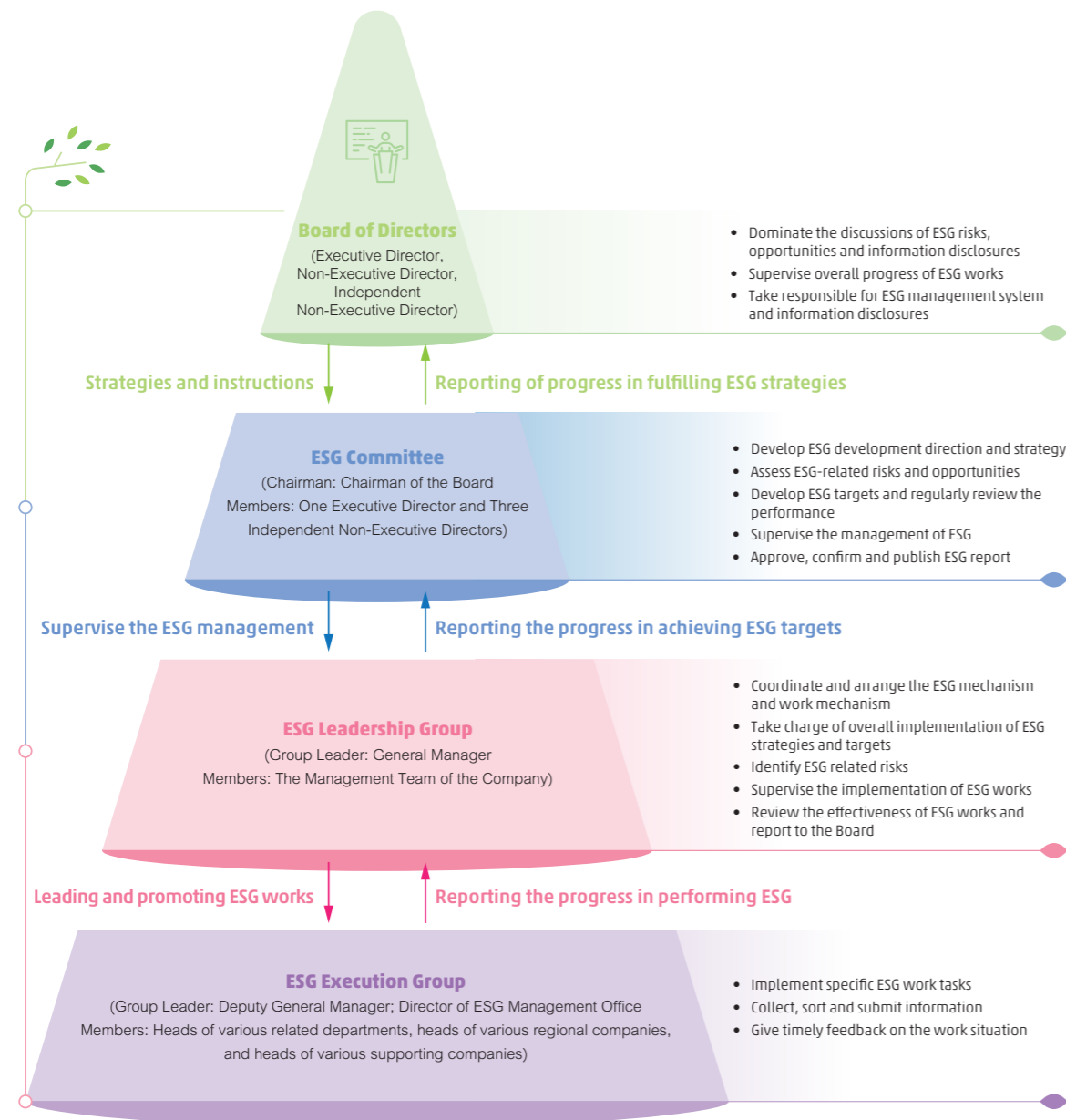
This report has been reviewed and approved by the Board and it is ensured that this Report will not contain any false records, misleading statements or material omissions.

OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

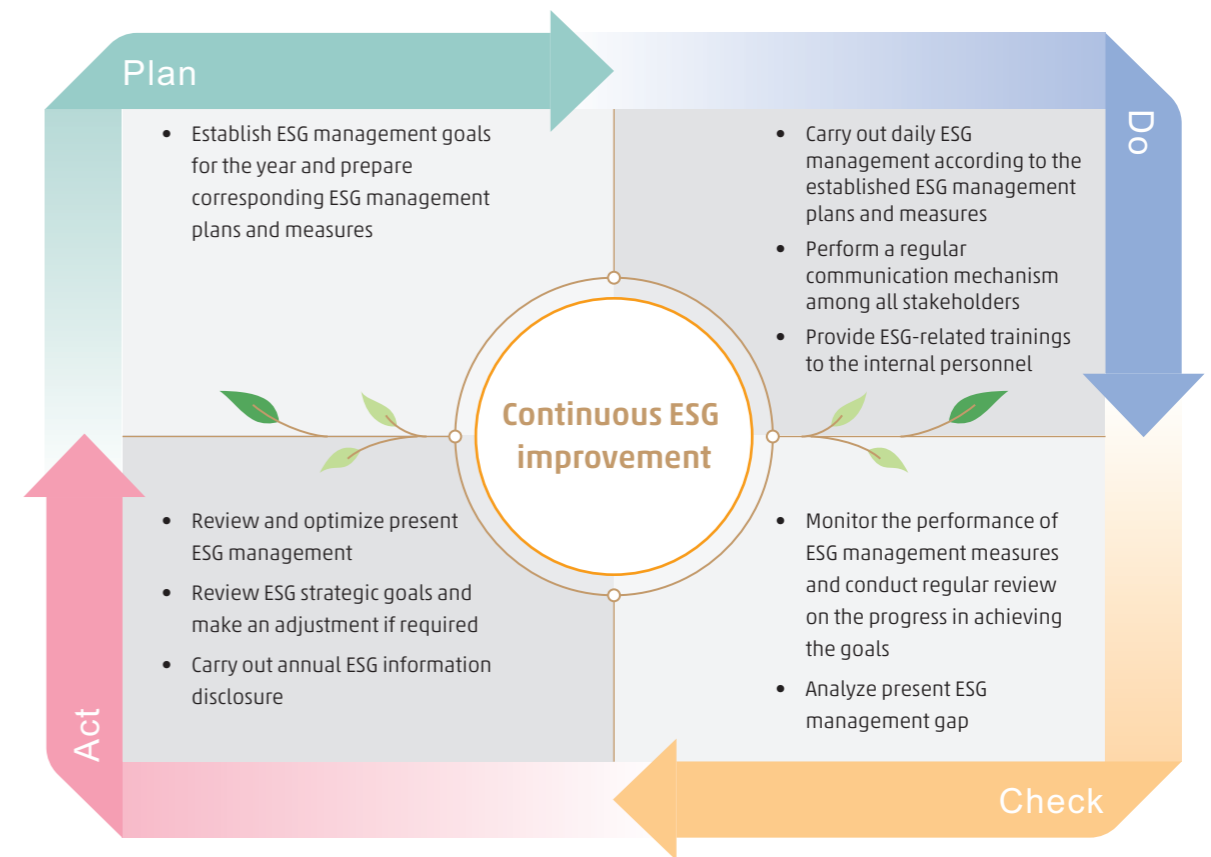
The Group has established an Environmental, Social and Governance (ESG) framework directly led by the Board and imposes supervision on ESG level by level, forming a whole process from decision-making, communication to implementation.



As the highest governance body, the Board of Directors proactively participates in the formulation and implementation of ESG strategies, supervises the ESG development direction and conducts regular discussions and inspections on the ESG development risks and opportunities. The Group establishes the Environmental, Social and Governance Committee of the Board ("ESG Committee"), 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 members have diverse backgrounds and extensive industry experience, covering a wide range of professional fields such as economics, business administration, mechanical engineering, management, professional accounting and jurisprudence. With different professional perspectives and risk appetites, a diverse ESG Committee is better equipped to deal with complex ESG risks, grasp the ESG opportunities for the Group and gain a head start in development.

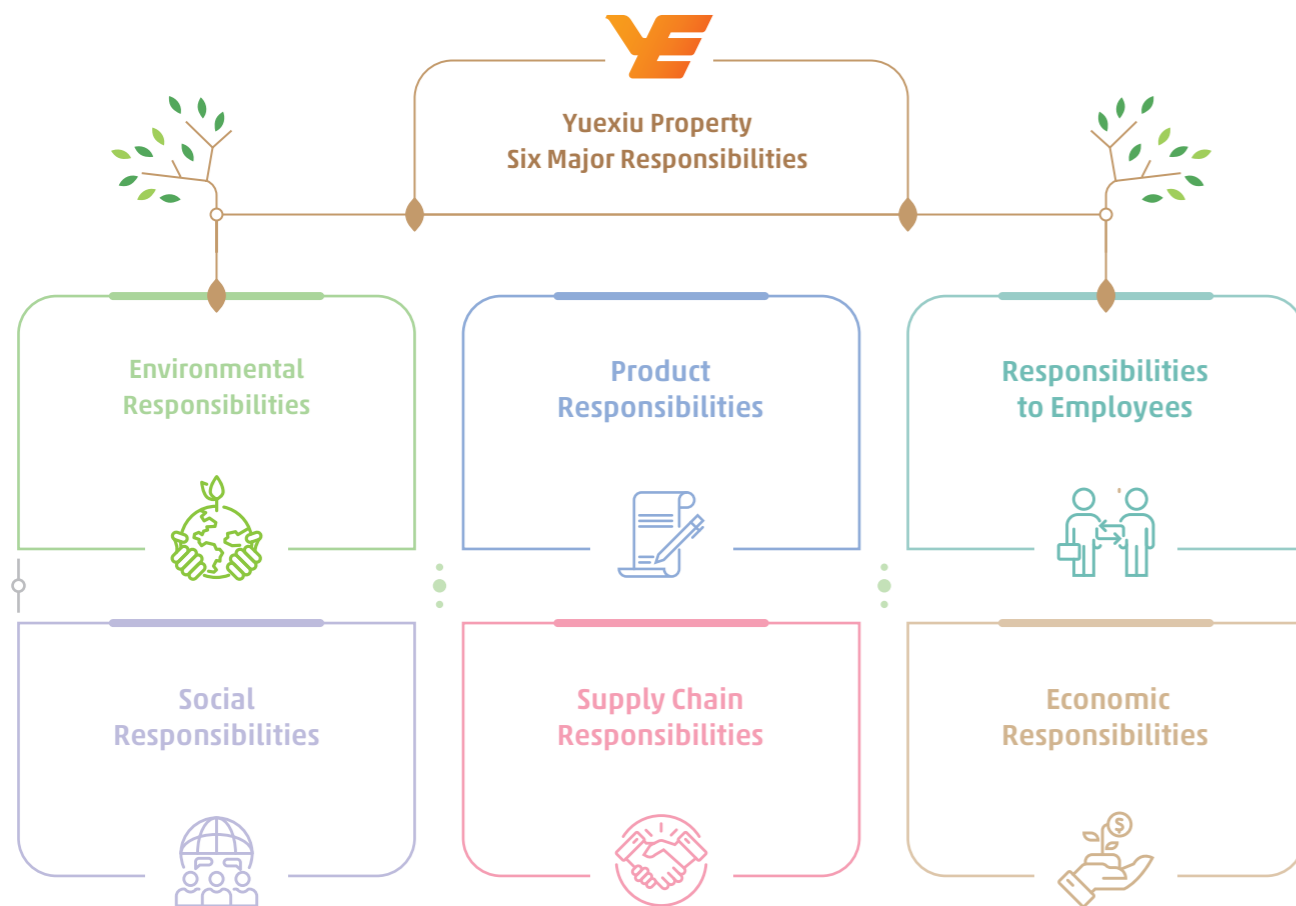


Under the guidance of the Board, the Group carries out ESG management through a cyclical management process of P-D-C-A (Plan-Do-Check-Act), which operates in cycles to continuously and consistently enhance and improve the Group's ESG performance, and continuously increase the transparency of the Group's ESG information.



SUSTAINABILITY RESPONSIBILITIES AND STRATEGIES

We are guided by the Sustainable Development Goals (SDGs) of the United Nations, integrate ESG concept into our corporate strategies and are committed to responsible operations to create sustainable environmental, social and economic benefits from environmental responsibilities, product responsibilities, economic responsibilities, supply chain responsibilities, responsibilities to employees and social responsibilities and improving our own sustainability ability, becoming a responsible corporate citizen.



Environmental Responsibilities

Goals

Develop green and healthy buildings with “naturalistic, people-oriented, healthy & comfortable, and intelligent & low-carbon” features, upgrade green buildings by innovations and technologies, and promote green and low-carbon operations to contribute to the achievement of the national dual-carbon goals.

Strategies

Actively cope with climate changes, increase the proportion of green buildings and advocate green operations and management.

Initiatives

- Strive to develop green buildings and promote ultra-low energy consumption buildings;
- Comprehensively improve application of prefabricated construction technology;
- Promote smart energy management in commercial projects, helping more buildings to achieve energy saving and consumption reduction;
- Promote green and intelligent construction, and use intelligent means to further upgrade environmental, quality and security management;
- Strengthen the protection of trees, rivers, wetlands and other natural ecology and biodiversity within the project site.

SDGs to be responded

Product Responsibilities

Goals

Guarantee high-quality service and customers’ rights and interests, committed to marketing with integrity, and provide healthy and comfortable intelligent and innovative building products to achieve a better life and strive to be the industrial benchmark.

Strategies

Insist on product technology innovation and strict product quality and optimize service quality to protect rights and interests of customers.

Initiatives

- Improve pre-delivery risk pre-control system combined with big data management, guaranteeing the product safety and delivery quality;
- Upgrade services and advocate lean management to improve customer satisfaction;
- Insist on marketing with integrity and enhance responsible marketing trainings and practices;
- Improve information security management and protect privacy of customers.

SDGs to be responded

 Responsibilities to Employees

Goals

Provide employees with competitive remuneration and benefits and a safe, equal, inclusive and happy working environment, and improve their personal competitiveness.


Strategies

Improve human resource management, strengthen safety production, guarantee health, rights and interests of employees, and encourage staff development, enrich employees' lives.

Initiatives

- Promote a more diverse talent structure;
- Improve training system and employee promotion channels;
- Strengthen safety accountability management mechanism and aspire a goal of zero safety incident;
- Build an equal and inclusive workplace, care for employees' sound in body and mind and advocate balance between work and life so as to increase the happiness of employees.

SDGs to be responded



 Social Responsibilities

Goals

Respond to rural revitalization, support community development and participate in social welfare, striving to continue to create value to the society and build a warm community together.


Strategies

Promote healthy community development, and actively contribute to rural revitalization and public charity.

Initiatives

- Implement affordable housing projects and help upgrade old communities;
- Implement rent reduction for enterprises and reduce the financial pressure on small, medium and micro enterprises;
- Strengthen volunteer team building and carry out public welfare campaigns.

SDGs to be responded



 Supply Chain Responsibilities

Goals

Improve the supply chain management system, actively cooperate with suppliers to jointly identify and prevent environmental and social risks in the supply chain and promote the sustainable development of the industrial value chain.


Strategies

Optimize supplier selection, promote digital procurement construction, control product quality, carry out green procurement and build a responsible supply chain together.

Initiatives

- Promote the construction of digital supply chain and optimize supply chain management;
- Build a green supply chain and promote the procurement of green materials and other products;
- Establish a clean supply chain and refine the integrity management of suppliers.

SDGs to be responded



 Economic Responsibilities

Goals

Achieve sustainable economic growth with the goal of "Business-driven Quality Improvement, Innovation-driven Development".

Strategies

Improve sustainability governance system and risk management mechanism.

Initiatives

- Follow a nested closed-loop process for ESG management;
- Strengthen employee integrity management;
- Conduct Board risk management training;
- Optimize intellectual property protection mechanism and strengthen intra-organizational empowerment.

SDGs to be responded



Environmental Dimension

In light of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has established a TCFD team, and has preliminarily identified and analyzed the climate-related risks and opportunities and prepared corresponding solutions. Yuexiu Property not only focuses on the climate-related risks, but also refers to the framework of Taskforce on Nature-related Financial Disclosures (TNFD) to improve environmental and social risk management and response capabilities, and takes measures to cope with the changing nature-related risks.



Yuexiu Property designs 100% of new projects at least as per the 1-star standard for green buildings, and advocates application of prefabricated construction technology in the construction, forming the Prefabricated Construction Selection Strategy and Technical Guidelines and improved Standardization Construction System (SSCS 2.0) Guidelines.

In November 2022, Wuhan Yuexiu Fortune Center of Yuexiu Property's investee Yuexiu Real Estate Investment Trust (00405.HK) was awarded with LEED v4.1 O+M:EB Platinum Certification with a total certified floor area of 140,000 sq.m. 151 projects have satisfied green building certifications standards accumulatively with a total construction area of 24,983,400 sq.m., including 34 newly added green building certifications in 2022, increased by 113% compared to 2021; the Group have accumulatively 3 commercial projects with LEED certifications and a certified floor area of 807,600 sq.m., and accumulatively 2 residential projects with LEED certifications and a certified floor area of 225,000 sq.m.; the Group makes efforts to carry out research on ultra-low energy consumption buildings and has pushed ahead with the construction of 4 ultra-low energy consumption building projects.



In 2022, the greenhouse gas (Scope 1 and Scope 2) intensity per unit revenue of the Group has been reduced by 30% compared to 2021, water consumption intensity reduced by 30% compared to 2021, and 1,704,156 tons of waste that should have been sent to landfill has been recycled.



Social Dimension

In April 2022, we have launched "Yes My Life" YES Healthy Living System, providing customers with a brand-new "healthy + Intelligent" experience from YESite, YESense, YESmart and YESocial.

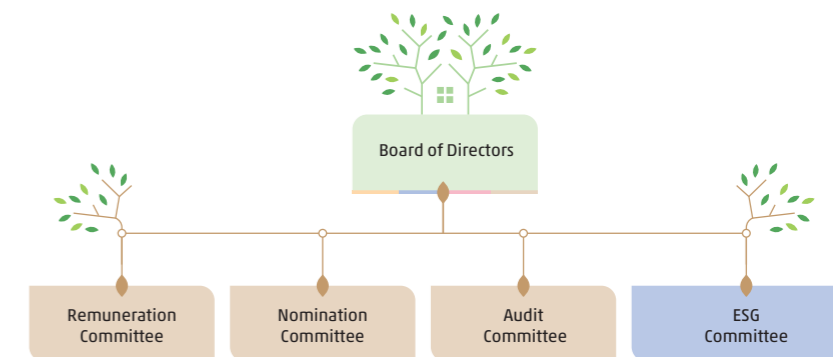


In 2022, we have improved and upgraded "Yes My Life Plus" Services, and built a service system centered on residents' senses, and provide owners and residents with complete warm quality services: Yue Encounter (Choosing flats and signing agreements), Yue Grow (Waiting to move in), Yue Evaluation (Moving in), and Yue Enjoy (Living in flats)

In 2022, Yuexiu Property has created "Yue Volunteers" service brand, and proactively advocates community volunteer activities. In the whole year, we have had more than 2,630 volunteers who have contributed 25,877 hours and accumulatively 158 volunteer activities to promoting harmonious community building.

Governance Dimension

In March 2022, Yuexiu Property has established an ESG Committee which is composed of the Board members and chaired by the Chairman of the Board. The Board pays an important role to supervise the ESG management and strategies of the Group, and the ESG Committee will also review the Group's achievements in practice of goals and commitments.



In December 2022, the "Sustainability" column has been launched on the official website of Yuexiu Property (www.yuexiuproperty.com/esg/) which consisted of ESG Objective, ESG Governance, ESG Policy, ESG Rating & News, providing with stakeholders with a more convenient and comprehensive channel to learn about the ESG works of Yuexiu Property, to further enhance the transparency of the Group's ESG information.



SUSTAINABILITY VISION TO 2030



Our sustainability vision is the guide for us to advance our future sustainability performance. We strive to make a contribution to addressing environmental and social issues such as climate change through our sustainability strategy and the various elements of ESG to achieve our sustainability vision.

Governance Dimension

We plan to achieve 5 key targets for governance in or before 2030:

- Integrate ESG-related risks into enterprise risk management
- Improve information confidentiality management and reporter protection mechanism, ensuring that all the employees **100%** follow the code of conduct and business ethics
- Make more investments in a planned way to achieve a minimum of **50%** of bond and loan facilities from sustainable financing
- Continue to invest in the digital transformation of the Company to improve intelligent management and increase management transparency in order to reduce operational management risks in the business
- Insist on reference to global best practice in corporate governance and ESG disclosure

Environmental Dimension

We are committed to continuing to design, build and manage high quality projects with the aim of making a positive contribution to the environment:

- Conduct a series of climate scenario analysis, climate risk and opportunity assessment in accordance with TCFD recommendations, develop and adopt climate change policies and integrate climate risk into the enterprise risk management system in order to reduce and adapt to potential risks. For detailed work plan, please refer to the "Sustainability" column of the official website (www.yuexiuproperty.com/esg).
- Realize carbon neutrality in our operations and property development, managing to achieve a **35%** reduction in GHG intensity (CO₂ emissions per unit of floor space) of commercial office buildings by 2030 (based on 2021) and net zero value chain GHG emissions by 2060
- **100%** of new buildings are designed at least as per the 1-star standard for green buildings

Social Dimension

We will continue striving to be a good "corporate citizen" and is committed to achieving 5 key targets in social dimension:

- Provide better service quality and protect customer privacy to improve customer satisfaction
- Ensure to provide no less than **47** hours of trainings for all the employees on an average basis annually
- Provide safe working environment to employees and related parties and stick to "zero harm" as the goal
- Build sustainability supply chain and enhance ESG ability of suppliers
- Increase investments in community construction and keep moving to meet the expectations of community residents for a better life

YUEXIU PROPERTY PROFILE



Established in 1983	Listed in Hong Kong in 1992 (Stock code: 00123.HK) A real estate development enterprise controlled by Guangzhou Yue Xiu Holding Limited and headquartered in Guangzhou International Finance Center
Core businesses include: Residential Commercial Property Management Elderly Care Long-term Rental Services for Education	Headcounts of full-time employees as of 31 December 2022 18,400
Landscape covers 30 cities	Total land bank 28.45 million sq.m.
Market Value (31 December 2022) RMB 29.26 billion	Operating income (For the year ended 31 December 2022) RMB 72.42 billion
Profit attributable to the shareholders in 2022 RMB 3.95 billion	Core net profit in 2022 RMB 4.24 billion

For the details of our business strategies, operating and financial performance, please refer to 2022 Annual Report of Yuexiu Property.

OVERVIEW

This is the thirteenth annual Environmental, Social and Governance (ESG) report to be issued by Yuexiu Property Company Limited for the reporting period from 1 January 2022 to 31 December 2022, which mainly covers the environmental, social and governance practices and performance of Yuexiu Property Company Limited and its subsidiaries in 2022. To facilitate presentation and reading, "the Company" and "Yuexiu Property" herein refer to "Yuexiu Property Company Limited", and "the Group" and "we" refer to "Yuexiu Property Company Limited and its subsidiaries. This report has been issued in April 2023.

SCOPE OF THE REPORT

Unless otherwise specified, this Report covers the actual business scope of Yuexiu Property Company Limited and its subsidiaries. Yuexiu Services Group Limited (a subsidiary of Yuexiu Property, referred to as Yuexiu Services, Stock Code: 06626) also issued its independent ESG report. For the details on ESG performance of Yuexiu Services, please refer to its 2022 ESG Report.

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

STANDARDS OF THE REPORT

The Report was prepared in compliance with the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) under Appendix 27 of the Main Board Listing Rules of the Hong Kong Stock Exchange, and with reference to the Sustainable Development Goals (SDGs) of the United Nations, the Global Report Initiative (GRI) Sustainability Reporting Standards, the Sustainability Accounting Standards Board (SASB) Real Estate Industry Standards, the Task Force on Climate-related Financial Disclosures (TCFD) framework recommendations, the ISO 26000: Guidance on Social Responsibility (2010), and other reporting standards or guidelines.

REPORTING PRINCIPLES

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

Principles	Responses
Materiality	We re-assessed the materiality of various ESG issues on the Group through a stakeholder survey and gave detailed responses to various materiality issues that the stakeholders concern.
Quantitative	The data disclosed in the Report has been presented on a year-on-year basis as regards the changes in annual performance, together with calculation standards and methods which the key data take reference to. We also have set up annual targets for a part of important indicators and disclosed the progress and results for the year accordingly.
Balance	To accurately, truthfully and completely disclose the ESG performance of the Group.
Consistency	Unless otherwise stated, the Group's disclosure and statistical methods are consistent with the previous year.



Guangzhou Pazhou South TOD Project

INFORMATION SOURCE

All data and information adopted in the Report come from the statistics, internal documents and reports of the Group, third-party questionnaire survey, etc., and the Board of Directors of the Company is responsible for their authenticity, accuracy and completeness.

ACCESS TO THE REPORT

A soft copy of the Report prepared in Chinese or English is available from the Company's website: www.yuexiuproperty.com/esg/. If there is any difference between the two versions, the Chinese version shall prevail. For any comments or suggestions on the ESG performance of the Group, please contact us through esg@yuexiuproperty.com.

MATERIALITY ISSUES AND STAKEHOLDER ENGAGEMENT

MATERIALITY ISSUES

Our ESG materiality assessment is conducted in accordance with the extent how the stakeholders concern about various ESG issues. In 2022, the Group reviewed the ESG issues for the previous year based on the ESG Reporting Guide of the Hong Kong Stock Exchange and made certain adjustments on the ESG materiality issues in combination of the business development and benchmarking against peer enterprises in this year.

01

Update materiality issues database

- Update materiality issues database through multi-dimensional identification and sorting of materiality issues for the year based on the original list of materiality issues as well as national policies, corporate strategic planning, domestic and international disclosure standards, capital market and benchmarking against peer companies.



02

Conduct stakeholders surveys

- Based on above analysis dimensions, 25 issues that have a material impact on the Group have been identified, including 8 environmental issues, 15 social issues and 2 governance issues, all of which are concluded through an online questionnaire inviting internal and external stakeholders to assess the materiality of different ESG issues from their own perspectives and their comments on the Group's current ESG strategies, related performance, reporting practices and quality of disclosure.
- The stakeholder survey in 2022 covers 2,514 stakeholders including Yuexiu Property's directors, management, general employees, shareholders/investors, customers and suppliers as well as government authorities, communities, public and media, etc.



03

Analyze and review materiality issues

- Carry out a statistical analysis on these issues and form a materiality matrix comprehensively from "Materiality to Stakeholders" and "Materiality to Corporate Development".
- Internal management and external specialists review the screening and analysis results, and then the ESG Committee of the Board discusses and reviews the materiality matrix analysis results.



04

Respond to and disclose materiality issues

- In terms of substantive issues, formulate and implement action plans and make key response and disclosure in the Report, to respond to stakeholders' concerns about the Group's ESG works, and to enhance information transparency.



2022 ESG Materiality Analysis Matrix of Yuexiu Property

- Environmental Responsibilities
- Product Responsibilities
- Economic Responsibilities
- Supply Chain Responsibilities
- Responsibilities to Employees
- Social Responsibilities



No.	Title of Issue	Affected Stakeholders								Responses under HKEX ESG Guide	Responses under GRI	Response Section of the Report
		Residents	Mall/Office Building Users	Employees	Government	Shareholder & Investor	Supplier	Media	Local community			
1	Product quality assurance	●	●	●	●	●	●	●	●	B6: Product Responsibility		2.2 Controlling Product Quality
2	Employee safety and health			●						B2: Health and Safety	403-1, 403-2, 403-3, 403-4	3.3 Employee Health and Safety
3	Green building	●	●		●	●		●	●	B6: Product Responsibility		1.2 Sustainable Buildings
4	Business ethics and anti-corruption			●		●		●		B7: Anti-corruption		5.2 Business Ethics
5	Pollutant management			●				●		A1: Emissions		1.3 Green Management
6	Responsible governance			●	●	●					2-9, 2-10, 2-11, 2-12, 2-13, 2-14	5.1 Risk Management
7	Employee remuneration and benefits			●						B1: Employment	401-2, 401-3	3.1 Employee Rights Protection
8	Waste management	●	●	●				●		A1: Emissions		1.3 Green Management
9	Customer privacy and information security	●	●							B6: Product Responsibility	418-1	2.4 Protection of Customer Rights and Interests
10	Policy response				●	●		●				Management Approach
11	Employee training and development			●						B5: Development and Training	403-5, 404-1, 404-2, 404-3	3.2 Talent Training and Development
12	Reasonable marketing and promotion	●	●		●					B6: Product Responsibility	417-1, 417-2, 417-3	2.4 Protection of Customer Rights and Interests
13	Energy saving and emission reduction	●	●	●	●			●		A3: The Environment and Natural Resources		1.2 Sustainable Buildings
14	Improvement of customer service quality	●	●	●						B6: Product Responsibility		2.3 Improving Service Quality
15	Water resources management	●	●	●						A2: Use of Resources	303-3, 303-4, 303-5	1.3 Green Management
16	Effective use of materials			●						A2: Use of Resources	301-1, 301-2, 301-3	1.3 Green Management; 4.1 Building A Responsible Supply Chain
17	Diversity and inclusion			●						B1: Employment	405-1, 405-2	3.1 Employee Rights Protection
18	Protection of employee rights and interests			●						B4: Labor Standards		3.1 Employee Rights Protection
19	Tackling climate change	●	●	●	●	●	●	●	●	A4: Climate Change		1.1 Tackling Climate Change
20	Public services	●	●	●	●	●		●		B8: Community Investment	413-1, 413-2	4.2 Supporting Community Development; 4.4 Practicing Public Welfare Activities
21	Promotion of sustainable development for tenants								●	B5: Supply Chain Management	308-1, 308-2, 414-1, 414-2	4.1 Building A Responsible Supply Chain
22	Promoting industry development	●	●								203-1	1.3 Green Management
23	Protection of intellectual property rights				●						203-2	1.2 Sustainable Buildings
24	IP protection			●				●		B6: Product Responsibility	417-1, 417-2	5.3 Intellectual Property
25	Reasonable development and biodiversity protection	●	●		●			●		A3: The Environment and Natural Resources	304-1, 304-2, 304-3, 304-4	1.3 Green Management

The Report gives a detailed presentation of the stakeholders' concerns and thoughts on the Group and our responses to above ESG issues. For the responses to indicators under HKEX's ESG Reporting Guide, GRI standards and SASB (Sustainability Accounting Standards Board) real estate industry standards, please refer to the appendices to the Report.

COMMUNICATION WITH STAKEHOLDERS

The Group always attaches great importance to the feedbacks and expectations of stakeholders. We have established an efficient communication mechanism to proactively obtain an understanding and respond to the stakeholders' demands so as to protect their rights to be informed and to participate in. We incorporate stakeholders' concerns and expectations in our corporate strategies and operational management through practical actions and enhance trust and cooperation between stakeholders and the Group through transparent communication, working together to create a sustainable future.

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

CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT


In recent years, climate change, loss of biodiversity, worsening desertification and extreme weather events occur frequently, which poses severe challenges to human survival and development. The Group attaches considerable importance to ecological environmental protection and proactively responds to the call of "carbon peaking in 2030 and carbon neutrality in 2060" and "building a beautiful China", devoting itself to providing customers with green and healthy building products and services and accelerating enterprise's green and low-carbon transformation and high-quality development.





MANAGEMENT APPROACH


The Group is committed to developing green and healthy buildings with "naturalistic, people-oriented, healthy & comfortable, and intelligent & low-carbon" as features, and makes efforts to achieve better environmental management performance in the daily operations. ESG Task Force coordinates the implementation of environmental management and reports to the ESG Committee to ensure to promote environmental protection issues effectively.


We have formulated a green development strategy and put forward the specific development directions in the aspects of construction, property, community and office.


- 


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 surrounding.
- 

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: Advocate 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.



The Group exposes to environmental risks covering climate change, energy and resources utilization, waste management, bio-diversity protection and other key issues. We will formulate strategies to respond to identified key environmental risks relating to our own operations to ensure steady and healthy operation of business.

In terms of environmental management, the Group should comply with the laws, regulations or standards as below:

- Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes
- Environmental Protection Law of the People's Republic of China
- Law of the People's Republic of China on Environmental Impact Assessment
- Energy Conservation Law of the People's Republic of China
- Emission Standard of Environment Noise for Boundary of Construction Site
- Directory of National Hazardous Wastes
- Evaluation Standard for Green Construction of Building
- Assessment Standard for Green Building
- Technical Standard for Nearly Zero Energy Building
- Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Cold Winter Zone, etc.


The Group also has following major internal policies relating to environmental management in place:

Issues	Green Building	Waste Management	Energy Conservation and Emission Reduction
Policies	<ul style="list-style-type: none">  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  Detailed Rules for Implementation of Green Building Identification Logo  Detailed Rules for Management of Green Building Construction Projects  Standardization Atlas for Safe and Civilized Construction  Construction Environment Governance Guidelines  Detailed Rules for Civilized Construction Management  Technical Standards for Residential Projects of Regional Companies  Sample Essay for Green Building Design Specifications 	<ul style="list-style-type: none">  Management Procedures of Wastes and Chemicals  Solid Wastes Inventory 	<ul style="list-style-type: none">  Management Procedures for Environmental Factor Identification and Evaluation  Management Procedures of Environmental, Health and Safety Monitoring  Detailed Rules for Office Area Administration  Guidelines on Energy Conservation and Carbon Reduction for Mechanical and Electrical Equipment
Issues	Pollutant Management	Tackling Climate Change	Reasonable Development and Biodiversity Protection
Policies	<ul style="list-style-type: none">  Hazardous Chemical Substances Inventory 	<ul style="list-style-type: none">  Meteorological Disaster Emergency Plan 	<ul style="list-style-type: none">  Notice on Strengthening Tree Protection


Targets	Annual Achievements
<p>To comprehensively strengthen the energy consumption management of buildings and facilities and equipment</p> 	<ul style="list-style-type: none"> Commercial and office buildings are managed according to the energy consumption control targets as below: <ul style="list-style-type: none"> For new office buildings, energy consumption index is controlled within 52 kWh/m²•a; For new commercial buildings, energy consumption index is controlled within 103 kWh/m²•a. 100% use LED energy-saving lamps in new office sites for leasing and decoration, and gradually change to LED energy-saving lamps in other office sites and adjust the lighting duration and quantity by using timing circuit module
<p>To promote paperless office and separate collection and recycling of waste</p> 	<ul style="list-style-type: none"> Actively apply and promote E-signature, E-mail and E-contract, and furnish electronic reporting tools Conduct idle office supplies recycling and reserve an area to access, and strengthen maintenance and reuse of waste office equipment parts and components 100% of the new development projects are equipped with waste sorting facilities
<p>To manage and control the environmental factors in the project life cycle to minimize the impact on the environment and ecology</p> 	<ul style="list-style-type: none"> 100% of projects pass environment impact assessment 10.7% more projects use prefabricated construction compared to 2021, accounting for 55% of the total number of projects under construction Reduce the use of wood framework in the construction process, and utilization rates of aluminium mould and climbing scaffolding in the construction process have reached 57% and 49%, respectively (by the number of projects) Promote utilization of reclaimed water in many projects including Wuhan International Financial City and collect rainwater for construction Improve the dust management on construction sites, conduct air testing and exhaust emission management, explicitly require dust monitoring and standardized dust abatement measures in the construction standards

1.1 TACKLING CLIMATE CHANGE

13 CLIMATE ACTION



Take urgent actions to combat climate change and its impacts



With reference to the framework recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group actively develops and discloses climate risk response strategies to better manage and respond to the risks posed by climate change, reduce its impact on the Company's operations and seize the opportunities presented by climate change in a timely manner.

Governance

The Group has incorporated climate change management into its responsibilities at all levels of the ESG governance framework. The Board is responsible for reviewing the effectiveness of the climate risk control system to align with the Group's growth objectives under long-term sustainable development and the current development needs of the business.

The ESG Committee is responsible for managing and guiding the Group's climate change response and giving advices to the Board on climate change related strategies, objectives, risks and opportunities; the ESG Leadership Group is responsible for identifying climate change related risks and opportunities, overseeing the implementation of climate change response related issues and regularly reviewing the performance of its work and reporting to the ESG Committee; and the ESG Execution Group is responsible for the implementation of climate change strategies and objectives and providing timely feedbacks. We have established a TCFD Task Force to take full responsibility for the implementation and promotion of climate change related work.



Strategies


We are acutely aware that climate change will bring multiple risks and opportunities for the Group's business. In the current year, we conducted a preliminary climate risk analysis and assessment with reference to TCFD's classification of climate risks, taking into account the Group's business profile, and identified the climate risks and opportunities associated with the Group's assets and operations.

Climate Risks and Opportunities		Potential Impacts
Physical Risks	Sea level rise, flood, and more frequent and intensified extreme weather	<ul style="list-style-type: none"> - Delayed construction projects and reduced customer traffic due to frequent extreme weather events affect the revenue of the Company - Longer shutdown or project delay increases construction cost - Adoption of climate mitigation measures related to flood control causes higher operating costs - Increased health and safety accidents cause higher operating costs - Increased costs to repair or replace damaged or destroyed assets
	Drought and water scarcity	<ul style="list-style-type: none"> - Use of alternative water resources due to reduced rainfall results in more operating expenditures
	Temperature rise	<ul style="list-style-type: none"> - Increased expenditures are resulted from cooling needs - Factors such as temperature need to be considered in project design, and more suitable building materials are used, which may lead to higher costs
Transformation Risks	Stricter construction standards or regulations	<ul style="list-style-type: none"> - Compliance requires more operational investments and expenditures - Costs increase due to use of energy-efficient building designs and building materials - Improving the environmental performance of existing buildings will incur additional costs and may also suffer from technical limitations
	Implementation of carbon pricing in the markets where the business operates	<ul style="list-style-type: none"> - Compliance requires more related expenditures
	Extensive use of green and low-carbon building materials and technologies in the industry	<ul style="list-style-type: none"> - Increase capital investments in technical research and development - Materials procurement costs rise
	Extensive use of renewable energy sources in the industry	<ul style="list-style-type: none"> - More capital investments in renewable energy systems are required
Opportunities	Higher demands in green sustainable buildings by the market	<ul style="list-style-type: none"> - Market demand changes, increasing revenue through green and low-carbon products
	Higher demands in green low-carbon financing and investments of investors	<ul style="list-style-type: none"> - It is possible to attract green investments and more diversified sources of financing
	Opportunities to enterprises in terms of energy consumption brought by changes in energy types and supply modes along with the development and iteration of technologies	<ul style="list-style-type: none"> - Decrease in unit energy costs reduces operating costs of the Company; - Reduce low-carbon costs or obtain gains through carbon trading
	Continuously improving efficiency in the use of various resources in the process of enterprise operations along with the development and iteration of technologies as well as the optimization of operation flow	<ul style="list-style-type: none"> - Improve the efficiency of resource use and reduce operating costs by implementing resource management system and other measures during the operation

Risk Management


The Group carries out climate-related risk identification work according to its own business operations and has formulated the Meteorological Disaster Emergency Plan and associated management systems accordingly to adapt to climate change and reduce disaster risks. Meanwhile, we promote the incorporation of climate-related risks into our enterprise risk management system as a part of our overall risk management to mitigate potential negative impacts by investing more risk management efforts. In order to effectively respond to the identified climate-related risks, we take a series of measures as below:

Response to Physical Risks



- ✓ Improve the meteorological disaster emergency system and operation mechanism to strengthen the meteorological disaster prevention and disposal capacity of the Group for typhoons, rainstorms, high temperature, thunderstorms and gale and other extreme weather
- ✓ Actively participate in sponge city construction
- ✓ Take into consideration of climate change and other factors in the project development

Response to Transformation Risks



- ✓ Actively promote green building and ultra-low energy consumption buildings certification, research and other works
- ✓ Conduct energy management and energy saving transformation to own projects in operation, improving their energy saving condition
- ✓ Formulate short-term, medium-term and long-term targets for green building promotion as appropriate in accordance with the national policy guidance
- ✓ Actively carry forward green procurement work
- ✓ Actively advance green financing work

Indicators and Targets

In order to monitor and review the performance of climate change management, the ESG Task Force of the Group is responsible for promoting the setting of targets related to climate changes, the TCFD Task Force has been established to carry forward and improve the relevant work and a regular follow-up review will be conducted after the review and approval of the Board. At the same time, we will actively carry out the carbon emission reduction work according to the national goals of "carbon dioxide peaking in 2030 and carbon neutrality in 2060". We strive to achieve a 35% reduction in GHG intensity (CO₂ emissions per unit of floor space) of commercial office buildings by 2030 (based on 2021) and net zero value chain GHG emissions by 2060. Meanwhile, we plan to disclose performance of climate-related quantitative indicators in annual ESG reports.

For detailed information regarding greenhouse gas emissions, please refer to the Appendix "ESG performance" attached to this Report.

1.2 SUSTAINABLE BUILDINGS



11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient to disasters and sustainable



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

Yuexiu Property is always advocating green ecological development concept of "Good Living Starts from Naturalistic and Green Development". We are committed to constructing high-quality green buildings and improving the safety, health, liveability, convenience and economic performance of buildings and strive to be a responsible advocator and practitioner of sustainable buildings. Meanwhile, all of our new building projects are designed at least as per the 1-star standard for green buildings.

Green Buildings

We keep promoting green building product systems and technological innovation, improving green building related management systems in strict accordance with national and local green building standards as well as the Green Building White Paper, and integrating various sustainability considerations into the entire life cycle of buildings to strive to create green and sustainable building products.

In 2022, in order to further standardize and improve green building construction requirements, we have formulated a part of new internal guidelines for green building and made updates to provide basis for the Group's project development and construction.

Residential Projects

- Formulate *the Sample Essay for Green Building Design Specifications* according to *the Assessment Standard for Green Building* (GB/T 50378-2019), and sort out various green building design measures and specifications to provide reference to various projects;
- For part regions, formulate guidelines that are more suitable for the actual condition of such regions, such as *Green Building Design Guidelines for Central China*, to further standardize the regional internal building standards.

Commercial Projects

- Formulate the *Guidelines on Energy Conservation and Carbon Reduction for Mechanical and Electrical Equipment* to provide detailed guidelines for carbon reduction in various aspects of drainage system, HVAC, electricity, intelligence, etc. and assurance for implementation of carbon reduction technologies and measures;
- Set up *Low Carbon Technology System for Commercial Office Buildings* so as to achieve energy conservation and emission reduction of buildings technically.

Key Performance



During the reporting period, we have newly added

34 projects satisfying green building standards with a total construction area of over **4,990,000 sq.m.**



During the reporting period, we have newly added

1 LEED certification with a total certified floor area of over **140,000 sq.m.**



As at the end of the reporting period, we have

151 projects accumulatively satisfying green building standards with a total construction area of **24,983,400 sq.m.**



As at the end of the reporting period, we have accumulatively

3 commercial projects with LEED certifications and a total certified floor area of **807,600 sq.m.** and accumulatively **2 residential** projects with LEED certifications and a total certified floor area of **225,000 sq.m.**



Guangzhou Tianhui Jiangwan

Guangzhou International Finance Center

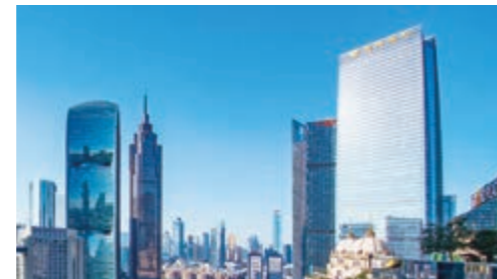
Performance achieved in the year:

Municipal water is reduced by 16,360 m³
 Heat is reduced by 40% with the use of glass curtain walls
 Elevator electricity consumption is reduced by 8%
 LEED EBOM V4 PLATINUM Certification
 BOMA International 360 Certification
 BOMA China COE Certification



Yuexiu Financial Tower

LEED EBOM V4 PLATINUM Certification
 PLATINUM WELL Mid-term Certification
 China 3-star Green Building Certification



Wuhan Yuexiu Fortune Center

LEED EBOM V4 PLATINUM Certification



Case

Green Design of Guangzhou International Commercial Center ("ICC")

Located at Tianhe District, Guangzhou City, Guangzhou International Commercial Center ("ICC") is a commercial complex with a total floor area of 35,000 sq.m. and construction area of 229,000 sq.m. Based on the design concept of green buildings, we optimize and adjust ICC building from the aspects of intelligent and efficient, green and healthy, high-efficiency and energy-saving features, as well as its facades, office towers and commercial podiums, etc.

- **Intelligent and efficient:** Install building IoT (Internet of things) platform to realize the monitoring of 18 systems for elevators, firefighting, cold source, water quality and air, etc.; install a smart energy efficiency monitoring platform, and reasonably arrange the running time of energy consumption equipment such as elevators and air conditioners through energy consumption analysis so as to realize preventive green and energy-saving control;
- **Green and healthy:** Equipped with efficient fresh air conditioning system, reduce energy consumption for running but enjoy environment-friendly fresh oxygen air through refined design; apply high-voltage electrostatic air filter to remove over 90% of particulate matter and over 90% of microorganism in the air;
- **High-efficiency and energy-saving:** Total redundancy of refrigerating installation is approximately reduced by 11%, and the total power of air conditioning pump is significantly reduced by 54%; in 2022, the measured energy efficiency ratio of the refrigeration system is 6.4, which is considerably higher than that of the conventional system (3.0~3.5), reducing the operating energy consumption;
- **Optimization of facades, office towers and commercial podiums:** Design of facades takes full account of indoor space demand and results of simulation analysis of thermal environment and use materials through refined design which not only satisfy the façade effect, but also consider the optimization of indoor thermal environment. High-performance curtain wall glass materials are used with external shading measures for key parts to reduce solar radiation into indoor space.





Research on Green Buildings

We actively conduct research in the field of green buildings to gain insight into industry trends and opportunities. In 2022, we have obtained a series of research achievements in the field of green and low-carbon buildings as below:

- In accordance with high-standard project policy requirements in Beijing and Qingdao City, carry out High-standard Research Report study and put forward technical measures for green building module as reference for the construction of high-standard projects;
- Carry out the research on the Energy Conservation and Carbon Reduction of Large Commercial Office Buildings jointly with China Academy of Building Research, providing guidance for mechanical and electrical design and operation of commercial office buildings;
- Carry out the research on the Optimization of Building Cladding Structure based on Acoustic, Optical and Thermal Performance combined with the experience of project companies and partners around the country, providing research basis for the selection of building cladding structure;
- The Company's subsidiary Guangzhou City Construction & Development Design Institute CO., Ltd. ("City Construction Institute"), as the rotating chairman of the first session of Green Building Branch of Guangzhou Exploration & Design Association, takes the lead to formulate the Guangzhou Green Building Development Report (2021) with the member units of the Green Building Branch.



Coediting of Industry Standards

We take the initiative to promote the development of the industry, attach importance to the cooperation among the industry organizations, actively participate in the formulation of industry standards, and constantly promote the standardized development of the construction industry, to explore a new path of industry development. In 2022, we participated in the compilation of a number of local standards and industry standards, covering areas such as carbon emission accounting and intelligent buildings:

- We participated in the compilation of the first national Code for Grade Assessment of Zero Carbon Intelligent Buildings, providing professional guidance to create "zero carbon" intelligent buildings for the industry;
- We participated in the compilation of the industry standard Code for Calculation of Energy Consumption and Carbon Emission for Shopping Malls;
- We participated in the compilation of the group standard Code for Assessment of Sustainable Zero Carbon Communities;
- We participated in the compilation of the standard of Guangdong Province Procedures for Whole Process Adaptation of Mechanical and Electrical Engineering in Public Buildings.



Exchange of Construction Industry

We are committed to building an open and shared communication platform for industry exchanges, hoping to contribute our own strength and wisdom in the process of communication, promoting the common progress of the industry and helping the sustainable development of the industry.

Industry Exchange Activities

Support the organizing of ICC observation party to share the construction process of the high-efficiency cooling system of the Guangzhou International Commercial Center Project and to show the actual results of the current system in the green energy saving from multiple perspectives



Invited to give a presentation entitled "Reflections on the Construction of A High-efficiency Plant Room System for the Guangzhou Tianhe Business Travel Project" on the Sub-forum 3 "Excellent Case Sharing" at the 1st National Conference on Building Adaptation and Operation and Maintenance



Invited to participate in the 2022 YOU x WELL Low Carbon Healthy Eco-Chain Cooperation Conference to discuss the new development of green, low-carbon and healthy living in the future



Ultra-low Energy Consumption Buildings



Ensure access to affordable, reliable, sustainable and modern energy for all



Energy saving and carbon reduction in the building sector is a key part of achieving the national dual carbon goal. The Group exerts itself for ultra-low energy building research. In the development of ultra-low energy projects, we use climate characteristics as a guide for building scheme design, and minimize the demand for building heating, air conditioning and lighting through passive building design; relying on active technical measures, we maximize the efficiency of energy equipment and systems, and make full use of renewable energy to provide a comfortable indoor environment with minimal energy consumption.

We have designed and constructed four ultra-low energy building projects with indoor environmental parameters and energy efficiency indicators that comply with the Technical Standard for Nearly Zero Energy Buildings (GB/T 51350-2019), and the building energy consumption levels are over 50% lower than that specified in the Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Cold Winter Zone (JGJ134-2016).



Chongqing Impressive Lake

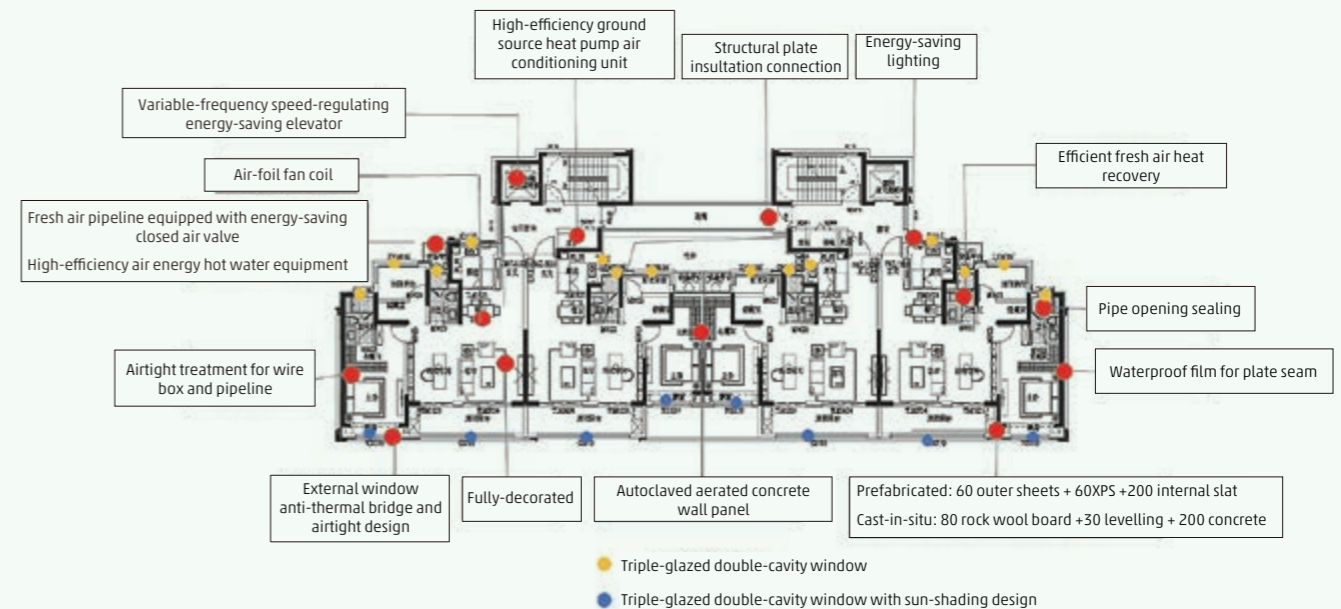
Case

Ultra-low energy consumption building – Yaohai Residential Project

The residential project in Yaohai, Hefei City, Anhui Province, with an above-ground GFA of 9,852 m², adopts passive and active technical measures for ultra-low energy design, covering building, HVAC, electrical and water supply and drainage aspects.

- **Passive energy conservation:** Compared to other energy-efficient buildings on the plot, the thickness of external wall insulation is increased by one time; external windows adopt triple-glazed double-cavity hollow windows with airtightness of Class 8; south-facing external windows adopt mid-mounted sun-shading windows, and the building is free from thermal bridges and airtightness treatment;
- **Active energy conservation:** The energy system adopts ground-source heat pump air-conditioning system, and at the same time, sets up a new air system with high-efficiency air purification and heat recovery functions, and the full heat recovery efficiency of the fresh air is not less than 70%.

At the same time, the project adopts technologies such as prefabricated building and full renovation design and construction to achieve the goal of healthy and green all-round high-quality construction while meeting the ultra-low energy consumption building targets.



Technology Integration Diagram of Ultra-low Energy Consumption Building

Sponge Cities

In the face of the rainwater runoff pollution, flooding, water scarcity and other prominent common problems in the course of urban development, the Group is committed to promoting the construction of sponge cities in the project sites in accordance with the national and local regulations on sponge cities. We start from "source reduction, process control and system treatment" and adopt technical measures such as "infiltration, retention, storage, purification, use and discharge" to give full play to the absorption, storage and slow release of rainwater by ecosystems such as buildings, roads, green areas and water systems, so as to effectively control rainwater runoff and help to realize a natural storage, infiltration and purification approach to urban development.

Design of Sponge Cities Improves the "Four" Construction Targets

Feasible sponge scenario

Perfect the standards for design of sponge cities, use scenario-based design strategies, and combine aesthetics with ecological functions to meet the needs of different people for a variety of living scenarios and providing high-efficiency and high-standard feasible scenarios to fast promote the implementation of project.



Applicable sponge culture

Provide sponge module application principles and design an open sponge scenario, expanding the experience space for community people and connecting people with people and nature; bring sponge cities into the public in a more aesthetically pleasing, commercially practical and scientifically popular way.



Sustainable sponge economy

Provide a sustainable sponge city construction process with clarified key points and difficulties in the construction process, reducing costs and increasing efficiency, enabling sponge cities to bring long-term vitality to communities in terms of stormwater management and site operations, and enhancing economic benefits.



Promotable sponge standards

Establish a complete guide for the whole process of sponge city implementation, providing a feasible, participatory, sustainable and promotable sponge construction module containing different blocks such as scene building, work method atlas, materials library, plant library and rational acceptance process.



In 2022, we conducted a study on the Standardization of Sponge Cities in the Greater Bay Area to sort out the design standards for sponge cities applicable to the Guangdong-Hong Kong-Macao Greater Bay Area and output standardized results.

Case 

Sponge City Landscape Module Design – Yuexiu Cloud Valley

The sponge city landscape module design of Yuexiu Cloud Valley project includes sunken green space module design, permeable paving module design, rainwater garden module design and dry stream module design.



Location Map of Sponge Facility Modules

- Sunken green space module design:** Green spaces that are below the surrounding ground level, that can accumulate and infiltrate their own and surrounding rainwater runoff, and that are within 200 mm below the surrounding paved ground or roads;



Sunken Grass Stages

- Permeable paving module design:** Use permeable materials, which can infiltrate, retain and percolate rainwater and meet certain requirements of the ground paving structure, is conducive to delaying the convergence time, reducing the peak flow, solving the slippery road surface on rainy days, rainwater diffuse flow and other situations, to enhance the practical effect of residential projects;
- Rainwater garden module design:** Build rainwater gardens to collect and absorb rainwater from the roof or ground; purify the rainwater through the planting of drought and flood tolerant plants, the adsorption, infiltration and filtration of sandy soil, allowing it to gradually infiltrate into the soil and to nurture groundwater;



Stone-imitation Permeable Bricks



Green Belts Surrounding Recreational Areas



- Dry stream module design:** Design an imitative natural waterless stream artificially by laying permeable materials and wet and dry amphibious plants.



Dry Stream Module Design

Case 

Sponge City Design – Foshan Benevolence Lake Project

According to the “Technical Guidelines for Sponge City Construction - Construction of Rainwater System with Low-Impact Development (Trial)” and “Foshan Sponge City Planning Guidelines”, we applied the sponge city design to Foshan Benevolence Lake project. Allowing for the warm and humid climate conditions of Foshan City, it was appropriate to select storage facilities which control runoff coefficient and runoff pollution well, and ecological facilities which can be well integrated with landscapes.

According to evaluation results, the project area mainly adopted sponge bodies such as rainwater gardens, permeable paving and reservoirs to realize construction of a local sponge city, effectively absorb, store and slowly release rainwater in drainage systems, green space systems, road systems and other areas, effectively control rainwater runoff, and achieve the overall control goal of sponge construction.



Sponge City Design of Benevolence Lake

1.3 GREEN MANAGEMENT

Green Intelligent Construction



Ensure availability and sustainable management of water and sanitation for all



We clearly stipulate

“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

Guangzhou Yuejian Project Management Co., Ltd., a subsidiary of the Group, has obtained ISO 14001 environmental management system certification.

The Group manages project construction in strict accordance with the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China and other laws and regulations as well as own internal systems and guidelines including the Detailed Rules for Administration of Construction, the Guidelines on Quality Management of Construction Projects, the Standardization Atlas for Safe and Civilized Construction and the Construction Environment Governance Guidelines. We clearly stipulate “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. Guangzhou Yuejian Project Management Co., Ltd., a subsidiary of the Group, has obtained ISO 14001 environmental management system certification.



Green Construction

In 2022, the Group strictly implemented the requirements of environmental impact assessment in all aspects, with a coverage rate of

100%

The Group strives to practice circular economy and focuses on the efficient use and recycling of resources, and is committed to improving the efficiency of comprehensive utilization of resources in the construction and operation process. In addition, we proactively completes green construction to ensure the integrity of green construction energy-saving and consumption-reducing equipment and facilities for green construction related work. In 2022, the Group 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.

Construction management



- Energy management
- Planning management
- Implementation management
- Evaluation management
- Occupational safety and health management

Conservation and material resource usage



- Material conservation measures
- Structure materials
- Cladding materials
- Decoration and renovation materials
- Reusable materials

Energy conservation and energy usage



- Energy conservation measures
- Machinery and equipment
- Temporary facilities for production, living and office
- Power and lighting for construction

Environmental protection



- Dust control
- Noise and vibration control
- Light pollution control
- Water pollution control
- Soil protection
- Construction waste control
- Protection of underground facilities , cultural relics and resources

Water conservation and water resource usage



- Increasing water efficiency
- Use of unconventional water sources
- Water safety

Land conservation and construction land protection



- Temporary land indicator
- Temporary land protection
- General layout of the construction

Green Construction System

In the construction of the projects, we have implemented a series of green construction management measures to minimize the impact of the construction process on the environment, taking into full considerations of factors such as pollutant management, noise pollution control and efficiency in the use of resources and energy. In 2023, we will continue to strengthen the tracking and statistics of environmental indicators during the construction of the project.

Reduction of pollution emissions



- **Dust control**
We have set up automatic car washing tanks, water guns, fog guns and other washing devices and sedimentation tanks at the entrance of the construction site, to clean the vehicles leaving the site and sprinkling water regularly. 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.
- **Solid waste management**
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. We conduct material processing in a centralized manner to reduce the generation of waste in the process of material processing. In 2022, the metal-based construction waste recycling reached 6,660.05 tons and our earthwork recycling reached 1,697,480.90 tons.
- **Sewage discharge management**
We have set up 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.
- **Noise control**
We reasonably arrange construction time to reduce night-time 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

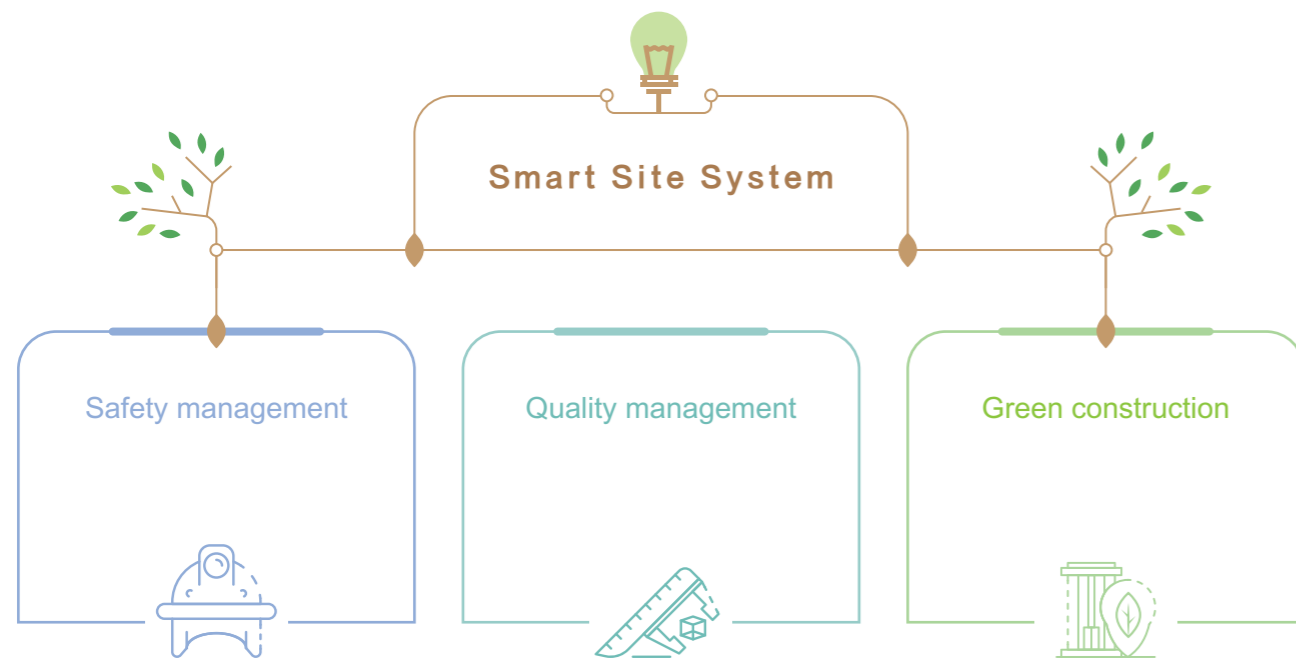


- **Water resource conservation**
We use water-saving products, and we have installed metering devices and implemented water management, and strengthened the recycling and utilization of surface water and rainwater. We regularly check water supply pipelines, replace aging faucets, pipeline valves and 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 behaviours in a timely manner.
- **Consumables conservation**
We purchased reusable fence 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.
- **Less occupied land for temporary construction**
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.

◎ Smart Construction

We use the Smart Site System to further improve the management level of environmental protection, quality and safety. The Smart Site System combines computer technology, IoT, big data and cloud computing to build an intelligent monitoring and control system for construction sites, making up for the shortcomings of traditional methods and technologies in supervision and achieving all-round real-time monitoring of people, machines, materials, methods and the environment, turning passive "supervision" into active "monitoring".

In addition, the Smart Site System has a dust and noise monitoring system, and a video surveillance system for cement, steel and solid waste, through which we can remotely check the construction progress and implementation of measures on site and trace the causes of problems.



Green Intelligent Operation

◎ Smart Energy Management of Buildings

Smart energy management is a major means for buildings to achieve green and low-carbon transformation, helping buildings to save energy and improve efficiency through IoT technology and big data platform analysis capabilities. We have built a project-level energy management platform, which furnishes online monitoring, automatic analysis, high-frequency inspection, automatic pre-judgement and AI-assisted functions to identify various energy consumption features, avoid loopholes and analyze energy consumption trends, enhancing the controllability of energy management and improving energy management efficiency so as to protect the quality of operation and maintenance and achieve cost reduction and efficiency improvement.

Case 📄

Smart Energy Management and Control of Guangzhou International Finance Center (IFC)

Guangzhou International Finance Center (IFC) is a super Grade A office building with a floor area of 450,000 m². We use the energy management platform to carry out smart energy management of the IFC, evaluate the energy consumption indicators of existing projects, diagnose the problems and propose directions for energy-saving and consumption-reducing renovation through energy consumption assessment and diagnostic services, improving the operation quality of the project's mechanical and electrical systems, gradually establishing a building energy-saving management system, and realizing energy-saving in the building.

- **Data collection:** Launch 657 electrical energy consumption points throughout the project for data;
- **Energy consumption model:** Design standard energy consumption sub-models according to characteristics and management needs of energy-using equipment;
- **Energy quotas:** Conduct online tracking and execution management of each energy consumption budget on a monthly basis throughout the year;
- **Energy use diagnosis:** Conduct intelligent diagnosis and analysis on abnormal energy usage to avoid management loopholes;
- **Energy consumption analysis:** Assess and analyze energy use trends and indicators to optimize equipment operation and management;
- **Environmental monitoring:** Monitor environmental quality online for energy saving management without sacrificing service quality.



Energy saving potential by exploitation of management to be

197,000 kWh/Year



Energy savings to be

82,000 kWh/Year

Green Offices

The Group integrates green and low-carbon recycling concept into daily operations in strict accordance with internal regulations on environmental protection, garbage classification and waste, public energy consumption, etc. In 2022, we have developed the Implementation Plan for the Special Work of "Turning Roles, Creating Achievements and Reducing Costs" for the IMC Line, earnestly implementing lean management, promoting quality and performance improvement as well as cost reduction and efficiency enhancement, and putting forward specific requirements on green office and staff travel to improve resource and energy efficiency and promote green and low-carbon operations.

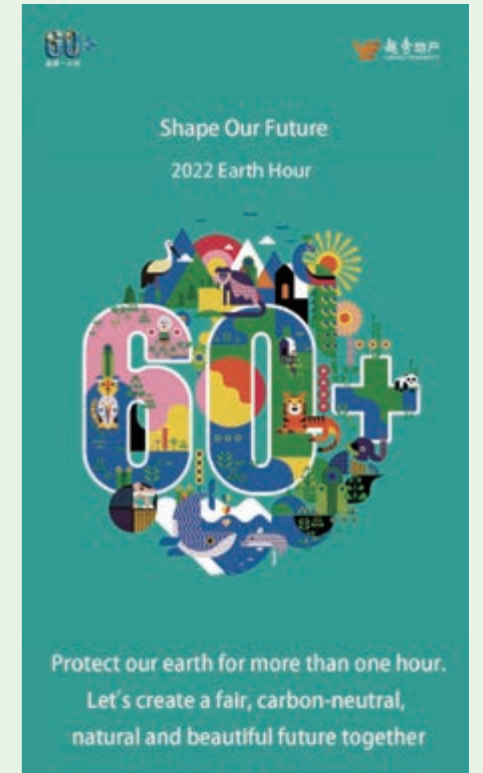
Energy Consumption Management

 <p>Stronger publicity and guidance</p> <p>Issue initiatives to advocate to timely switch off photocopiers, water dispensers, projectors and televisions during non-working hours to reduce standby energy consumption. Fulfill specific responsibilities and conduct dynamic inspections.</p>	 <p>Larger coverage of the use of energy-saving lamps and lanterns</p> <p>Replace over 300 energy-saving lamps and lanterns with spotlights, and adjust the brightness of the lamps and lanterns and the time they are switched on, taking into account the actual situation of office premises; use energy-saving lighting devices in newly leased and renovated office premises.</p>
 <p>Establishment of a patrol management mechanism</p> <p>Reasonably adjust the air-conditioning temperature of office floors through routine inspections and property security patrols, and switch on and off air-conditioners in a dynamic mode during the overtime working time in weekends and holidays; remind those who do not turn off personal computers normally after work and inform of the situation as appropriate.</p>	 <p>Intensified lean management</p> <p>Eliminate 24 vehicles with long age, poor condition and redundancy; promote and launch online official vehicle management platform system to reduce energy consumption of official vehicles through scientific dispatch.</p>

Case

Earth Hour

In March 2022, we actively responded to the Earth Hour campaign themed "Shape Our Future" by turning off all non-essential lights and landscape lighting in Guangzhou International Finance Centre, Yuexiu Financial Tower, Guangzhou International Commercial Center, City Development Plaza, Fortune Plaza, Victory Plaza and other commercial and office projects at the same time to support the global public welfare campaign launched by the World Wide Fund for Nature (WWF), and took practical actions to speak out for the Earth and care for our common home.



• **Digital Offices**

The Group advocates green and low-carbon digital office, and we have built an internal centralized mobile business processing center – Yue Work which launches online training and video conferences, and reduces paper consumption with the log function. In 2022, with Yue Work, we achieved carbon reduction of 5,410.16 tonnes which was certified by the Beijing Green Exchange.

The Group continues to promote paperless office and actively participates in the “Low-carbon Signing” initiative. In 2022, we launched and popularized online offices such as marketing e-courier, e-signature and e-contract, to reduce greenhouse gas emissions of paper production and printing, document transportation, express packaging production and waste disposal. In 2022, the Group achieved 195,150 electronic signatures, saving 1,160,000 sheets of paper and reducing carbon emissions by a total of 2,319 kilograms.



Carbon Emission Reduction Plan of Yue Work

• **Waste Disposal and Recycling**

Install waste separation points in staircases to actively popularize waste separation and reduce cross-contamination of hazardous waste;



Reasonable allocate and strengthen the repair and reuse of retired computers, printers and other office equipment parts (e.g. network cards, hard disks, etc.) to maximize the benefits of assets;



Phase out end-of-life office equipment with poor functionality, low performance and high wear and tear, and select qualified resource recovery company;



Release resources of idle furniture arising from office renovation with subsidiaries to reuse these idle furniture at project sites, property centers and other venues;



Strengthen the storage and utilization of waste paper, and clean up and carry away waste paper on a regular basis in conjunction with Guangzhou Paper to achieve re-recycling and re-use of resources.



• **Water Conservation**



Reduce water wastage by installing **sensor-based water-saving taps** and **energy-saving toilets** in the washrooms with property management;



Equipped with a **centralized hot water supply** in the pantry on the office floors and provide bottled water on request.

Green Leasing

Green leasing is an important practice of the green development concept in the construction of residential housing. The Group has actively launched green and low-carbon initiatives for owners, tenants and other groups to explore green leasing methods and is committed to creating practical green leasing solutions for owners.

As at the end of the reporting period, percentage of super Grade A office buildings signing Green Tenancy Agreements reached

100%

- **Promote green leasing:** Deeply integrate the internationally advanced management requirements with the Company’s standardized management system, make agreements with property owners, tenants, renovators and other groups in maintaining environmental performance in renovation and operation; enter into Green Tenancy Agreements with tenants for green energy management, encouraging owners and tenants to cooperate around sustainable development goals, improving the efficiency of leased buildings and supporting the improvement of energy efficiency in leased buildings.
- **Advocate green procurement:** We issue a Green Initiative Letter to some of the office tenants under our management, actively guiding them to make green procurement, such as using cleaners and paper that meet CQC standards, FSC and HACCP certification, advocating to purchase daily consumables that meet FSC environmental certification and office equipment that meet EPEAT energy-saving certification and Energy Star certification. We encourage tenants to use green decoration materials, such as low-smoke, halogen-free flame-retardant electrical wires, boards that meet E1 Grade of flame-retardant and formaldehyde emission, paints and coatings that meet the technical requirements for products with environmental labels, and more adopt energy-saving and environmentally friendly lamps.
- **Encourage low-carbon living:** Encourage owners to separate waste and recycle waste materials as far as possible; and carry out activities such as environmental bazaars and urban farms to enrich the forms of owners’ participation in green and low-carbon activities.
- **Strengthen environmental protection publicity:** Promote environmental protection and low-carbon operation methods through diversified public channels such as multimedia platforms, tenants’ handbooks, the company website and official accounts.



Hangzhou Joy Lane

Green Ecology



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



The Group takes full account of biodiversity protection in its business operations and respects local climate adaptation and the natural environment of the site. In accordance with the Law of the People’s Republic of China on Environmental Impact Assessment, we carry out environmental impact 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. We adhere to our green space commitment and strictly adhere to the red line of ecological protection. We minimize our environmental and ecological impact during the construction process, and where green space development is unavoidable, we will develop projects on green space that meet green building standards.

The Group places emphasis on green ecological conservation and efficient use of natural resources. We focus on how to quantify the risks associated with the loss of natural resources to better manage the financial risks and opportunities associated with natural resources, and to contribute to the resilient and sustainable development of the economy, environment and society. Yuexiu Property will gradually conduct assessments of risks and opportunities related to natural resources in accordance with the framework of TNFD, and continuously strengthen the protection of natural resources, especially ecological environment and biodiversity protection in the process of real estate development. In order to better protect the natural ecological environment and historical and cultural landscape, effectively protect old and valuable trees and promote green ecological construction, we have formulated the Notice on Strengthening Tree Protection during the reporting period, which sets out specific requirements on how to protect the plants, rivers, wetlands and other natural resources involved in the plots during the project development process and requires more elaborative checking in the process of project feasibility study and land resumption and conducting special checks on the natural ecological environment such as plants, rivers and wetlands involved in the plots to ensure that natural resources within the plots are disposed in compliance with national laws and regulations and local policy requirements.



In the process of landscaping for commercial projects, through enriching the species of green plants, we use local native plants as practical as possible, optimize the combination of natural elements such as sunlight, soil and water, provide habitats for birds and insects, and strive to maintain the biodiversity in the project and its surroundings.

Case

Protection of Old Trees and Historical Sites

• **Guangzhou Galaxy Bay**

In the development and construction of the riverside park of the Galaxy Bay project in Haizhu District, Guangzhou, we knew that several key urban reconstruction sites were located there and fully respected the historical context. Therefore, we adopted approaches that would not intervene the site significantly but could unveil the culture, memory and vitality there. Taking this as the orientation, we actively protected the 13 tall trees without name tags in the site and preserved and took advantage of the most vivid memory of the site to create a living paradise for the public for leisure and sports while ensuring that natural resources and historical relics were properly protected.



Protection of Banyan and Historical Site

Case 

Protection of Old Trees and Historical Sites

- **Rehabilitation of the Old Site of Union Theological Seminary**

The existing site of the Liang Fa Hall of Union Theological Seminary built in 1914 with construction area of 274 m², is a registered heritage conservation unit in the Liwan District of Guangzhou, and it has the historical value for the Sino-Foreign cultural exchanges in Guangzhou. We design the park green space in accordance with the relevant documents, combined with the needs of the residents around the heritage, and joined hands with the Liwan District Education Bureau and the Children's Palace to revitalize the heritage to a cultural and artistic exhibition space, restoring its environment while inheriting the heritage functions, highlighting its value and enhancing the social benefit power.



A Photo of Liang Fa Hall in China Archives



A Photo of Current Liang Fa Hall



Renovation Design Rendering of Liang Fa Hall



Green Space Design Renderings for the North Park of Liang Fa Hall

The Group is actively involved in the management of brownfield sites and is committed to turning brownfield into greenfield, helping cities achieve the best possible balance among environment, economy and society in their development process, thereby contributing to overall sustainable development.

Case 

Brownfield Renovation of Yongtai Passenger Terminal Project

The plot of Yongtai Passenger Terminal is located in Baiyun District, Guangzhou, where soil arsenic exceeds the content standard due to geological reasons. The Group has formulated special restoration and control methods in accordance with relevant policies such as national "Guidelines for Building a Modern Environmental Governance System" and the "Work Plan for Strengthening the Prevention and Control of Soil Pollution for Transferred Reserved Land in Guangzhou". Allowing for the overall idea of future development and construction plans and design elevation of buildings, the local shallow soil with excessive arsenic was excavated and restored, and was identified as general solid waste through hazardous waste identification and transported to the cement kilns for coordinated disposal. All soil contaminated by organic pollutant polycyclic aromatic hydrocarbon is used as clean soil until the content standard was met after excavation and restoration; soil that was not excavated or with arsenic exceeding the content standard in depth was not disturbed, and risk management and control were applied accordingly.



Before and After Renovation of Yongtai Passenger Terminal

Green Activities

The Group actively organizes green activities to propagandize the concept of green and low-carbon development, advocate green and low-carbon operations and lifestyles, and promote sustainable development. In the future, we will continue to promote the practice of green and low-carbon public welfare activities and adopt diverse approaches to publicize and advocate green and low-carbon concepts:



- Hold regular themed forums or salons focusing on green, low-carbon and sustainable content, and discuss about the development path with various industries;
- Organize low-carbon travel activities to encourage employees to practise a green and low-carbon lifestyle;
- Organize green and low-carbon themed exhibitions to promote the concept of low-carbon sustainable development in the form of art exhibitions;
- Conduct low-carbon fundraising activities to promote the development of green and low-carbon undertakings through fundraising activities to support green public welfare-related organizations.

Case

“Create A Green Planet” Beautiful Life Series Activities

In July 2022, Guangzhou International Finance Center (IFC) successfully held the “Create a Green Planet” environmental protection salon, where guests shared their artistic creations and green living and working concepts, advocating the public to practice diversified sustainable lifestyles and calling for joint protection of the environment and ecology to create a better urban life.



Low-carbon Charity Art Exhibition



Environmental Protection Public Welfare Salon

Case

Online Green Public Welfare Activities

Focusing on the theme of “green public welfare”, we organize diverse online public welfare activities by company or department.

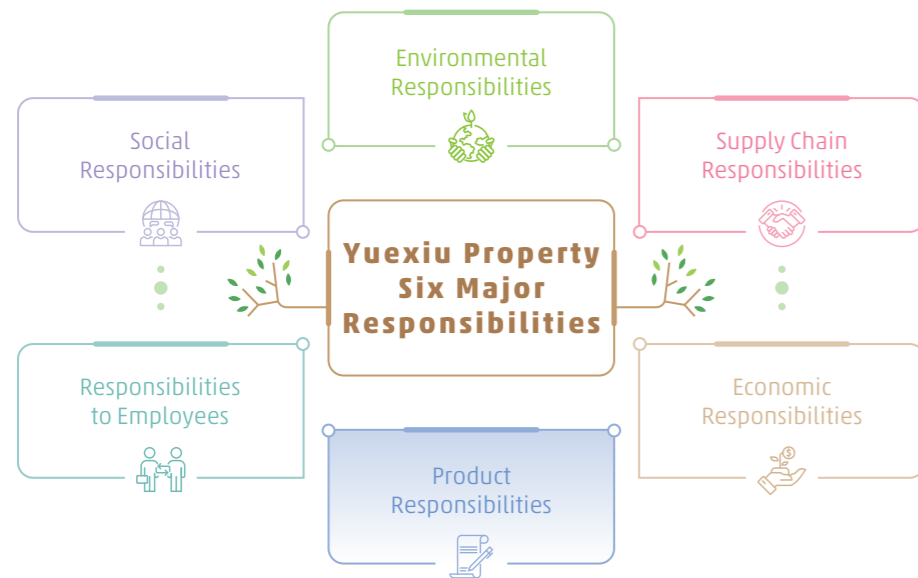
- **Public welfare tree:** We organized employees to plant and water trees online, and the Green Environment Development Foundation planted trees jointly claimed by employees in Yunnan province, Qinghai province, etc., and co-planters can view planting progress and real photos to deeply experience the charm of public welfare.
- **Public welfare walking:** Employees donated steps and exchanged into public welfare items on the DingTalk platform, and donated packages to schools in remote mountain areas, etc.



Public Welfare Events Ongoing

CHAPTER 2 HEALTHY RESIDENCE

Adhering to the motto "Where Good Living Starts" and the "Customer-oriented" philosophy, we provide customers with high-quality products and services. Along with the rapid development and technological changes of Internet technology, we are also actively creating digital products and services, responding to customer needs, supporting urban renewal, and casting intelligent and healthy living with craftsmanship.



MANAGEMENT APPROACH

Adhering to “Keeping Pace with the Times, and Coexisting with the City”, the Group makes painstaking efforts to polish its products and services and is committed to provide customers with experience of the full life cycle of high-quality products and services. In 2022, we focused on the integration of intelligent technology and traditional craftsmanship to create the “Yes My Life” “YES Healthy Living System” and further standardized the product quality management system and completed intelligent upgrade of existing service system.

We actively communicate with our customers and continuously improve the quality of our services through regular customer satisfaction surveys and analysis. We attach great importance to customer rights and interests, emphasizing customer health and safety and fair and responsible marketing, strictly complying with relevant laws and regulations, safeguarding customer privacy and building trust with our customers to achieve a harmonious and win-win situation.





Laws and regulations or standards that the Group’s products and services shall comply with:

- Copyright Law of the People’s Republic of China
- Trademark Law of the People’s Republic of China
- Advertising 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
- Construction Law of the People’s Republic of China
- Fire Protection Law of the People’s Republic of China
- Product Quality Law of the People’s Republic of China
- Law of the People’s Republic of China on the Protection of Consumer Rights and Interests
- Data Security Law of the People’s Republic of China
- Personal Information Protection Law of the People’s Republic of China
- Opinions of the General Office of the State Council on Promoting Continuous and Healthy Development of Construction Industry
- Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings
- Circular of the State Council on Promoting the Continuous and Healthy Development of the Real Estate Markets
- Several Opinions on Advocating Modernization of Housing Industry and Improving Housing Quality
- Residential Building Code GB 50368-2005
- Regulatory Measures on the Sale of Commercial Houses
- Regulation on the Quality Management of Construction Projects
- Cybersecurity Law of the People’s Republic of China
- Personal Information Security Specification, etc.

Major internal policies for the Group’s products and services:

Issues	Product Quality Assurance	
Policies	<ul style="list-style-type: none"> Yuexiu Property Guidelines on Quality Management of Construction Projects Management Rules of Standard Delivery Process Management Rules of Quality Control Management Rules of Product Quality Assurance and Maintenance Guidelines for Internal Acceptance of Products Yuexiu Property Quality Defect Prevention Manual SSCS System Implementation Management Rules Mainstream Product Process Management Manual for Refined Decoration Residential Project Quality Acceptance Standards Project Quality Evaluation Management Rules Project Quality Assessment and Accountability Rules Long-term Incentive Measures for Quality Assessment Working Surface Handover Guidelines for Refined Decoration Projects Project Model Management Guidelines Third Party Testing Guide for Materials and Equipment Guidelines on Refined Decoration Materials Management for Residential Projects Guangzhou City Construction & Development Company Limited Project Quality Assessment and Accountability Rules Guangzhou City Construction & Development Company Limited Detailed Rules for Civilized Construction Management 	<ul style="list-style-type: none"> Mutual Conditions Check Card Preliminary Design Description Template Review Requirements on Major Changes in Project Design Process Quality Management System for Conceptual Design Quality Management System for Plan Design Quality Management System for Preliminary Design Quality Management System for Construction Drawing Design Mobile Case Management Standards Prefabricated Construction Management Manual Prefabricated Construction Engineering Management Guidelines Guidelines on Selection Strategies and Techniques for Prefabricated Construction Guidelines for Standardized Construction System (SSCS 2.0) Technical Standards for Residential Projects of Regional Companies Management Rules of Standard Delivery Process Management Rules of Product Quality Assurance and Maintenance Management Rules of Quality Control Guidelines for Joint Acceptance of Residential Projects before Delivery Guidelines for Internal Acceptance of Products Guidelines for Active Quality Inspection Campaign during the Warranty Period
Issues	Improvement of Customer Service Quality	
Policies	<ul style="list-style-type: none"> Management Measures of Customer Relationship Detailed Provisions on Customer Complaint Management Long-term Response Mechanism for Customer Demands Upgrade Mechanism for Complaint Resolution Annual Resident Satisfaction Survey Plan 	<ul style="list-style-type: none"> Management Rules of Members of Enjoy Club Manual of Members of Enjoy Club Rules of Recommend House-purchasing of Members of Enjoy Club Regulations on Management of On-site Service YES My Life Guidelines

Issues	Reasonable marketing and promotion	Customer privacy and safety
Policies	<ul style="list-style-type: none"> Implementation Rules for the Management of Commercial Housing Prices Sales Management Rules Guidelines for the Management and Operation of Sales Documents Operational Guidelines on Review of Advertising Practices 	<ul style="list-style-type: none"> Policies for Privacy Protection of Enjoy Club Data Security Management Rules

Targets	Annual Achievements
Provide customers with high-quality service experience 	<ul style="list-style-type: none"> Build "Yes My Life" YES Healthy Living System
Upgrade service system to improve customer satisfaction 	<ul style="list-style-type: none"> Improve "Yes My Life Plus" service system The overall satisfaction score is 90 points, up 3 scores from last year
Strengthen responsible marketing management 	<ul style="list-style-type: none"> Organize several training sessions on marketing topics, covering 100% personnel of the Company's marketing line
Protect customer information security 	<ul style="list-style-type: none"> There is 0 complaints or legal proceedings related to infringement of customer privacy There is 0 incidents of major privacy leaks, theft or loss of customer data

2.1 BUILDING HEALTHY RESIDENCE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable



We are committed to implanting the smart concept into our product system and have launched a new life-cycle customer service system, the "Yes My Life" YES Healthy Living System, which is based on the service pursuit of transparency and efficiency, quality assurance, peace of mind and mutual growth. The system provides customers with an all-dimensional and high-quality service experience in 17 links and 104 touchpoints in four scenarios: "purchasing, waiting, delivery and living":

• "YESite"

describes a friendly city link and demonstrates Yuexiu Property's responsibilities as a city operator.

• "YESense"


redefines future home products from the perspective of health, showing Yuexiu Property's direction and action plan as the designer and implementer of green living, green work and green production methods.

• "YESmart"

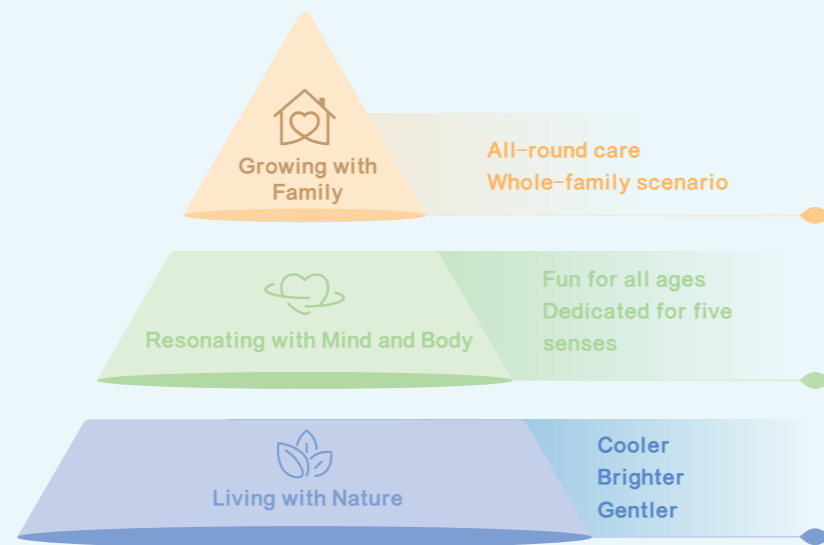
perfectly embeds the dedicated human-oriented wisdom into the smart community and lives, helping to realize the lifestyle of smart human living.

• "YESocial"

advocates the service system upgrading and community value adding.

Case  **YESense System**

We are actively exploring the field of healthy housing, building the YESense system and proposing the healthy housing product proposition of “living with nature, resonating with mind and body, and growing with family”.



In 2022, we have made a lot of efforts in technological research and development, including building light environment simulation, CFD computational fluid dynamics wind environment simulation, landscape plant selection strategies, and mechanical and electrical configuration standards for healthy housing. Taking the study of landscape plant selection strategies as an example, by studying the positive effects of various types of plants on the human body, we have updated the standard of landscape greening based on the original landscape system of “Yuexiu · Zhixin+”. By combining different planting techniques and green spaces to create different planting modules, we have compiled construction quality control standards and property management standards to create a “four-seasonal landscape experience” for our customers.

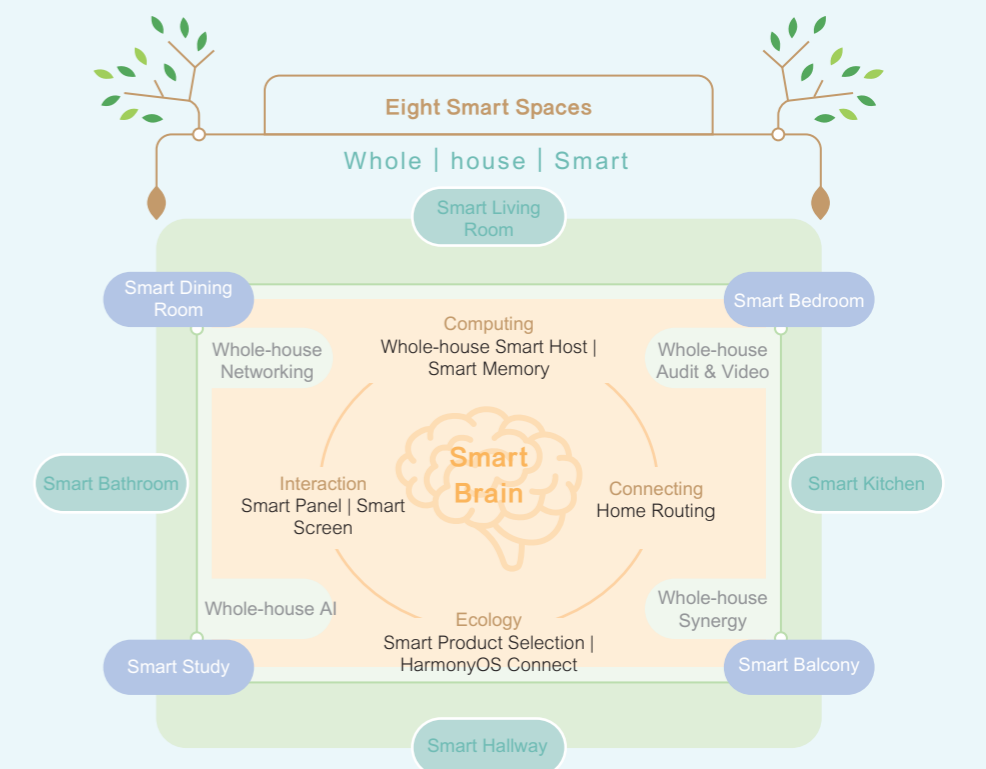
Case  **Building Whole-house Smart Solution – Pazhou South TOD Project**

The Pazhou South TOD project offers a whole-house smart solution, using the residence as a platform and linking home devices through IoT technology to provide owners with an efficient and simple smart experience.

The project adopts “1+2+N” smart home solution:

- “1”-One Huawei HarmonyOS smart host
- “2”-Two Smart Synergy Networks (whole-house PLC (Programmable Logic Controller) control bus and whole-house Wi-Fi 6+)
- “N” - An ecology growing continuously





The whole-house smart host is equipped with HarmonyOS central control system, a home “intelligent brain” that integrates learning, computing and decision making, realizing the home intelligent hub and interaction core, creating eight smart spaces and a full-scene configuration, forming an organic system that allows owners to control the system anytime and anywhere.



2.2 CONTROLLING PRODUCT QUALITY

Adhering to the concept of "Quality and Beauty" and driven by lean management, the Group integrates quality management into its daily work, realizing an embedded working mode to strictly control product quality. The Group has always complied with the Construction Law of the People's Republic of China, the Product Quality Law of the People's Republic of China and the Regulation on the Quality Management of Construction Projects, and has also formulated detailed internal systems and management rules, including the Yuexiu Property Guidelines on Quality Management of Construction Projects, the Management Rules of Standard Delivery Process, the Management Rules of Quality Control, the Guidelines for Internal Acceptance of Products and the Management Rules of Product Quality Assurance and Maintenance, etc., to ensure that our products meet internal quality and safety standards. In addition, we actively carry out quality system certification work, and the Urban Construction Institute has completed ISO 9001 quality management system certification.

Our regional companies have established quality control teams to carry out a number of product quality control measures from design, construction, acceptance, delivery to warranty with strict requirements for product quality control processes, continuing to create quality commercial and residential projects for our customers.

Stage	Measures
Before construction 	<ul style="list-style-type: none"> Conduct construction drawing quality evaluations and pinpoint quality issues using a combination of drawing verification and off-the-shelf spot checks; Track and deal with issues using the PDP (Product Design Platform), and plan to conduct drawing verification and proofreading with BIM design management system in the future; Develop unified standards for drawing review and control drawing quality jointly with regional companies; Formulate Construction Quality Control Manual for Display Area, and add effect drawings and node sample practices to provide guidance for construction on site.
In the construction 	<ul style="list-style-type: none"> Organize joint site inspections, identifying problems on site and discussing solutions at meetings; Strengthen construction site process control to ensure a high degree of consistency with front-end solutions and timely detection and correction of front-end design errors.
Before delivery 	<ul style="list-style-type: none"> Hold bi-monthly quality control meetings focused on solving unclosed loop problems; Improve risk pre-control system and anticipate delivery risks in a timely manner.
After delivery 	<ul style="list-style-type: none"> Rectify the problems raised by the customers during delivery within 3 weeks after delivery, with a completion rate of over 90%.

Case

Risk Pre-control before Delivery

We continue to strengthen the project risk pre-control management capability and solve the challenges of high reliance on the subjective ability of staff, low standardization of checklists and difficulties in tracking and rectifying problems through the risk pre-control system and big data management, so as to improve the efficiency of risk pre-control management before delivery.



Risk pre-control system improvement:

Iterate 5 and add 2 new risk pre-control inspection nodes to avoid items that are easily missing or missed due to subjective experience of manual inspection by means of checklists and clear standards and to improve implementation efficiency.



Launch of risk pre-control system:

Launch risk pre-control nodes (opening, commencement of sale, pre-production sample, joint inspection and joint acceptance before delivery) and abolish offline paper inspection to guarantee traceable management, accountability and long-term tracking.



Wuhan Hanyang Starry Winking

2.3 IMPROVING SERVICE QUALITY

We adhere to customer-oriented tenet to improve service system and optimize service process continuously. In 2022, we further standardized and interactively updated our customer service requirements, formulated the Detailed Provisions on Customer Complaint Management and added relevant detailed work guidelines in accordance with the Management Measures of Customer Relationship to ensure efficient communication with customers, timely solution of their demands and rise of customer satisfaction.

Service System Optimization

In 2022, we improved "YES My Life Plus" service system and worked with Yuexiu Services to standardize service process and improve overall quality of our services, building a warm home for the community residents and continuing to lead the industry service standards.



“YES My Life Plus” Service System

The “YES My Life Plus” service system covers the entire life cycle of the project. Through the analysis of customers’ needs at each stage of flat purchase, we have developed a plan that meets the service features, core concerns and implementation condition at each stage, together with a rapid complaint handling mechanism throughout the service process, so that we have realized a service system that is centred on residents’ perceptions. In 2022, we focused on improving the delivery link and promoting paperless online delivery of whole process.



Release of the Four Service Manuals

This year, Yuexiu Services systematically sorted out and differentiated its residential products on the basis of the existing service standards, forming three major product lines, i.e., “Zhenyue & Zhenyue PLUS”, “Boyue” and “Xiangyue”, and released their respective product, management, operation and practice manuals to satisfy different needs of the property owners and create a differentiated brand influence of the products.

- **Product manuals:** Describe classification logics, characteristics, positioning, core idea and others of products for different grades, and give a detained introduction to each category of products from safety, neatness and comfortability.
- **Management manuals:** Develop the service and management standards concerning service scenarios, service hours, service standards and inspection content of products for different levels at each stage such as at the prospective owner, before delivery, after delivery and during the normal period.
- **Operation manuals:** Specify the resources required to match different grades of products, such as housekeepers, engineering staff, consultants, etc., detail the project organizational structure and departmental responsibilities, job responsibilities, deployment and position requirements, material allocation reference, project operation index system, project budget and cost management requirements for each product category.
- **Practice manuals:** Provide detailed guidelines and specifications for the operations and practices involved in the general management, site management, engineering management, environmental management, customer service and order management of all products.



Customer Satisfaction

The Group always strives for 100% customer satisfaction by continuously improving service ecology from the customers’ perspectives. We hold regular bi-annual customer satisfaction interpretation meetings where issues identified from the customers’ perspectives are discussed and improvement proposals are put forward, and follow-ups are carried out in the form of minutes and supervision. We also engage professional third-party institutions to conduct regular surveys on customer satisfaction, covering five specific aspects of our business, including housing delivery, product design, property services, real estate service assurance and marketing services.

According to 2022 Customer Satisfaction Survey results, the overall score of customer satisfaction was 90, up 3 scores from last year; the specific aspect of business enjoyed a significantly rapid rise in overall satisfaction and maintenance services at the stage of house delivery.

In 2022, we launched a “delivering good products with high quality” campaign to further improve the quality of our services. We focused on quickly resolving sensitive customer issues and launched three special initiatives to prevent and control leakage problems, improve the impressions of refined decoration and enhance the image of public areas to ensure smooth and high-quality delivery. In addition, we also set up a target assessment for “housing satisfaction improvement during the phase I of the warming-up period”, set up the “General Manager’s Demonstration Project for High Quality Delivery”, “Special Award for High Quality Delivery” and other awards and special incentives. Besides, we added project process inspection and intermediate acceptance, Construction Site Open Date and benchmark project building, etc. as a guide to normalized high quality delivery.

Case 

Benchmarking and Standardized Demonstration Project

In 2022, we carried out benchmarking and standardized demonstration projects as a benchmark for progress and improvement. We have selected 10 projects in eight regions across the state to promote the creation of "General Manager's High Quality Delivery Projects", and held observation and exchange activities for benchmarking projects, with regional companies, engineering management and customer relationship management departments sharing case studies and experiences to jointly promote high quality delivery in all aspects to achieve overall project excellence.



Site of Benchmarking Project Observation



◎ **Quality Delivery Makes Happy Home-Going**

In 2022, the Group initiated a total of 66 delivery activities in 8 regions and 12 cities, walking into new homes with 33,939 owners, with satisfaction rate of delivery services exceeding 80%.

Paperless Delivery



To optimize service experience, since 2022, we have launched 100% paperless delivery in 49 communities, improving handling efficiency and making owners go home easily.

Delivering Houses Along with Certificates



Fulfilling beautiful promises, upgrading services. We have realized "delivering houses along with certificates" in 9 projects in 5 cities, enabling owners to enjoy the convenient experience brought by "zero running" certification.

Home Delivery Service



Convenient initiatives, warm services. Yuexiu Binhai New Town, Yuexiu Tiancheng and Yuexiu Dongpo launched the service of delivery real estate certificates to owners in communities, so that owners can run less once and embrace more warmth in daily life.

Service Manual



To make living comfortable, Guangzhou Wanbo Yuexiu Grand Mansion launched an exclusive service manual for owners - "YES My Life Guide", covering basic necessities of life, indoor product instructions and other information associated with the project, providing owners with more intimate service experience after moving in.



Paperless delivery



Response to Customer Demands

We have always listened patiently to customer demands and gave timely feedbacks actively to reduce complaints from the source. The Group has developed a comprehensive Long-term Response Mechanism for Customer Demands and Upgraded Mechanism for Complaint Resolution to ensure timely response to customer demands, provision of solutions, and targeted resolution of complaint incidents with multiple customer reminders and long outstanding complaints to enhance complaint handling efficiency.

Meeting Customer Demands with Intimate Services

In 2022, we received accumulative **77,467** consultation calls with answering rate and call satisfaction above **98%**

In 2022, we received online consultations from customers **12,265** person-times.

In 2022, the online repair request rate was **88%**, the request closure rate **97%**, and the maintenance service satisfaction rate **83%**

In 2022, a total of **90** housing maintenance activities were launched, offering maintenance services to more than **6,000** owners.

Intelligent Services, Improved Dedication

National customer service hotline

We open a national service hotline 400-830-0123 to respond to customer demands roundly and efficiently.

Intelligent customer service

We offer 7 × 24h online services, record customer demands at any time, and provide fast function navigation, making services more convenient, accurate and efficient.

Guaranteed Services, Peaceful Living

Maintenance engineer teams

Owners can submit requests for repair online, and maintenance engineers will accept and respond all requests, and specially-assigned persons will follow up and give feedback timely to escort owners to a better life.

Housing maintenance activities

We launch housing maintenance activities for owners to make living peaceful.

Diverse Communication Channels

We attach considerable importance to the feelings of customers, so we have established open and convenient diverse communication channels to provide online and offline quality service experience to customers:

Full-stage services from purchase to delivery for over **50,000** owners

360,497 views and **21** cities covered

- Customer ambassadors: We set up 8 regional customer ambassadors to offer one-to-one exclusive services to customers and full-stage services from purchase to delivery for over 50,000 owners, answer questions raised by each owner online by adding owners via Enterprise WeChat, and be an intimate "jack of all trades" for owners.
- Yuexiu family letter: In 2022, we report the project construction progress by pushing 383 warm "Yuexiu Family Letters" to owners regularly through the official member service platform of Enjoy Club with 360,497 views and 21 cities covered.



In 2022, we held **52** site opening activities with nearly **9,000** owners involved.

Attracted nearly **100,000** participants

- Site opening: We organize site opening activities to enable owners to appreciate the beauty, details and quality of their new housing in advance.
- Yue Neighbours Life: In 2022, we held the second Yuexiu Yue Neighbours Life Festival, and launched nearly 150 activities for owners, including "the 30th Anniversary with You" convenience services, community life services, music events and other diversified activities, which attracted nearly 100,000 participants. We spent time with owners, sharing neighbourhood and creating wonderful and happy life.

2.4 PROTECTION OF CUSTOMER RIGHTS AND INTERESTS

The Group always puts the vital interests of its customers first, strictly complies with the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, and effectively safeguards the rights and interests of its customers by protecting their health and safety, safeguarding their information security and strengthening responsible marketing.

Health and Safety of Customers

We put the health and safety of our customers at the forefront of our daily community operations, actively carry out safety awareness campaigns, and combine intelligent means to optimize community operations and create a safe and healthy living environment for our customers.

Case

Elevator Safety Propaganda and Emergency Drills

During the 2022 Production Safety Month, Yuexiu Property Guangzhou, together with nine elevator maintenance units, organized 40 projects under its management to carry out public welfare activities to promote elevator safety in the community. Not only did the projects set up elevator safety publicity stands, distribute leaflets and souvenirs, and conduct prize quizzes to popularize elevator safety knowledge such as prohibited behaviours, safety instructions and emergency measures, but they also organized practical elevator safety drills on site to help property owners and tenants better acquire elevator escape safety knowledge and emergency techniques through simulated real-life scenarios.



Elevator Safety Knowledge Propaganda



Elevator Safety Drill

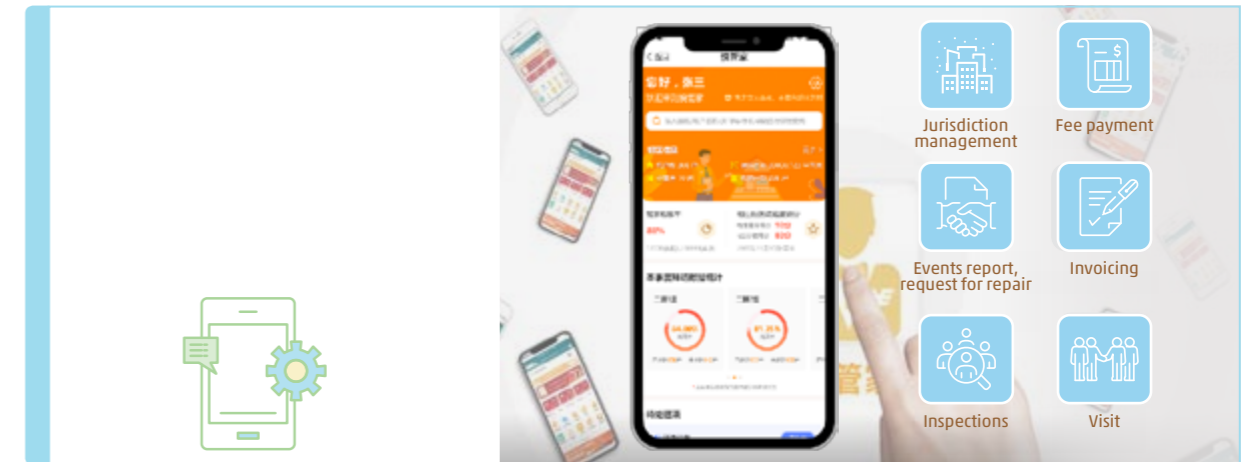


Building of Smart Community Operation Platform

By using intelligent means such as the Internet of Things (IoT) and cloud computing and Digital Twin, we have built the “YESTeward” service platform, the Smart Community Operation Platform and an Easy Building Automation System (EBA System), completing the perfect integration of the property equipment intelligent monitoring service with the Smart Platform of Yuexiu Property, and realizing the unified management of data from 5,500+ collection equipment.

We apply Web 2.0 technology to digitalize property management services, which reduces offline and on-site handling of users’ business and the use of consumables, and improves corporate operational efficiency and service quality.

EBA system contains functions such as real-time monitoring of equipment and facilities, energy consumption management, warning management, basic reports, statistical analysis and other functions; the scope of monitoring covers areas where property equipment management often involves such as domestic water pump rooms, fire-fighting systems, generator rooms, low-voltage distribution rooms, transformer rooms, fan rooms, elevator rooms and water collection wells. Property management personnel can carry out real-time remote intelligent monitoring through the system and can receive timely notification and arrange to solve equipment problems when equipment breaks down, gives early warnings and is in an abnormal state, contributing to improving property safety management capabilities and safeguarding the health and safety of customers.





Responsible Marketing

We insist on responsible marketing practices that are fair, transparent and legal, and in line with social ethics, safeguarding our customers’ right to know and committed to making the most truthful and effective promises to our customers.

The Group strictly abides by the Advertising Law of the People’s Republic of China and has formulated a series of management systems and detailed guidelines covering online and offline marketing, advertising control and marketing supplier recruitment to comprehensively regulate the workflow of our staff. During the reporting period, we updated the Implementation Rules for the Management of Commercial Housing Prices and formulated the Sales Management Rules to clarify the scope and principal requirements of sales management operations. We also strengthened staff awareness of responsible marketing in multiple dimensions by conducting regular staff training and assessment on responsible marketing, setting targeted KPIs and requiring sales personnel to sign an undertaking to sell with integrity.

Marketing Content Review

We attach great importance to the accuracy and authenticity of information in the publicity materials such as external sales documents and advertising content and have set up a standardized process for the review and control of marketing content, covering all projects on sale of the Company in all areas.

- For sales documents, we issued the Guidelines for the Management and Operation of Sales Documents, which set out management requirements on the preparation work before submission and approval, submission and approval requirements, implementation and modification to sales documents, and execution specifications;
- For advertising content, regional companies follow the Operational Guidelines on Review of Advertising Practices to develop working mechanisms of internal review based upon the reality and require confirmation by relevant departments such as the Legal Department, the Customer Relations Department, Project Department and Design Department, to ensure that the marketing data are legally compliant, authentic and reliable.

Daily Business Trainings

In 2022, we organized several trainings on marketing topics, covering 100% of the personnel working at the marketing line to empower front-line staff and improve their responsible marketing awareness, business capabilities and service level.

Key Performance

As at the end of the reporting period, we have held 62 trainings on operation and application of systems and business operation involving over 7,700 participants, including:

<p>16 trainings on service skills and etiquette for front-line staff, involving over 650 participants.</p>	<p>Special training on channel business, involving over 300 participants.</p>	<p>25 training on operation of systems (including Voice Work Card and Yue Ke Bao) and inspection business, involving approximately 5,000 participants.</p>
<p>13 trainings on order, E-agreement of paper contracts, and E-letter sending applications, involving over 1,500 participants.</p>	<p>7 trainings on operation of after-sales service system, involving over 250 participants.</p>	<p>5 trainings on the key elements of responsible marketing of advertising and publicity that third-party professional institutions were invited to hold, involving approximately 750 participants with a 100% pass rate on the accompanying tests.</p>

◎ **Marketing Inspection Mechanism**

Since the establishment of the inspection mechanism for marketing business in 2019, we have regularly organized and carried out marketing inspections, focusing on five major types of sales field control, process policy compliance control, cost and procurement control, sales back-office control and online marketing, and 62 key marketing links. The inspection report identified common problems and proposed recommendations for the improvement of marketing management, achieving the standardization of risk management in the sales process and the improvement of efficiency and compliance management capabilities. In 2022, focused on the inspection of the marketing center and supplemented by the mutual inspection of regional companies, we carried out two inspections, with 64 sessions covering 8 regions.

◎ **Digital Management of Marketing**

We actively implement digital management of marketing and take advantage of the Company's digital capability. With the help of two platforms, namely "Yuexiu Fangbao" and "Yue Ke Bao", we carry out online marketing activities and closed-loop management of the whole process of reporting, follow-up and visiting so as to realize the overall improvement of marketing transparency and efficiency.

Customer Privacy Protection

The Group attaches great importance to customer privacy security and continues to strengthen customer privacy protection. We strictly comply with the laws, regulations and standards related to privacy protection, such as the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, and the Personal Information Security Specification (GB/T35273-2020), and have formulated internal systems, such as the "Privacy Protection Policy of Enjoy Club" and the "Data Security Management Rules", taking into account our situation. All kinds of data, including customer personal information and important data, are secured in all aspects, the security management procedures and remedial measures for using data assets are standardized, the data lifecycle security management is strengthened, and the customer's information security is protected legally.

We have engaged a third-party institution to conduct regular data security reviews, to comprehensively assess the Company's capabilities and risks in the three dimensions of data security management, data security operations and data security technology and to benchmark against leading companies in real estate, Internet, finance and other industries to form and implement targeted improvement plans.



In 2022, Yuexiu Group participated in the Guangzhou Cybersecurity Attack and Defense Drill and won the Award of Excellent Defense Unit issued by the Office of the Cyberspace Affairs Commission of the CPC Guangzhou Municipal Committee. We follow the steps of Yuexiu Group and continue to strengthen our information security capacity building.



Certificate of Excellent Defense Unit



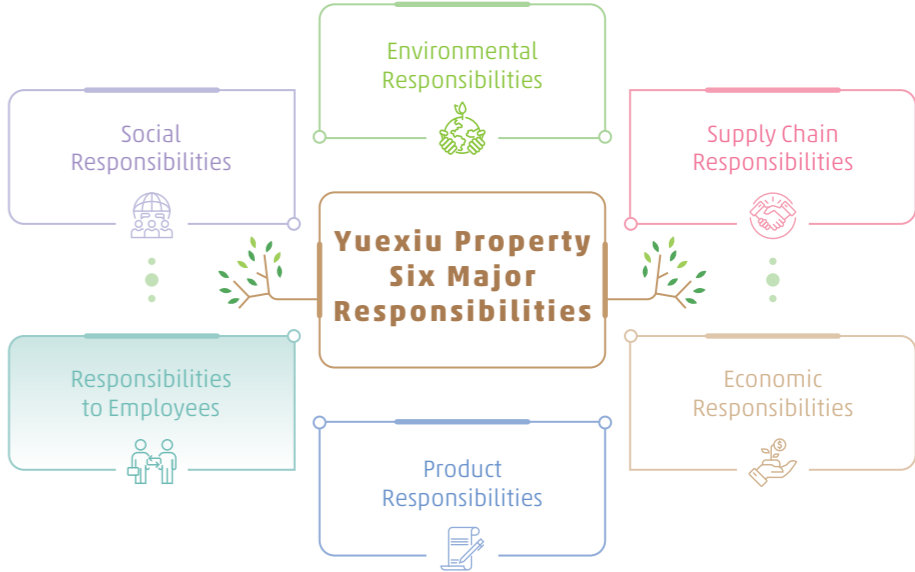
Trophy for Excellent Defense Unit

As of the end of the reporting period, the Group had invested nearly RMB10 million in the digital construction of information security, received 0 complaints or legal actions concerning breaches of customer privacy, and had 0 significant privacy leakage, theft or loss of customer data.



CHAPTER 3 PEOPLE-ORIENTED

Talents are the foundation of an enterprise, the creator of value, and an essential pillar of an evergreen enterprise. We insist on being “people-oriented” and are committed to creating a diverse, equal and inclusive employment environment, a diverse career development environment, and a safe, healthy and happy working environment for employees. We fully respect and protect the rights and interests of every employee, provide them with competitive salaries and benefits, and encourage them to show their talents and make progress on the platform of Yuexiu Property.



MANAGEMENT APPROACH

The Group supports international labor standards and protects the legitimate rights and interests of employees through strict compliance with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Provisions on the Prohibition of Using Child Labor and other relevant laws and regulations. The Group maintains fairness in the workplace and strives to provide a broad platform for the development of outstanding talents, continuously improving employee satisfaction and dedication. We adhere to our safety mission, vision and values to create a healthy and safe working environment for employees.

Laws or regulations that the Group’s human resources comply with:

- Labor Law of the People’s Republic of China
- Labor Contract Law of the People’s Republic of China
- Provisions on the Prohibition of Using Child Labor
- Law of the People’s Republic of China on Work Safety
- Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, etc.



Major internal policies of the Group’s human resources:

Issue	Employee Remuneration and Benefits	
Policies	<ul style="list-style-type: none"> Management Measures for Employee Remuneration Incentive System Performance Management Rules 	
Issue	Diversity and Inclusiveness	
Policies	<ul style="list-style-type: none"> Board Diversity Policy 	
Issue	Employee Training and Development	
Policies	<ul style="list-style-type: none"> Position Management System 	
Issue	Employee Safety and Health	
Policies	<ul style="list-style-type: none"> Occupational Health Management System Occupational Hygiene Management System “Three Simultaneous” Management Rules on Construction Projects Administrative Measures on Work Safety Management Measures of Work Safety Accountability 	<ul style="list-style-type: none"> Management Standards for Work Safety Standardization of Development Business Forms Guidelines for Notification and Transfer of Work Safety Issues Detailed Implementation Rules for Classified Safety Risk Control Management Rules for Safety of Related Parties Notice on Further Strengthening the Management of Employment Health of Related Parties
Issue	Employee Rights Protection	
Policies	<ul style="list-style-type: none"> Management Measures for Talent Evaluation and Application Management Rules on Staffing 	<ul style="list-style-type: none"> Management Measures for Labor Contract

Target	Annual Achievements
<p>Continuously improve the training system and increase the hours of employee participation in training</p>	<ul style="list-style-type: none"> Further improvement of the talent training system consisting of the “Hummingbird Program”, “Sea Swallow Program”, “Swan Program” and “Roc Program” 20.4% increase in employee training hours compared to 2021
<p>Provide a safe working environment for employees and related parties</p>	<ul style="list-style-type: none"> 0 accidents with direct liability for work safety above the major level 0 internal public security incidents 0 fatalities at construction sites

3.1 EMPLOYEE RIGHTS PROTECTION

Strictly complying with all laws and regulations and employment policies, Yuexiu Property actively identifies risks to employee rights and interests and formulates countermeasures to fully and legally protect the legal rights and interests of employees in recruitment, promotion, leave, termination, remuneration and benefits, democratic communication, collective bargaining and other aspects.

Talent Attraction and Retention

We improve the staffing mechanism and standardize recruitment management by formulating internal management systems such as "Management Measures for Talent Evaluation and Application" and "Management Rules on Staffing" to create a diversified talent team. We actively absorb outstanding talents through both internal selection and external introduction, and provide competitive salary for outstanding talents.

In order to better attract talents, we have held a training and empowerment activity for interviewers. Through thematic learning, such as talent search, and mock interviews, we helped interviewers establish recruitment principles that align with Yuexiu Property's talent concept, comprehensively improving the interviewers' ability to select and evaluate talents accurately and enhancing our traction for excellent candidates.

In addition, we continue to promote the employment of college students and provide them with a wide range of employment opportunities. In 2022, Yuexiu Property recruited more than 200 fresh graduates with bachelor's degrees or above for positions in project management, function management and other related categories, and more than 280 students graduated from junior colleges and technical secondary schools for positions in project site management, engineering management, customer service, etc.



© **Prevention of Forced Labor and Child Labor**

The Group strictly abides by the United Nations Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and firmly resists and opposes any form of child labor and forced labor. Our human resources department, legal department and related departments ensure that our recruitment and employment process is rigorous and in compliance with labor laws and regulations, and that we strictly verify the identity information of candidates to prevent the employment of minors. We formulate the Management Measures for Labor Contract to ensure that employees understand the description and requirements of the relevant positions before signing the contract. We sign employment contracts with all employees and set out the rights and obligations of both parties in detail in the contracts, specifying relevant information such as job position, workplace, working hours and remuneration, firmly safeguarding the legitimate rights and interests of employees and eliminating forced labor. During the reporting period, the Group did not have lawsuits or violations of child labor or forced labor.

We will further require our business partners to ensure that their operations are free from forced or child labor in accordance with the Group's Supplier Management System.

Diversity, Equality and Inclusiveness



Achieve gender equality and empower all women and girls



Reduce inequalities within and among countries

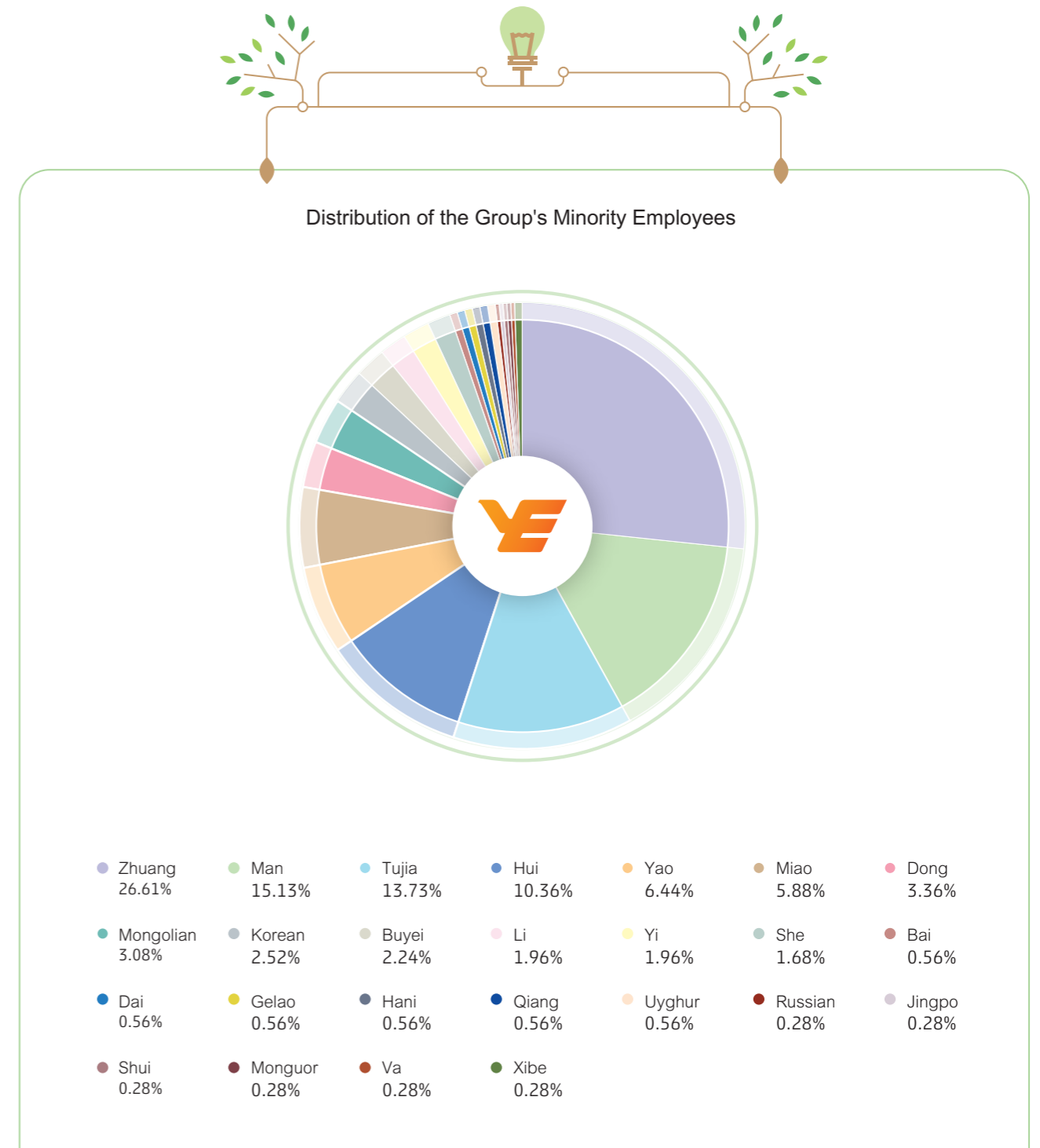
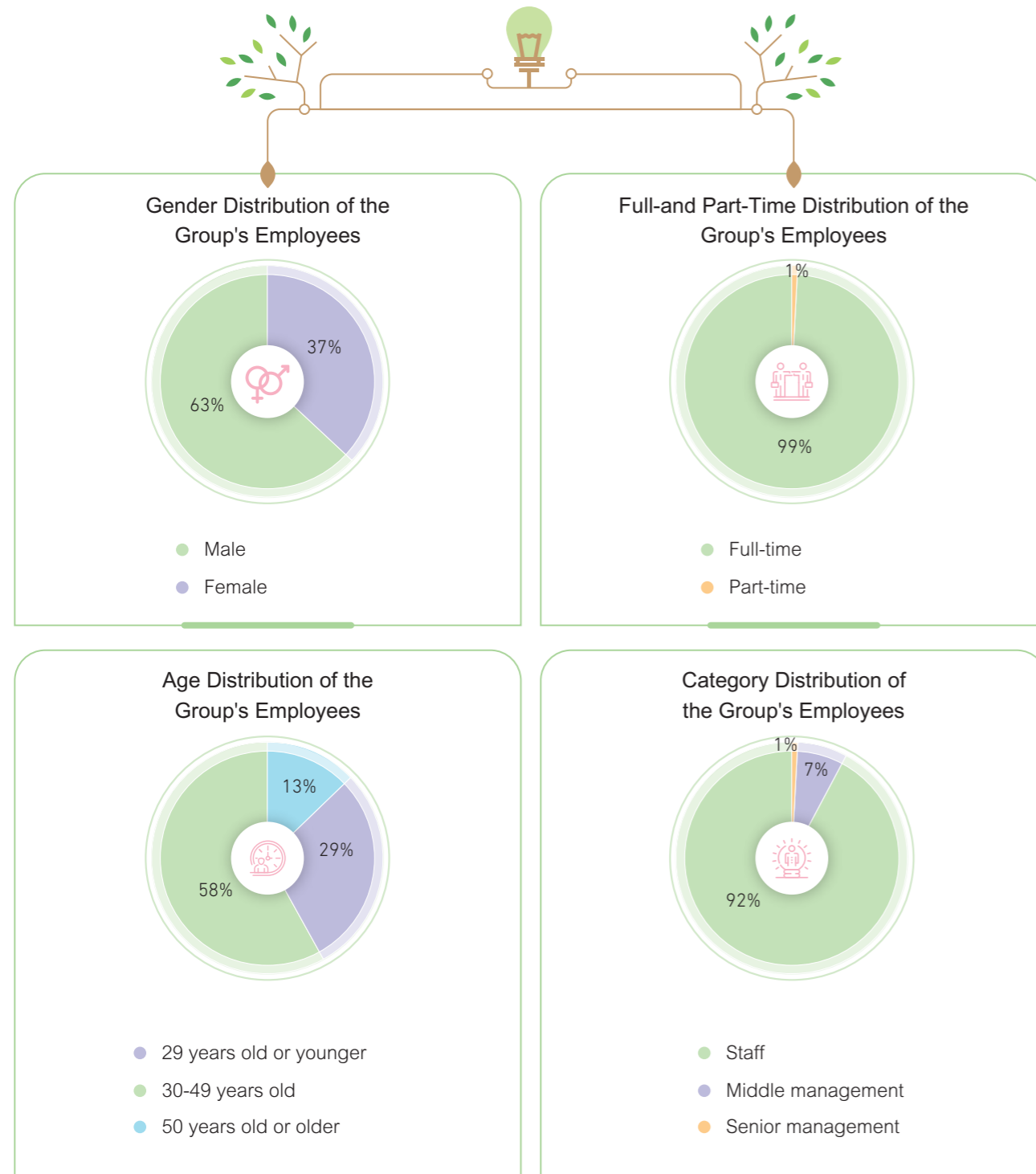


We recognize that a diverse, equal and inclusive team not only makes our organization more dynamic, but also enables us to provide customers with the most valuable services and bring more positive impacts to the society. We fully respect the diverse background of employees and treat all employees equally with equal career development opportunities for each employee, and any form of discrimination is prohibited. We strive to establish an open, diverse, equal and inclusive working atmosphere and continue to improve the inclusiveness in the workplace.

To further enhance the diversity of the Company, we have established the Board Diversity Policy. The selection of Board members will be based on a range of diversity categories, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and tenure of service. At the same time, we fully respect the rights of employees to join employee organizations such as the labor union and employees' congress and protect their freedom of association and collective bargaining.

To ensure that the Company operates in compliance with the principle of equal opportunity, employees are encouraged to report in confidence their concerns about discrimination or other complaints. During the reporting period, the Group did not have any disputes and legal proceedings on employment discrimination or any discrimination and inequality in the workplace, nor did it receive any employee complaints as a result of the infringement of fundamental principles and rights at work or as a result of the infringement of economic, social and cultural rights.





Remuneration and Benefits



Ensure healthy lives and promote well-being for all at all ages



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



We abide by relevant national laws and regulations, adhere to the principle of equal pay for equal work and constantly improve the remuneration and performance management mechanism to provide competitive remuneration and benefits for employees according to the remuneration concept of “reflecting position value, market-oriented, motivating excellence and focusing on the front line”.

Remuneration and performance



We formulate internal regulations such as the Management Measures for Employee Remuneration Incentive System and the Performance Management Rules, adopting various incentive modes such as bonuses and medium and long-term incentives, emphasizing the timeliness and effectiveness of incentives; We regularly review the grade and situation of employee remuneration, and improve performance management by standardizing criteria for performance evaluation, employee development and performance feedback. At the same time, we incorporate ESG-related factors into the assessment, for example, increasing performance assessment scores for employees who have achieved results in technological innovation in green building and intelligent building, as well as in active development and application of new materials, processes and technologies, etc.

Employee benefits



We strive to provide employees with multi-dimensional benefits, including annual benefits leave, holiday gifts, union consolation, commercial insurance, enterprise annuities, veteran care and other internal benefits, and regular support and care for employees in need. We assess the needs of employees in a timely manner, and set up a “five-year plan” and targets for improving employee well-being with regular evaluation of the target progress.

Employee care



In 2022, we had a deep understanding of the situation of employees in difficulty and carried out the work of mutual assistance, with the amount of condolence reaching RMB70,131; we actively carried out “sending coolness in summer and warmth in winter” and other related activities, among which, the warmth sending activities consoled a total of 12,877 people, with the amount of consolation reaching RMB1.21 million; the coolness sending activities consoled a total of 18,705 people, with the amount of consolation reaching RMB1.45 million.

In addition, we also provide social insurance for all employees. During the reporting period, the social insurance coverage rate of all employees of the Group was 100%.

Case

Warm Care in October

To support the work of front-line sales staffs, the labor union of Yuexiu Property has carried out the activity of “sending care to front-line staffs”. Representatives of the Company’s labor union send consolation supplies to employees from time to time to convey the Company’s care and greetings so that employees who are fighting on the front line can deeply feel the Company’s care, strengthening team cohesion and corporate centripetal force.



Labor Union Representatives Send Supplies to Front-line Employees

Communication with Employees



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



The Group attaches importance to democratic management and communication, with formal channels and processes enabling employees to express their needs smoothly. We have established an employees’ congress system and set up a whistle-blowing mechanism and employee mailboxes to collect and give feedback on employees’ opinions and suggestions on the Company.

We hold regular employee representative meetings to listen to and review the work report of the Company and participate in enterprise operation and management. We organize employee representatives to consider issues and systems closely related to the rights and interests of employees and safeguard their legitimate rights and interests. At the same time, we actively promote the disclosure of information about the Company's business and make the development situation and production and operation status of the Company public to employees promptly through various forms such as the official account, Yue Work, posters and special meetings to smooth out internal information. 100% employees participate in the Labor Union.

About **80%** of employees participated in the Group's employee satisfaction and engagement survey, and the overall situation was good

To better understand employees' demands and listen to their voices, we invite all employees to participate in the satisfaction and engagement survey every year. In 2022, about 80% of employees participated in the Group's employee satisfaction and engagement survey, and the overall situation was good. In response to the survey results, we promptly adjust and optimize the employee service program to effectively protect employees' rights and interests and actively fulfill our responsibilities to employees.

3.2 TALENT TRAINING AND DEVELOPMENT

A well-established talent training and development system is one of the necessary factors for enterprise development. We have formulated internal management systems such as the Position Management System, formed a "four-sphere integrated" talent training system, and set up a two-way career development path to encourage employees to actively improve their professional skills and achieve career achievement and self-development.



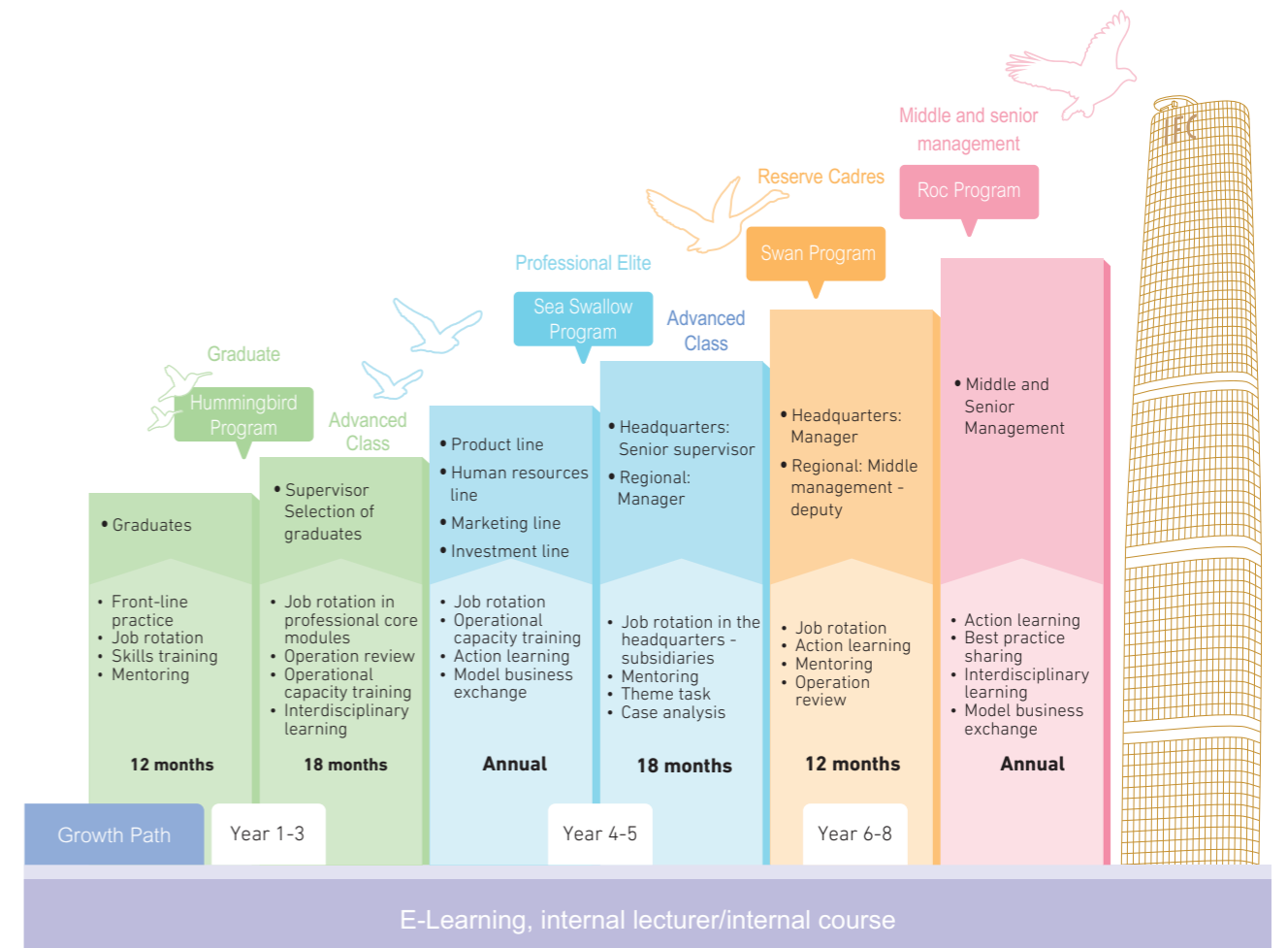
Learning and Development System



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



The Group continues to enhance its organizational management capabilities and talent pool, and improves its talent development system, offering diversified training for employees at different levels and new employees. The talent training system consists of four brand programs: "Hummingbird Program", "Sea Swallow Program", "Swan Program" and "Roc Program", covering professional skills, business manners and management ability, etc. The talent training system opens the talent training path and creates opportunities for continuous learning and development for every striver.



Details of Talent Training System

Case 

Yuexiu Property Talent Training Series



Roc Program

Based on the Group's strategic plan and actual business needs, we continue to promote the Roc Program for the middle and senior management to empower leadership and closely integrate the empowerment content with the Company's pain-point business to help the Group's business development. According to actual work demands and time schedule of middle and senior management, the Group sets up a series of selected management courses for middle and senior management trainees to learn online.



Middle and Senior Management - Selected Online Courses

Swan Program

We continue to conduct the Swan Program for manager-level employees in the headquarters and mid-level deputy-position employees in regional companies to empower management abilities. During the reporting period, we completed the Swan Program II training; combined with the Company's annual talent review, we completed the special review report for trainees of Swan Program III, and completed themed training for 5-6 modules of Swan Program III, establishing dynamic talent development files of Swan Program trainees, and exporting key talents such as chief of operation-oriented large projects and regional city companies.



Training Site of Swan Program

Case 

Yuexiu Property Talent Training Series



Sea Swallow Program

We continue to conduct the Sea Swallow Program for excellent staff in all professional lines, senior supervisors in the headquarters and regional managers to empower business skills and management abilities. During the reporting period, we completed the sixth module of management training for the advanced class 2020 of the Sea Swallow Program. We also promoted the launch of the advanced class 2022 of the Sea Swallow Program and the selection of trainees to select reserve talents for deputy positions in projects/functional departments. We promote the participation of excellent staff in work rotation and continuous line empowerment for 4-5 core professional lines to improve employees' professional skills and professional quality.

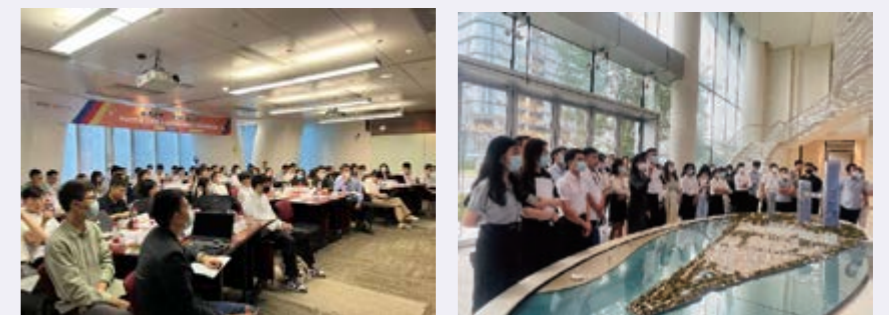


Special Training Site of Sea Swallow Program



Hummingbird Program

We continue to conduct the Hummingbird Program for supervisors and new employees, and launch the "Hummingbird Program" 2022 during the reporting period. We invited external gold-medal instructors and promote new employees to discuss the professionalization of their first career through novel activities such as flipped classes and scenario simulations, helping trainees accelerate their professional identity transformation; We continue to follow up on the rotation training, intensive training and exchanges of past members of the "Hummingbird Program", so that mature trainees can be positioned in advance, shortening the training cycle and creating value in front-line companies.



Training Site of Hummingbird Program

We continue to optimize the construction of online course content on the “Yue Learning” platform, selecting outstanding instructors and encouraging course content creation and promotion. The platform has launched high-quality courses such as lean management, product, management and finance, with over 3,100 online courses, about 750 instructors in total and 1,614 offline training programs operated online. The active learning rate of the Company’s senior management is about 60%, and the learning and login rate of all employees is about 85%, successfully creating an online learning atmosphere in which everyone benefits and learns from each other.

Case 

Special Training on Project Development Risk Control



In order to enhance the awareness and ability of project risk control, realize the front avoidance of project risk points and promote the synergy of all professional lines, the Property Academy of Human Resources Center held a special training on project development risk control under Swan Program III in 2022.

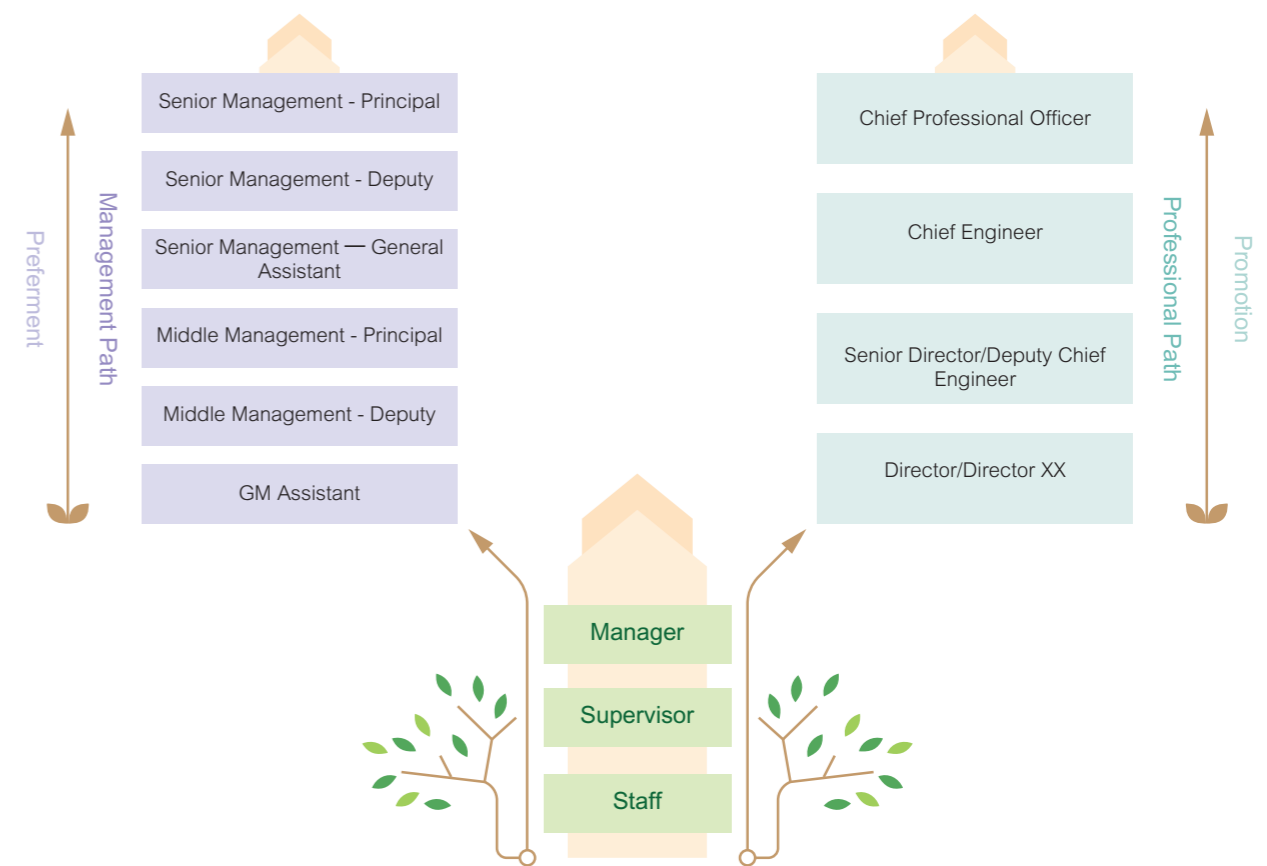
In the risk control training, risk control experts analyzed the policy, market and other external environment, systematically sorted out the risk points and control points of the whole cycle, and explained the risk control system and risk control improvement plan in detail through case studies, etc., to help the trainees enhance the awareness and ability of project risk control and realize the front avoidance of project risk points.



Beijing Hill Mansion (previous name: Beijing Huai'rou Land)

Promotion Paths

The Group has designed a variety of career development paths and promotion mechanisms for employees in different career categories. Managers and professionals can freely choose to develop in a straight line or crossover through the “Y-shaped dual career paths” to meet their career development plans and personal wishes as far as possible.



Yuexiu Property “Y-shaped Dual Career Paths”

3.3 EMPLOYEE HEALTH AND SAFETY



Ensure healthy lives and promote well-being for all at all ages



We always put the occupational health and safety of employees in the first place in our daily operation, strictly abiding by the laws and regulations such as the Law of the People’s Republic of China on Work Safety and the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, and formulating the Occupational Health Management System, Occupational Hygiene Management System and other systems. The Group implements the three-level safety management system to continuously improve safety awareness and performance, and create a safe working environment for our employees. The Group’s occupational health and safety management has been certified by the China Occupational Health and Safety Management System.

We are committed to creating a safe working environment for all employees and achieving the “zero injuries” safety goal. We ensure effective occupational health and safety management by continuously improving the organizational structure of safety management, strengthening risk identification and control, and creating a safety culture.

Occupational Health of Employees

The Group focuses on the occupational health protection of employees, issuing and improving a number of management systems, standards and measures, and establishing individual occupational health records for employees to vigorously protect the occupational health of all employees and related parties.

Occupational Health Protection

We strictly abide by the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases and formulate policies such as the “Three Simultaneous” Management Rules on Construction Projects, requiring relevant protective measures to be advanced simultaneously with the main project and regular inspections of places and equipment where occupational disease hazards exist to ensure that occupational disease protective measures meet national standards.

As for the occupational health of employees of related parties, we further strengthen the management of employment health of related parties, requiring all employees of related parties to undergo entry physical examination and annual physical examination, and urging related parties to improve employment management.

Care for Physical and Mental Health

In 2022, we optimized and upgraded employees’ health management, actively participating in critical illness insurance, female employee health insurance and inpatient secondary medical insurance to relieve employees’ worries. We have long-term cooperation with Grade III Class A hospitals and regularly organize health examinations for all employees, gynecological examinations for female employees and “two cancers” screenings, with a 100% coverage rate of health examinations for employees.

We believe that a company cannot thrive without employees who are full of faith and in good physical and mental condition. We pay attention to the physical and mental health of employees and conduct a number of mental health lectures, inviting domestic mental health experts to explain mental health knowledge to employees so as to help them adjust their emotions and relieve stress, face life and work with a more positive and optimistic mindset and improve their happiness. As of the end of the reporting period, the Group has not experienced any employee suicide due to psychological reasons.

We inspire employees to participate in sports through various health activities and guard health with actions. In 2022, we promoted the implementation of the “Healthy Guangzhou Action” work program, provided subsidies for fitness venues and equipment, and invested RMB400,000 to purchase sports equipment and to set up sports interest groups, trying our best to provide various support for employees’ fitness campaign, and creating a positive and healthy team atmosphere. In 2023, we are going to promote our EAP (Employee Assistance Program) efforts to provide long-term care and support for the physical and mental health of our employees.



Staff Sports Activity



Women’s Day Activity

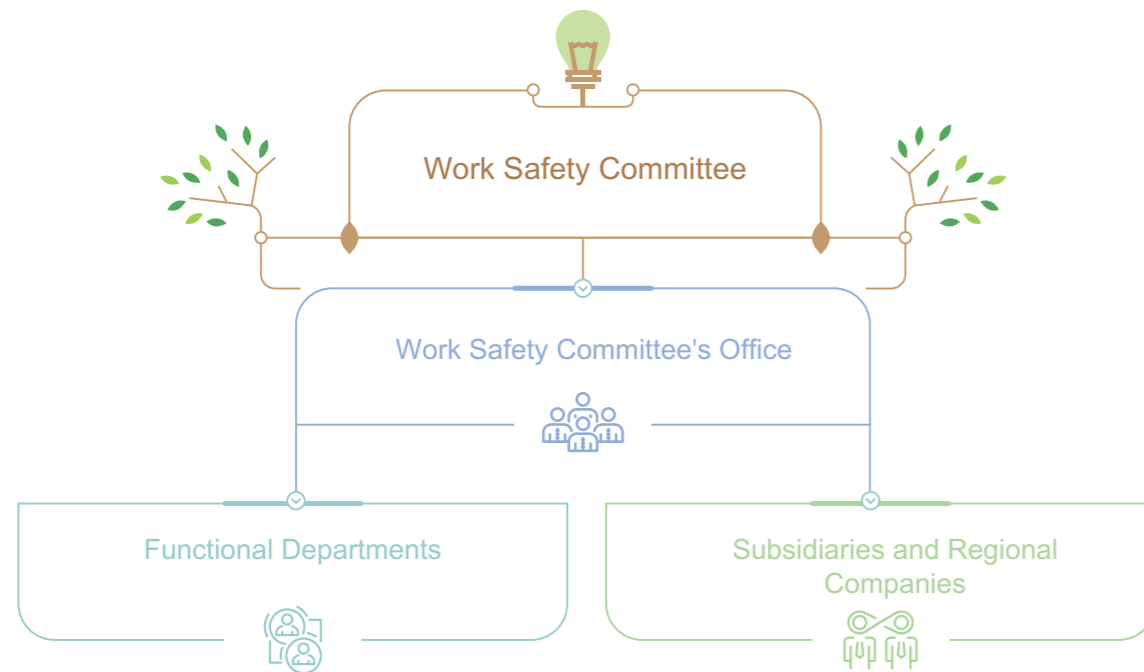
Work Safety Management

Adhering to the approach of "Putting Safety and Prevention First with Comprehensive Governance", with the safety vision of "Being a Respected and Safe Enterprise", we strictly abide by the provisions of relevant laws and regulatory documents, establish and improve the work safety accountability and work safety rules and regulations. In order to ensure work safety, Yuexiu Property clarifies the bottom line and standardized operations of safety management, improves work safety conditions, and promotes standardization of work safety.

Through the formulation of internal rules and regulations such as the Administrative Measures on Work Safety, Management Measures of Work Safety Accountability, Management Standards for Work Safety Standardization of Development Business Forms, Guidelines for Notification and Transfer of Work Safety Issues, and Detailed Implementation Rules for Classified Safety Risk Control, and the establishment of a risk assessment matrix, the Group conducts regular detection, assessment and monitoring of significant hazards and forms governance plans and contingency plans to optimize the deployment of work safety.

◎ **Work Safety Management System**

The Group continues to improve its safety management structure. The chairman and general manager shall be the first responsible person of the Work Safety Committee. The Work Safety Committee's Office coordinates work safety management. The heads of functional departments at headquarters, subsidiaries and regional companies are the first responsible persons for work safety at all levels.



Safety Management Structure

The management of the Group regularly monitors the Company's work safety. The Safety Supervision Department reports to the Party Committee once every six months, to the Board of Directors once every quarter, and to general manager once every month, and holds special meetings with management participation for discussion. The Group signs the Work Safety Responsibility Agreement every year. Each regional company establishes a safety committee management center with a direct person responsible for work safety that implements regional safety management and safety supervision for construction projects, requiring employees to strictly implement safety operation norms and conducting safety knowledge assessment and on-site practical ability assessment to implement employee safety protection and ensure that the work safety is integrated into the front-line operations.

◎ **Work Safety Management Measures**

• **Optimize Safety Inspection and Assessment**

We develop "Construction Digital Intelligence Platform", which covers the management of dangerous projects, early warning of foundation pits, safety inspection, safety acceptance, supervision and monitoring, etc., and conducts digital intelligence management of work safety. We conduct comprehensive safety inspection through regular inspection, flight inspection, special inspection and third-party assessment. The inspection and assessment program is continuously improved to further deepen the qualitative and quantitative indicators and clarify the safety management red line. During the reporting period, we launched 2,884 safety inspections and 2,565 emergency drills.

• **Reinforce Responsible Performance Management**

We establish a "Management Assessment Point System" and "Supervision Mechanism for Safety Management with Red and Yellow Card", linking work safety performance with the annual performance of the first responsible person and senior management of the project, centralizing the management of safety performance, so that the work safety requirements can be effectively implemented in every section.

• **Strengthen Safety Capability Cultivation**

We strengthen the investigation and management of on-site hidden dangers and promote in-depth special rectification of safety in key areas, continuously increasing investment in on-site safety equipment and facilities as well as conducting emergency plan drills such as fire drills, so as to improve the level of safety control. At the same time, being precautionous beforehand, we deeply analyze the causes of past accidents and formulate corrective and preventive measures with timely responsibility determination and rectification.

• **Deepen Safety Culture Construction**

We develop and implement a work safety education and training program covering all employees, including the primary person responsible for work safety, safety management personnel, practitioners, special operation workers and related parties into the training system. At the same time, we also normalize safety culture activities, conducting monthly work safety education activities for all employees to raise awareness of work safety.

In 2022, 11,169,312 hours of occupational health and safety training and 232,694 person-times of safety education were provided, covering several topics, including working at heights, fire management, electrical safety, office safety, etc.

Safety Management of Related Party

The Group attaches importance to the management of the employment safety of related parties such as contractors. It formulates internal management policies such as the Management Rules for Safety of Related Parties and the Notice on Further Strengthening the Management of Employment Health of Related Parties, to manage and supervise the whole process of related party safety with regular inspection and assessment of occupational health and safety risks of related parties.

We include accidents occurring within related parties into our accident management and include related party safety management into the internal safety assessment of the enterprise to ensure the safety of related party employment with strict safety management measures. During the reporting period, no work-related fatalities occurred among suppliers and contractors on the construction site.

CHAPTER 4 BUILDING A HARMONIOUS SOCIETY

We actively fulfill corporate social responsibilities with concerns about the well-being of the people, playing the spirit of responsibility. We continue to improve the supply chain management system and actively cooperate with suppliers, jointly identifying and preventing environmental and social risks in the supply chain, so as to promote the sustainable development of the industrial value chain. Meanwhile, we have been vigorously supporting the coordinated development of the surrounding communities and enterprises in the areas where we operate, contributing to rural revitalization, actively carrying out charitable activities and supporting pandemic prevention and control. We support the harmonious development of society in all aspects by continuously creating good values.



MANAGEMENT APPROACH

We are committed to developing a harmonious and integrated relationship between the enterprise and society, and promoting the common development of the Company and society. We continue to strengthen collaboration with suppliers, building a responsible supply chain, so as to transfer the concept of sustainable development to the upstream and downstream value chains. We support community development through continuous affordable housing construction, urban renewal promotion, cooperative education and diversified community activities. We organize employees to actively purchase agricultural products with paired-up assistance in response to the call for national rural revitalization policy. In addition, we also actively carry out volunteer activities and charitable donations to support community pandemic prevention, bringing warmth to the community.

Laws or regulations that the Group's supply chain and public charity comply with:

- Law of the People's Republic of China on Bid Invitation and Bidding
- Charity Law of the People's Republic of China
- Law of the People's Republic of China on Donations for Public Welfare, etc.



Major internal policies of the Group's supply chain:

Issue	Responsible Supply Chain Management	
Policies	Management Measures on Bidding and Procurement	Strategic Procurement Results Management Rules
	Management Rules on Construction Suppliers	Management Rules for Bid Invitation and Procurement for Non-construction Projects
	Supplier Management Rules for Non-Construction Project	Management Measures for Bid Invitation and Procurement for Construction Projects
	Guidelines for Shortlisting Material and Equipment Suppliers	Management Rules for Design (Consulting) Service Providers
	Pre-recruitment Work Manual	Guidelines for Shortlisting (Selecting) Material and Equipment Suppliers
	Management Rules of RFP Leading Team Meetings	Detailed Rules for the Implementation of Bidding and Procurement
	Management Guidelines of Bid Evaluation Experts for Construction Projects	Guidelines on Risk Management of Bid Determination for Construction Projects
	Management Measures for Selection of Contractors and Bid Evaluation Experts	Guidelines on Risk Management of Construction Project Performance
		Guidelines on Risk Prevention and Control for the Application of Strategic Procurement Results of Construction Projects

Target	Annual Achievements
Build digital supply chain and optimize ESG management of the supply chain 	<ul style="list-style-type: none"> Yuexiu Property's bidding and purchase platform has been awarded "Level 3 Safety Level Protection Certification", the highest national certification for non-bank institutions The signing rate of the Integrity Agreement for suppliers was 100%
Promote community building and support enterprise development 	<ul style="list-style-type: none"> Invested in Guangzhou's first fully self-owned affordable rental housing land Carried out the "Spring Breeze Action" to help renew old communities Reduced rents for small and medium-sized enterprises to relieve their economic pressure
Build volunteer teams and carry out public welfare activities 	<ul style="list-style-type: none"> Strengthened volunteer team building and carry out public welfare activities The total number of volunteers is 2,630, with 25,877 hours of volunteer service and 158 volunteer activities

4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN

17

PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

The Group extends its sustainable development efforts to the supply chain, strengthening supply chain risk control and reducing ESG-related risks in the supply chain. We also set expectations and requirements for suppliers on important ESG issues such as construction quality assurance, environmental protection and safety, business ethics and labor management, and clarify supplier selection, access and assessment criteria around "selection, service, development, retention, elimination". At the same time, we develop strategic cooperation with our partners to jointly promote the responsible development of the industry chain.

Digital Supply Chain

The Group revised the Management Measures on Bidding and Procurement and the Detailed Rules for the Implementation of Bidding and Procurement, and newly formulated the Management Rules on Construction Suppliers and Supplier Management Rules for Non-Construction Project to manage the whole chain of suppliers in six dimensions: supplier resource solicitation, resource screening, inspection and selection, performance evaluation, re-evaluation and graded management. The Group also continues to optimize its supply chain management capabilities by improving digitalization, refining the selection review, perfecting the performance evaluation, and strengthening the control of environmental and social risk factors.

◎ **Digital Construction of Bidding and Purchase Platform**

We have built a digital bidding and purchase platform with three main modules, namely supplier module, bidding and purchase module and mall module, to achieve closed-loop monitoring of "sourcing, introduction, inspection, performance and evaluation" of suppliers, and trace management of the whole process of "calling, invitation, opening, evaluation and determination" of bidding. In 2022, Yuexiu Property's bidding and purchase platform was awarded "Level 3 Safety Level Protection Certification", the highest national certification for non-bank institutions.

◎ **Supplier Selection Review**

For potential suppliers, we conduct qualification reviews from multiple dimensions, such as historical cooperation, credit, qualification, ability to undertake and willingness to cooperate, strictly controlling the basic criteria for selection, and we ensure to provide a fair competition environment for suppliers. We set up an inspection team for supplier qualification inspection and on-site inspection, and refer to information released by "National Enterprise Credit Publicity System", "Credit China", "National Construction Market Supervision and Service Platform", to fully understand suppliers' qualification performance, performance capability and risk prevention measures. The inspection team summarizes the scoring results online, and the report is automatically generated on the digital bidding and purchase platform to realize traceable information and evidence-based outcomes.

◎ **Supplier Performance Assessment**

We regularly assess the performance of suppliers, with several departments evaluating and scoring from dimensions of safety and civilization, site management, progress, quality and after-sales service. In particular, we pay special attention to assessing labor rights and interests, occupational health, quality and safety matters, and deduct points according to the severity of the relevant issues. Suppliers who have objections to the performance assessment results can fill out the "Appeal against the Result of Supplier Performance Assessment" for online feedback and appeal to ensure that the performance assessment process is fair and transparent.

In addition, we plan to incorporate third-party professional assessment institutions, objective quantitative indicators of internal process management, and owner evaluation into the supplier performance assessment system, relying on the digital bidding and purchase platform to realize the direct import of objective data into the process, so as to improve the efficiency and objectivity of performance assessment.

◎ **Supply Chain Risk Control**

We have formulated the "Guidelines on Risk Management of Bid Determination for Construction Projects", "Guidelines on Risk Management of Construction Project Performance" and "Guidelines on Risk Prevention and Control for the Application of Strategic Procurement Results of Construction Projects" to refine key aspects of risk control and continuously reduce environmental and social risks in the supply chain.

By optimizing the suspension, locking, removal and blacklist management of suppliers' behavior, refining the management of project execution teams, and introducing Yuexiu Group's risk prevention and control tool Qixinbao, we optimize the ability to accurately identify Yuexiu Group's risks of environmental protection, labor rights and interests, business ethics, and product quality of suppliers and improve the management ability of the supply chain. In 2022, we applied brand-based sorting to categories of procured materials and systematically improved procurement layout ability and in-depth management level. Based on brand sorting, we reorganized supplier resources, carried out planned sourcing and made replacement adjustments to resources according to procurement scale and resource plans, and further strengthened refined management of material procurement and supplier risk management.

Optimization of "blacklist" management of supplier behavior

For the significant adverse risks in the supplier's performance, the corresponding suspension, locking, removal and blacklist management mechanism is formulated, and the warning and accountability mechanism is improved.

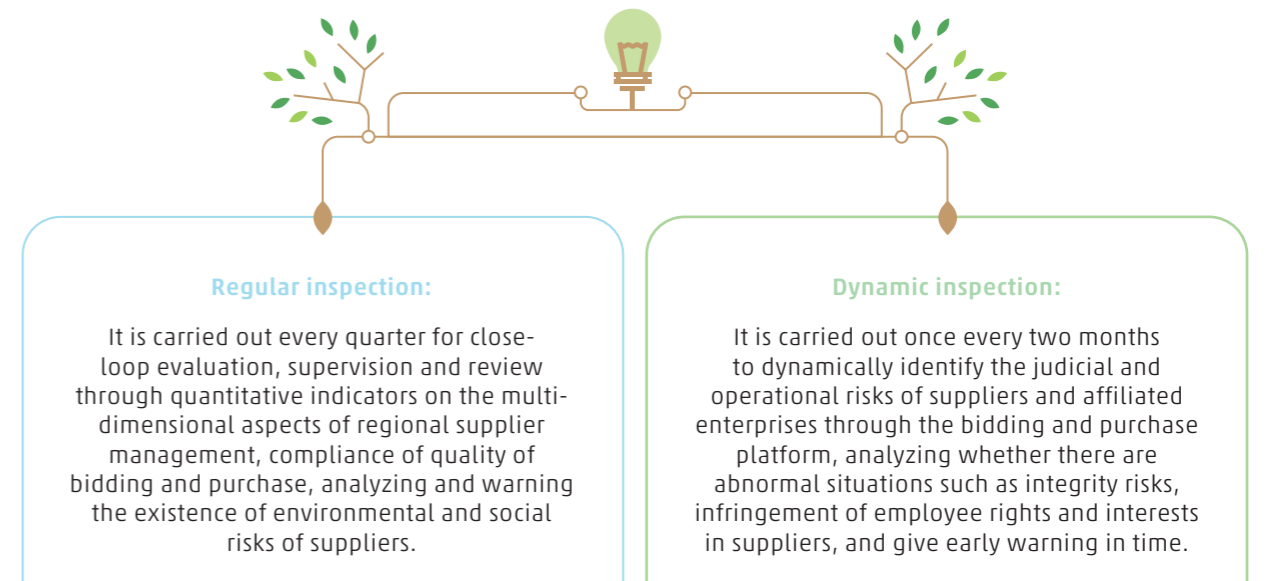
Refined management of key supplier project teams

Carry out refined management and control of key supplier project management teams, dynamically monitor the implementation of the project manager team, implement lean supplier management, and improve the management quality.

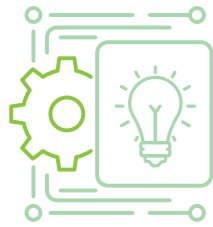
Introduction of the risk prevention and control tool Qixinbao

A risk prevention and control tool, Qixinbao, has been fully introduced into the supplier module of the bidding and purchase platform, which provides multi-dimensional risk prevention and control and monitoring of the supplier's environmental and social factors such as business, finance, justice, news and public opinion, and the status of affiliated enterprises, strengthening our ability to check the third-party risks of suppliers.

At the same time, we actively carry out digital optimization of the bidding and purchase platform, iterating the remote bid evaluation and monitoring system. We carry out environmental and social risk prevention and control of suppliers through regular and dynamic inspections.



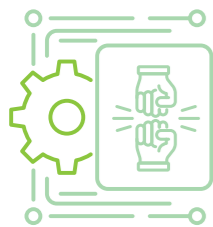
Sustainable Supply Chain



◎ Create a Green Supply Chain

We strictly comply with national, local and industrial standards. The waterproof materials purchased must be certified as green products and green building materials, based on GB/T 35609-2017 Green product assessment - Waterproof materials and sealants and CNCA-CGP-13:2020 General Rules for Graded Certification of Green Building Material Products, etc. For coating procurement, we require suppliers' products to meet the technical requirements of HJ 2537-2014 "Technical requirement for environmental labeling products - Water based coatings". We have added the procurement of 0 formaldehyde coatings and anti-formaldehyde coatings for interior wall coatings and the product description of reflective heat insulation for exterior wall coatings. We have continuously increased the procurement of environmentally friendly and energy-saving products. By the end of the reporting period, more than 20 categories of materials have been certified as green building material products.

At the same time, in the research on policies and standards such as green buildings, zero carbon building and sponge cities, we simultaneously study their impact on materials, processes and suppliers and countermeasures, and actively explore green technologies, green products and green development paths in cooperation with suppliers by establishing a green product supplier pool.



◎ Build a Clean Supply Chain

We continue to refine the integrity management of suppliers, paying attention to the integrity of suppliers in various management processes and nodes of the supply chain risk control system. New outbound management requirements are added, and suppliers with potential significant integrity risks are timely removed. We require our suppliers to sign the Integrity Agreement. During the reporting period, the signing rate of the Integrity Agreement for suppliers was 100%. In addition, in order to better monitor the integrity of the supply chain, we utilized the "Transparent Procurement Information Release Platform for Guangzhou State-owned Enterprises" to realize the automatic match, promotion and release of relevant information announcement to promote the supervision of key procurement matters and transparent procurement.

In 2022, we regularly conducted supplier integrity communication meetings to provide strong support for suppliers to improve their integrity management capabilities through the following ways: publicizing and implementing the Company's latest integrity management system to suppliers, introducing past cases of integrity problems, clarifying the links prone to integrity risks in the bidding and purchase process and the preventive measures, and making public the complaint and reporting channels. During the reporting period, the Group carried out 11 integrity training sessions for suppliers, with a total number of 224 participants and a total training time of over 8 hours.

Case

Supplier Integrity Symposium

In order to promote procurement integrity, Guangzhou Yuexiu Xingye Property Agent Ltd. held a symposium with suppliers on "building integrity together, keeping honest together" through the form of "online + offline".

By interpreting the Company's "Bidding and Procurement Management System" and "Supplier Management System", we publicized and implemented the bidding and procurement management, bidding procedures, supplier requirements and other contents to explain the openness, fairness and equity of bidding and procurement management to suppliers. We also interpreted the "Undertaking for Personal Integrity" and the "Ten Prohibitions" and combined them with actual cases to reiterate to suppliers the behaviors of violating the integrity regulations and breaking the integrity cooperation, further clarifying the responsibilities and consequences of violating the red line.



Supplier Communication Meeting





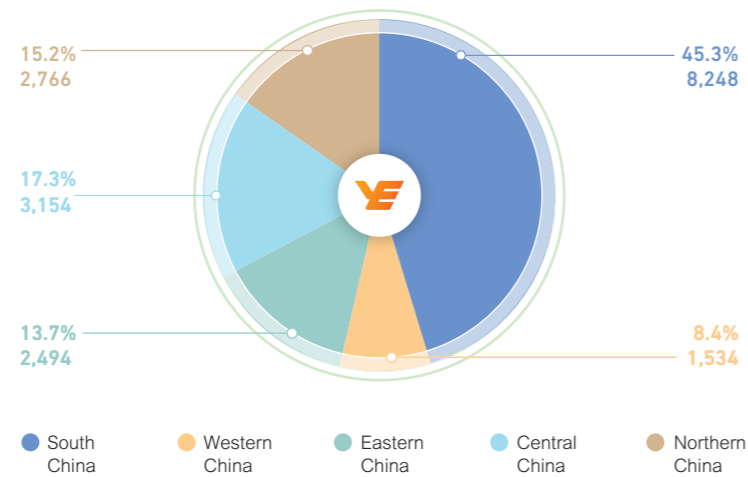
◎ **Promote Supplier Cooperation**

The Group always focuses on establishing long-term strategic partnerships with suppliers, strengthening the integration and utilization of supplier resources, and collaborating to promote diversified cooperation. At the same time, we also strengthen the disclosure with suppliers and cultivate win-win strategic suppliers for long-term cooperation, realizing management value through internal and external synergy and enhancing product delivery capability, so as to achieve a win-win situation in both market and reputation.

We continue to optimize resource structure and collaborate with suppliers in deep cooperation to create co-creation and co-research of new products. According to customer pain points and needs, combined with retail market trends, we work with strategic suppliers in deep cooperation to propose innovative research and development of kitchen appliances, integrated panels and other products to improve business capabilities continuously.

Key Performance

As at the end of the reporting period, the number of suppliers of the Group was **18,196**



Number and Percentage of Suppliers by Geographical Regions

4.2 SUPPORTING COMMUNITY DEVELOPMENT



Reduce inequality within and among countries



The Group continues to pay attention to the development of the communities in which it operates and the wider region. We vigorously support community development and build a harmonious and friendly community ecology by building affordable housing, promoting urban renewal, implementing rent reductions, and conducting community-cooperated education and community cultural activities.

Building Affordable Housing

We attach importance to people's livelihood and actively respond to the national spirit of "speeding up the establishment of a housing system with multiple types of suppliers, multiple channels for housing support, and encouragement for both renting and purchase", effectively strengthening the supply of affordable housing to help society alleviate the housing difficulties of low-income families, so that more people will soon have a place to call home.

Key Performance

During the reporting period, we invested in Guangzhou's first fully self-owned affordable rental housing land; There was **1** new affordable housing projects with a scale of approximately **90,600** square meters.

Promoting Urban Renewal

We are committed to revitalizing the city and promoting urban renewal. We also emphasize the synergy and upgrading of regional industries, improving the urban environment and residents' quality of life, and promoting high-quality regional economic development.

Case

“Spring Breeze Action” - Renovation of Old Community Facilities and Equipment

In 2022, Yuexiu Property launched the “Spring Breeze Action” program for 115 projects nationwide to promote the renovation of old communities, comprehensively assisting urban renewal and improving residents' quality of life. As of the end of the reporting period, the program has invested more than RMB20 million in maintenance funds to renovate old community environments, facilities and equipment in garages and other public areas.



Case

Development of Urban Renewal and Industrial Coordinated Upgrading Projects

In 2022, we actively developed urban renewal and industrial coordinated upgrading projects to optimize urban and industrial space, helping to upgrade Guangzhou's industries and improve residents' quality of life.

- Allocate resettlement housing projects in the Guangzhou Paper Group Area of Haizhu District, Guangzhou, to provide high-quality resettlement housing and properties for the area and to support the government in accelerating the revitalization of land resources along the Pearl River, achieving high-quality development of the last section of Pearl River;
- Develop the Guangzhou-Hong Kong Collaborative Innovation Hub project in Guangzhou Qingsheng Industrial Park. Based on the resource advantages of Yuexiu Group and Hong Kong University of Science and Technology, build an international industry-university-research enterprise service platform to help Guangzhou's industrial upgrading;
- Carry out the village renovation project in Yayao Old Village, transform the old village into a new high-quality community based on green ecological civilization, comprehensively improving the villagers' living experience.



Yayao Old Village Site



Rendering of Yayao Old Village Renovation

Implementing Rent Reductions

The Group has actively implemented rent reduction measures for enterprises facing operation difficulties and introduced a series of "rent reduction and waiver" measures to alleviate the economic pressure on small, medium and micro enterprises, helping them resume production and healthy development during the COVID-19 pandemic.

Key Performance

As at the end of the reporting period, the Group implemented rent waivers of approximately RMB**64 million** for state-owned property projects under its management according to policy requirements; Yuexiu Services implemented rent waivers of approximately RMB**30 million**.

Conducting Community-cooperated Education



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Adhering to the symbiosis between real estate and education, we actively carry out community-cooperated education in the communities we operate, creating "communities with education" and effectively solving the problem of school enrollment for community residents.



Case

Construction of Community-Supported Schools

In 2022, we actively planned to set up a number of new public kindergartens and schools to support the project, providing kindergarten opportunities and primary and secondary school opportunities for the residents of the surrounding communities, which met residents' need for school enrollment to the greatest extent.



Kindergarten Opening Ceremony



Key Performance

During the reporting period, nearly **20,000** compulsory public education opportunities and **1,170** public affordable kindergarten opportunities were provided to **9** communities.

Carrying out Diverse Cultural Activities

We carry out a variety of property community cultural activities in communities. We are committed to realizing the cultural concept of co-governance, sharing and co-growth with community residents, thus linking families, communities and cities and creating a beautiful, warm and sustainable service circle of quality life.

According to the demand for cultural activities for all age groups in the community, we have planned four major themed activities: "Yue+Life", "Yue+Action", "Yue+Learning" and "Yue+Station", which are divided into different modes to meet the needs of community residents of different ages. We also focus on caring for the three special groups in the community: children, the elderly and women, and offer themed activities such as children's study and growth, elderly care, social gathering, and sports and health, respectively.

Key Performance

During the reporting period, more than **800** cultural activities and nearly **1,000** convenient service activities were carried out.



4.3 BOOSTING RURAL REVITALIZATION



End poverty in all its forms everywhere



End hunger, achieve food security and improved nutrition and promote sustainable agriculture



The Group actively responds to the call of the national rural revitalization strategy, carries out work through consumption of agricultural and sideline products, technical assistance in villages and paired-up assistance and continue to strengthen the construction of volunteer service teams for rural revitalization, promoting economic development in rural areas, improving villagers' living environment and helping farmers enhance their confidence.

In 2022, Yuexiu Property actively carried out East-West paired-up support and invested nearly RMB300 million to help rural revitalization and high-quality economic development in Bijie City, Guizhou Province. We have built the Fairfield by Marriott in Bijie City to boost the local economy with high-end hotel operations. We also conduct the integration of enterprises with vocational schools and universities to train hotel talents continuously. We promote the organic connection between the education chain, talent chain and industry chain and innovation chain of the regional service industry in an all-around way, boosting rural revitalization.

In addition, the regional companies called on all employees to actively participate in the "2022 Guangdong Poverty Alleviation and Relief Day" charitable donation activity, donating a total of RMB100,000; the staff of Guangzhou Urban Construction Development and Design Institute Co., Ltd. donated RMB15,338 to the Goodness & Beautiful Village Project of Guangzhou Charity Federation.



Changsha Starry City

Case 

Assistance Through Consumption of Agricultural and Sideline Products

In 2022, the Group continued to boost rural revitalization by actively purchasing various agricultural products:



Unions at all levels of Yuexiu Property actively purchased various agricultural and sideline products such as Ciningji, Guilinggao Jelly, etc., amounting to about **RMB 2.64 million**;



Subsidiaries of Yuexiu Property purchased Zengcheng Xian Jin Feng litchi, Heyuan salt-baked chicken, frozen chicken and other rural revitalization products through cloud platforms such as "Enjoy Club", totaling more than **RMB 930,000**.



4.4 PRACTICING PUBLIC WELFARE ACTIVITIES

The Group actively practices public welfare activities and continues to deliver positive energy to society through practical actions. We enhance volunteerism and dedicate ourselves to public welfare education, motivating employees to support education development together.

Enhancing Volunteerism

We create a service brand "Yue Volunteers" and build a resource-sharing platform, organizing volunteers to enter and care about the community and promoting the close integration of harmonious community construction. We hold diversified volunteer activities. We carry out volunteer services such as disaster relief, old village education, housing purchase guidance, decoration design, safety supervision, elderly care and housekeeping, science popularization into communities, psychological counseling, medical care, etc., in combination with the "March 5th Learn from Lei Feng Day", "New Era Civilization Practice", "December 5th International Volunteer Day", as well as the Spring Festival, Dragon Boat Festival, Double Ninth Festival and other important festivals.

Yuexiu Property and its subsidiaries are also actively engaged in various volunteer activities and charitable donations in the community:



Together with the QianYun community, we organized youth league member volunteers to carry out the activity, "Plogging in the Qianyun Community", plucking the garbage on the roadside of the Qiantang River, contributing to environmental protection and jointly guarding the beautiful environment;



The public welfare volunteer activities were carried out 15 times, including "Light up the countryside, protect children's dreams" to fulfill rural children's micro-wishes, 99 Giving Day charity bazaar and the first Earth Tipping Point environmental protection and other public welfare activities;



Five public welfare activities were organized around the theme of "caring for the disabled", "gratis blood donation" and "donation of anti-pandemic materials", with a total donation of RMB15,425.



Heshan Starry Regal Court

Case 

Volunteer Service into Every Household

Adhering to the concept of "Doing Practical Things for People", the Yuexiu Health Volunteer Team cooperates with the Guangzhou Volunteers Association to carry out volunteer activities such as charity treatment, home appliance repair (air conditioners, fans, kitchen ventilators, etc.), eye examinations, Chinese medicine package experience, etc. In 2022, the Yuexiu Health Volunteer Team carried out volunteer activities more than 20 times, accumulating nearly 500 hours of volunteer service and serving over 3,000 people.



Charity Treatment - Eye Examination



Convenient Haircut



Charity Treatment - Free blood pressure measurement



Charity Treatment - Doctor Consultation

Case 

Formation of Yuexiu TOD Starlight Alliance Volunteer Team

In 2022, Yuexiu Property Greater Bay Area Rail Transit Development Co., Ltd. set up the Yuexiu TOD Starlight Alliance Volunteer Team, the first volunteer team jointly formed by the Company's young staff and community residents. It has carried out 24 volunteer activities of "Staff + Owners" with 128 participants. During the summer vacation, the "Little Librarians" were recruited for community residents and employees. Each of the 20 activities was fully enrolled, driving community children to participate in social practice activities actively during the vacation.



Volunteer Service Site



Volunteer Service Teams

Key Performance

As at the end of the reporting period, the total number of volunteers was **2,630**, with **25,877¹** hours of volunteer service and **158** volunteer activities held.

¹ Include 19,000 hours for which the Group provided volunteering services in the fight against pandemics in 2022.

Dedicating to Public Welfare Education



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



We actively contribute to quality education in the new era and carry out various public welfare activities in education. By carrying out public welfare donations and public welfare classes, we further promote education equity and education model innovation.

Case

Organization of the Charity Run

In August 2022, we held the Yuexiu Community (Guangzhou) Owners' Games and 2022 Charity Run. We made a donation based on the total number of kilometers run by all runners, and the money was used to purchase educational books to donate to Yuexiu Foundation and Guangzhou YangAi Special Children Parent Club.



Site of Owners' Games



Site of Charitable Book Donations

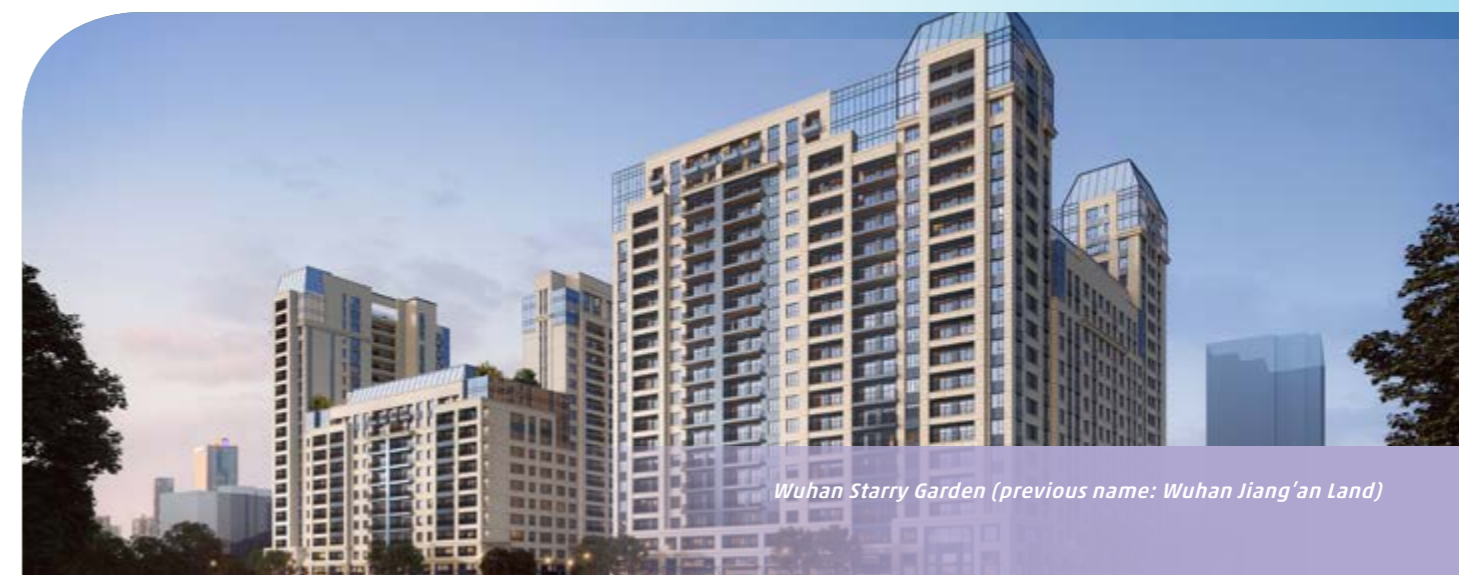
Case

Creation of "Yue Class" Public Welfare Class

In 2022, we offered 6 "Yue Class" public welfare classes in total, and nearly 54,000 youths participated in interactive learning online. In November, Yuexiu Property Central China created a new "Yue Class" public welfare class at Hunan Youth & Children's Center. The content of the public welfare class includes a tour of Hankou's historical style area, a study tour of Wuhan University and a city tour of Changsha, etc. The class is dedicated to letting children inspire new thinking, explore new things and create new motivation through a new education model.



"Yue Class" Extracurricular Practice Activity

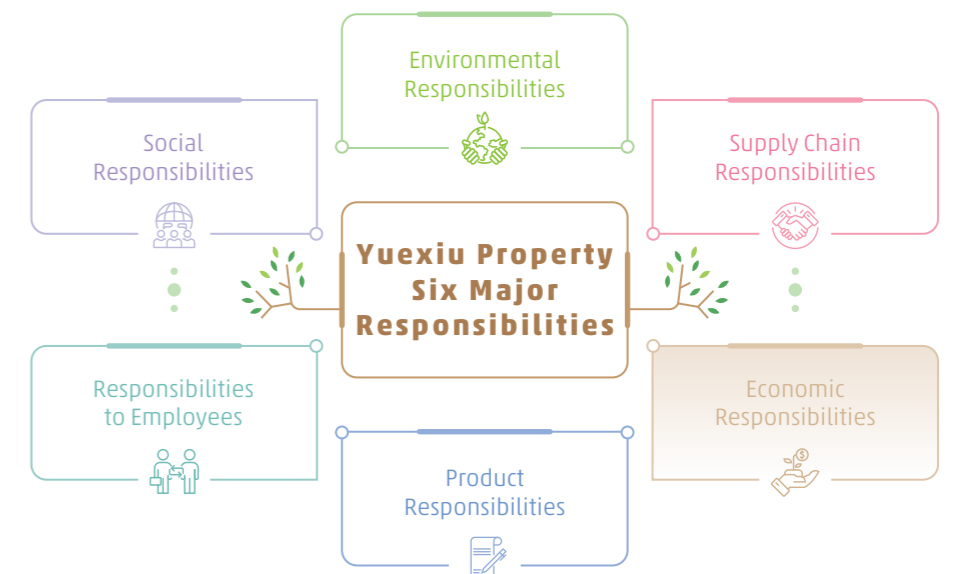


Wuhan Starry Garden (previous name: Wuhan Jiang'an Land)

CHAPTER 5

CORPORATE GOVERNANCE

Healthy corporate governance is an essential foundation for sustainable corporate development. The Group places top priority on enhancing governance capabilities and improving responsible governance. In 2022, the Group focused on corporate business ethics, responsible governance and intellectual property protection, promoting fair industry development and laying an important cornerstone for the creation of long-term economic and social value.



MANAGEMENT APPROACH

The Group strictly complies with relevant national and industry laws and regulations, abides by business ethics and continues to improve its corporate risk management system and related measures to ensure that its business development meets compliance requirements and guarantees sound and compliant corporate operations. In 2022, we continued to optimize the risk management system with zero tolerance for corrupt practices, and continued to enhance our intellectual property protection capabilities to protect the sustainable development of the enterprise.

Laws or regulations that the Group's corporate governance comply with:

- Company Law of the People's Republic of China
- Anti-Money Laundering Law of the People's Republic of China
- Anti-Monopoly Law of the People's Republic of China
- Anti-Unfair Competition Law of the People's Republic of China
- Interim Provisions on Prohibition of Commercial Bribery, etc.



Xi'an Xixian Land

Major internal policies of the Group's corporate governance:

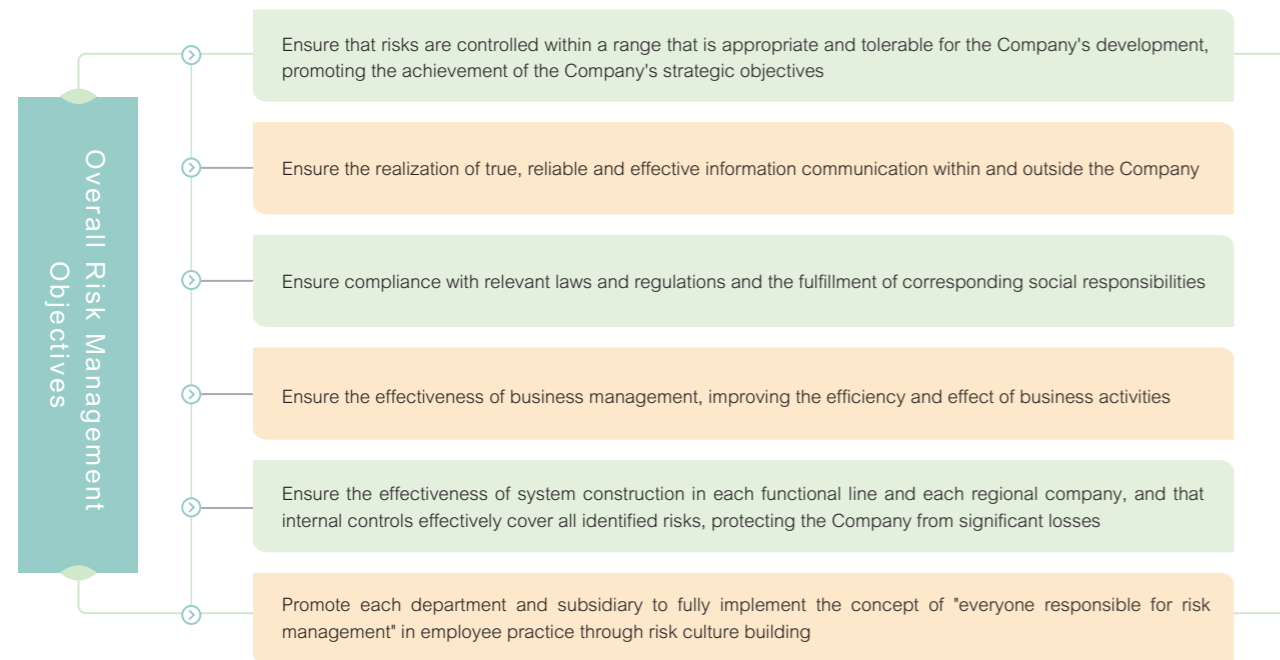
Issue	Responsible Governance	Business Ethics & Anti-Corruption
Policies	<ul style="list-style-type: none"> Management Measures for Labor Contract Comprehensive Risk Management Measures Internal Audit Regulations Compliance Management Measures 	<ul style="list-style-type: none"> Administrative Rules for Integrity Supervisors Management Measures of Compliant Letters and Visits Accountability Management Measures Clues Management Measures Reward and Penalty Management Rules Fund Management Measures Detailed Rules of Three Public Expenses

Target	Annual Achievements
Conduct risk management training 	<ul style="list-style-type: none"> Conducted two risk management trainings for the Board, both with 100% participation Organized more than 8,000 employees to attend relevant training courses
Carry out regular internal audit 	<ul style="list-style-type: none"> 100% coverage of comprehensive internal audits and special audits
Strengthen integrity and honesty building 	<ul style="list-style-type: none"> 100% signing rate of "Undertaking for Personal Integrity" for new employees Organized 6,373 employees at all levels to receive integrity and discipline education and trainings Carried out 19 joint integrity-developing activities with suppliers along with projects

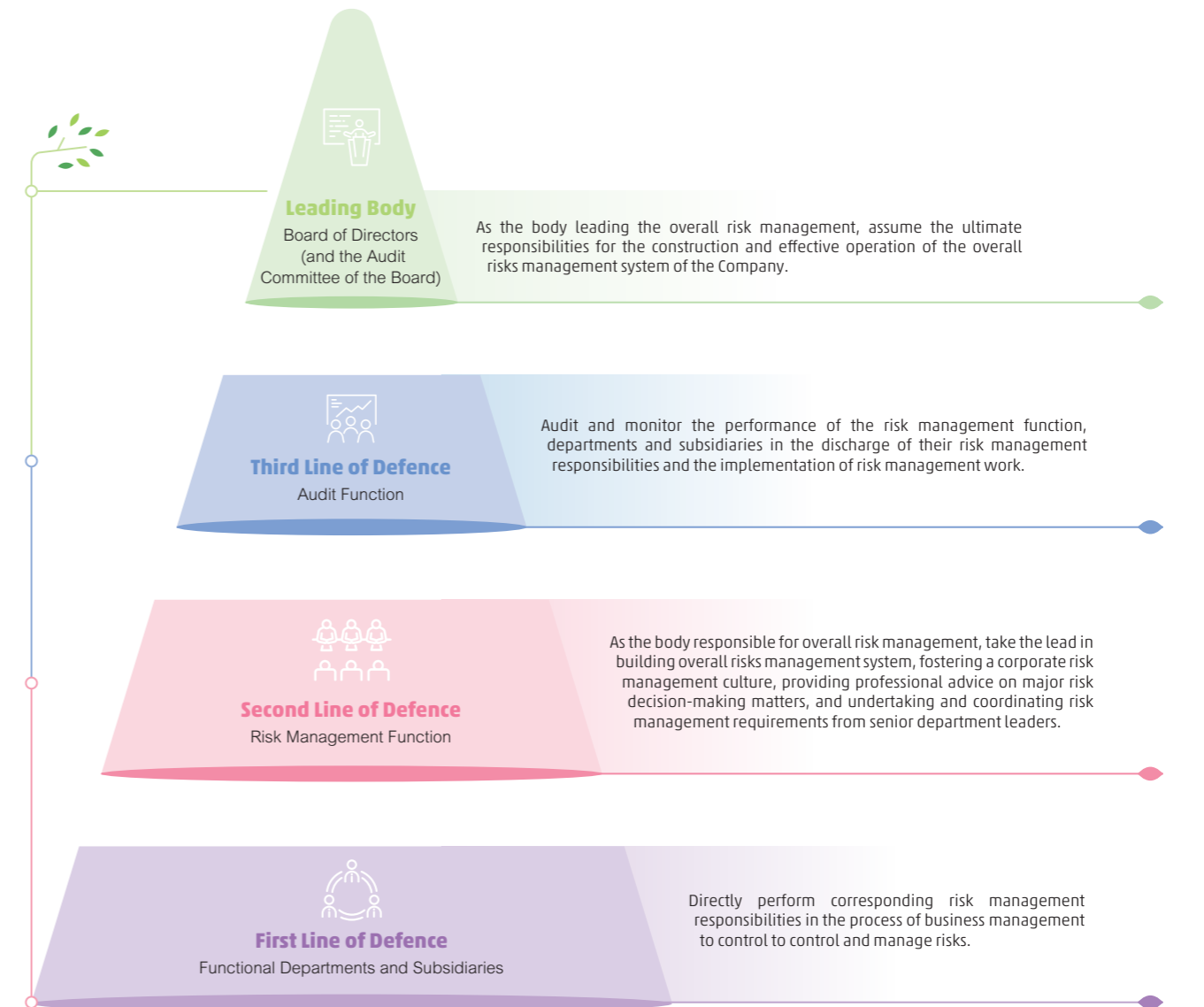
5.1 RISK MANAGEMENT

Due to the uncertainty of the internal and external environment, the complexity of production and operation activities and the limitation of enterprise capabilities, we are deeply aware that only by establishing a sound risk management mechanism can the enterprise better allocate its internal resources and enhance its forward-looking risk management capability, while enhancing the confidence of stakeholders in the Group. We establish a risk management structure, risk identification process and risk response measures suitable for corporate development to clarify the Company's objectives and principles for internal control management and risk management, and carry out risk management monitoring and supervision to continuously strengthen the level of corporate risk management, providing a solid guarantee for healthy and orderly business development, and helping achieve high-quality development.

The Audit Committee under the Company's Board of Directors is composed of three independent non-executive directors to review the Company's financial monitoring, internal control monitoring and risk management mechanism. The Audit and Risk Management Department is responsible to the Audit Committee for issuing annual reports on risk management and internal monitoring while regularly reporting on the internal and external risk situations and management and control of the Company. Focusing on corporate strategy and business objectives, we carry out the basic process of risk identification, assessment, response and supervision in critical aspects of the business process. We formulate and implement risk management regulations such as the Comprehensive Risk Management Measures, the Internal Audit Regulations and the Compliance Management Measures, cultivate a risk management culture and establish a risk management information system, thereby effectively preventing various risks and achieving management improvement.



Based on the enterprise risk management mechanism, we have set up three-tier closed-loop risk management structure and defined the responsibilities of each department: functional departments and subsidiaries directly perform corresponding risk management responsibilities in the process of business management to control and manage risks as the first line of defence; the risks management function is responsible for building a comprehensive risk management system as the second line of defence to cultivate corporate risk management culture and provide support for risk management decision-making; the third line of defence lies in the internal audit and monitoring of audit function which evaluates and manages the internal performance.



During the reporting period, the Group carried out two risk management trainings for the Board with 100% participation. Over 8,000 employees were organized to attend relevant training courses such as "Four Good Strategic Risk Employee Research Training", "Big Data Risk Control Monitoring Talent Empowerment Training" and "Weekly Risk Control News", with a total training time of over 15 hours.

5.2 BUSINESS ETHICS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



We are committed to upholding business ethics and have zero tolerance for frauds and corruptions, taking shape a good environment that encourages fair competitions and integrity within the Group. We resolutely crack down on corruption, bribery, extortion and money laundering in any form. During the reporting period, the Group have not involved in any litigations relating to corruption, money laundering, unfair competition or monopoly.

◎ **Anti-corruption**

The Group strictly abides by national laws and regulations and continuously intensify its anti-corruption management. We have set up a thorough anti-corruption management structure and established an accountability leading group on integrity construction which was chaired by the Chairman of the Board, and set up a working group to manage the specific implementation of the Group's anti-corruption work, and coordinate the implementation of anti-corruption related management by various functional departments and subsidiaries. To strengthen management's participation in anti-corruption supervision, an Integrity Construction and Anti-Corruption Work Coordination Group composed of the supervisors, the head of the Discipline Inspection Office and the heads of other relevant functional departments has been formed, which holds quarterly joint supervision meetings and special meetings to carry out special research on the rectification and improvement of special issues, the solutions to issues identified in the inspection of key business lines and the analysis of the findings of various types of complaints and reports, continuously improving the level of anti-corruption management.

Meanwhile, we have established and improved relevant management systems such as the Administrative Rules for Integrity Supervisors, the Accountability Management Measures, the Management Measures of Complaint Letters and Visits and the Clues Management Measures and have updated the Reward and Penalty Management Rules during the reporting period, to further urge employees to stick to integrity. In 2022, the signing rate of "Undertaking for Personal Integrity" for new employees was 100%. In order to better standardize employees' behaviours and improve their integrity awareness, the Group vigorously promoted compliance operations through three major management measures.

Education		<p>Strengthen integrity education of grass-roots staff</p> <ul style="list-style-type: none"> Sort out typical realistic cases of violation of rules and regulations in the trainings Classify trainees and teach according to their ability
Supervision		<p>Stimulate supervision effectiveness of main business</p> <ul style="list-style-type: none"> Intensify daily supervision and stimulate the effectiveness Promote and monitor the implementation of key projects Focused on pain points, enhance supervision effectiveness
Punishment		<p>Seek temporary and permanent solutions by intensified investigation and punishment</p> <ul style="list-style-type: none"> Maintain a tough position in investigating typical problems in detail Improve general effect of accountability and punishment via strict management Attach great importance to systematic governance, contributing to higher quality and efficiency in business

The Group carries out regular internal integrated audits and special audits, with coverage scope reaching

100%

The Group carries out regular internal integrated audits and special audits, with coverage scope reaching 100%. In 2022, we have conducted 90 risk compliance special audits, 4 economic responsibility audits and 28 internal investigations against the clues for suspected violations of rules and regulations, and put forward 43 internal management recommendations for integrity risk prevention, control and improvement according to the identified issues.

In 2022, we organized and participated in many inter-enterprise anti-corruption exchange activities, and we also actively mobilized our internal and external resources to create a good environment of integrity and honesty.

Key Performance

Middle and senior management cadres took the lead in initiating 4,405 heart-to-heart talks	Organized 6,373 employees at all levels to receive integrity and discipline education and training	Carried out 19 joint integrity-developing activities with suppliers along with projects
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◎ **Anti-Money Laundering and Anti-Unfair Competition**

The Group strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China and other laws and regulations, and formulates the Fund Management Measures, the Detailed Rules of Three Public Expenses and other internal systems. The financial department is responsible for the raising, utilization, balance and allocation of the fund of the Group on a consolidated basis. It has always been on the alert for any employees and suppliers to commit money laundering, terrorist financing, and improper profit-making activities and whether they adhere to compliant operations.



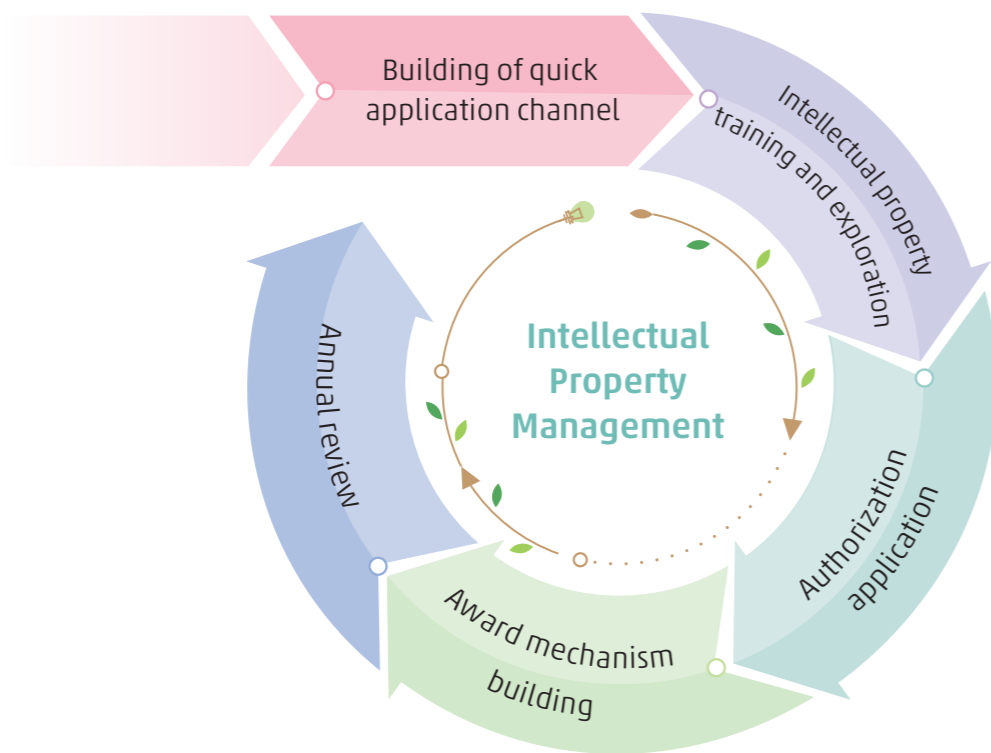
◎ **Reporting Management**

The Group manages and protects whistle-blowers in accordance with the Management Measures of Compliant Letters and Visits, we have also developed the Guidelines for the Confidentiality of Information Reported in Letters and Visits to enhance the protection of whistle-blowers. The whistle-blowers can report through email and telephone designed by commission for discipline inspection. We keep the real-name and anonymous informant's identity information and materials involved in the investigation process highly confidential and strictly control access scope to the reported information. Any retaliation against the informant is strictly forbidden and once spotted, we will process it seriously.

Report email: jubao@yuexiuproperty.com
Report phone number: 020-88831325

5.3 INTELLECTUAL PROPERTY

The Group attaches considerable importance to the protection of intellectual property and thoroughly abides by the requirements of laws and regulations concerning intellectual property. We have formed a management mechanism derived from system construction for intellectual property training, exploration, authorization application, award and assessment in order to conduct efficient and extensive intellectual property protection. We propose to set up an Intellectual Property Administration Committee and improve the intellectual property management system and coordination process, forming a systemic and reproducible management system.



We enhance protection of intellectual property through trademark registration, patent application, copyright registration and other ways.



As at the end of the reporting period, we had **526** valid registered trademarks (including **6** newly added in 2022)



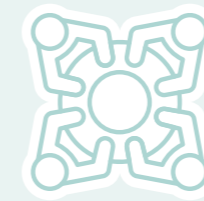
4 valid patents for invention, **65** patents for utility models (including **9** newly added in 2022)



7 appearance designs and **115** registered copyrights including **104** registered software copyrights (including **2** newly added in 2022)

Case

Intellectual Property Training



In 2022, Yuexiu Property invited external professional lawyers to provide two intellectual property trainings introducing the relevant knowledge from two dimensions of copyright infringement prevention and trade secret compliance.

- The training of “legal risks of copyright infringement prevention” highlighted the prevention of computer software copyright infringement and legal risks of marketing and advertising infringement, improving the ability of the employees to prevent from copyright infringement;
- The “trade secret” training gave a description of trade secret’s basic knowledge, constitutive elements, determination of infringement, corporate trade secret compliance and protection strategies, compliance management system building and other aspects, empowering the secrecy supervisor and secrecy specialists.



Intellectual Property Training Site

5.4 SUSTAINABILITY INVESTMENT

The Group proactively explores a path for efficient development, establishes a set of standards for high quality development that conform to its own actual situation and innovates the management and business mode so as to acquire stronger core competitiveness and initiative for development. We believe that the ESG performance of an enterprise is evidence that can prove its ability in environmental protection, social responsibilities, governance mode and risk control and excellent ESG performance can create long-term value steadily and continuously and improve the confidence of society, investors and customers. Therefore, the management of the Group values highly the sustainability investment and conducts comprehensive closed-loop management through strategy making, goal-oriented approach, process management and improvement by review, promoting the progress of sustainability investment effectively.

- Internal environmental protection management**

Tight up the daily environmental management, improve the utilization efficiency of resources and reduce the adverse impacts on environment
- Flexible financing plan**

Clarify the investment direction of projects and select a financing mode conducive to sustainable development and effectively promote sustainable development of projects
- Optimized marketing strategies**

Attach importance to the environmental protection of products, and provide perfect standardized services positioning to satisfy the needs of low carbon, health and humanization
- Sound approval process**

Strictly review the investment returns and impacts on environment when approving a project, to align investment purposes to environmental protection

During the reporting period, Yuexiu Real Estate Investment Trust (Stock Code:0405), an investee of Yuexiu Property, successfully executed an HKD 3.8 billion sustainability-linked loan².

² sustainability-linked loan (SLL) is a financing instrument that can stimulate the borrower to realize the scheduled sustainable performance targets (SPT) through terms of loan.

Social Recognitions



Award

"10th among China's Listed Property Management Companies in terms of Comprehensive Strength 2022"

7th among "China's Property Management Exceptional Companies in ESG Development 2022"

Entity
Yuexiu Services

Awarding unit
China Enterprise Evaluation Association, etc.



Award

19th among "Top 100 China Real Estate Development Enterprises of 2022 in Comprehensive Capability"

16th among "2022 Top 100 Most Valuable Brand of China Real Estate Development Enterprises"

Entity
Yuexiu Property

Awarding unit
EH Consulting



Award

China Property Award of Supreme Excellence 2022

Entity
Yuexiu Property

Awarding unit
The Hong Kong Institute of Financial Analysts and Professional Commentators Limited



Award

Winner, Real Estate Financing Innovation Achievement of the Year

Entity
Yuexiu Financial Tower

Awarding unit
Royal Institution of Chartered Surveyors (RICS)



Award

Excellence, Facility Management Team of the Year

Entity
Yuexiu Commercial (Guangzhou)

Awarding unit
Royal Institution of Chartered Surveyors (RICS)



Award

Finalist, Proptech Innovation Achievement of the Year

Entity
Yue+ Club

Awarding unit
Royal Institution of Chartered Surveyors (RICS)



Award

2022 ESG Brand Influential Enterprise

Entity
Yuexiu Property

Awarding unit
National Business Daily



Award

2022 ESG Benchmark Company of the Year for Listed Companies in China's Real Estate Industry

Entity
Yuexiu Property

Awarding unit
Finance China.com.cns

ESG Performance

List of Environmental Performance Indicators

ESG Indicator		Unit	2020	2021	2022
A1 Emissions					
A1.2 Greenhouse gas emissions and intensity	Greenhouse gas emissions (Scope 1)	Ton (Carbon Dioxide Equivalent)	3,488.44	3,491.21	1,795.56
	Greenhouse gas emissions (Scope 2)	Ton (Carbon Dioxide Equivalent)	54,901.41	68,831.52	62,335.44
	Total greenhouse gas emissions (Scope 1 and Scope 2)	Ton (Carbon Dioxide Equivalent)	58,389.85	72,322.73	64,131.00
	Greenhouse gas emission intensity	Ton/person	5.13	4.43	3.49
		Ton/RMB 1,000,000	1.26	1.26	0.89
	Ton/10,000 m ²	23.79	26.68	22.54	
A1.3 & 1.4 Waste produced	Total hazardous waste	Ton	14.96	14.60	88.68
	Hazardous waste intensity	Ton/person	0.0013	0.0009	0.005
		Ton/RMB 1,000,000	0.0003	0.0003	0.001
		Ton/10,000 m ²	0.0061	0.0054	0.031
	Total non-hazardous waste	Ton	41,563.92	44,987.53	109,174.90
	Non-hazardous waste intensity	Ton/person	3.65	2.76	5.93
		Ton/RMB 1,000,000	0.9	0.78	1.51
		Ton/10,000 m ²	16.94	16.59	38.37
	Waste fluorescent tubes	Ton	11.40	10.90	7.67
	Waste cartridges and selenium drums	Ton	1.24	1.75	2.19
	Waste electronic and electrical equipment	Ton	2.32	1.95	17.92
	Medical waste	Ton	/	/	60.90
	Office paper	Ton	587.14	264.82	206.66
	Construction waste	Ton	40,975.20	44,719.50	102,747.94
	Waste furniture	Ton/RMB 1,000,000	1.58	3.21	32.58
Gardening waste	Ton	/	/	385.54	
Total other harmless waste	Ton	/	/	6,008.84	
A1.5 & 1.6 Waste recovery	Recycling of computers	Piece	335	370	15.44 Ton
	Recycling of metal construction waste	Ton	2,007.18	5,070.20	6,660.05
	Earthwork recycling	Ton	684,459	1,147,746	1,697,480.90

ESG Indicator	Unit	2020	2021	2022	
A2 Use of Resources					
A2.1 Energy consumption and intensity	Gasoline	Litre	396,334.44	479,931.60	228,220.15
	Gasoline intensity	Litre/person	34.80	29.41	12.40
		Litre/RMB 1,000,000	8.57	8.36	3.15
		Litre/10,000 m ³	161.51	177.03	80.22
	Diesel oil	Litre	38,386.53	86,671.74	23,772.87
	Diesel oil intensity	Litre/person	3.37	5.31	1.29
		Litre/RMB 1,000,000	0.83	1.51	0.33
		Litre/10,000 m ³	15.64	31.97	8.36
	Canned LPG	Kg	34,655.00	34,554.00	30,742.45
	Canned LPG intensity	Kg/person	3.04	2.12	1.67
Kg/RMB 1,000,000		0.75	0.60	0.42	
Kg/10,000 m ³		14.12	12.75	10.81	
Natural gas	m ³	1,096,163.00	954,959.00	519,365.00	
Natural gas intensity	m ³ /person	96.24	58.51	28.23	
	m ³ /RMB 1,000,000	23.71	16.64	7.17	
	m ³ /10,000 m ³	446.68	352.25	182.55	
Pipeline gas	m ³	9,458.00	2,325.00	4,558.00	
Pipeline gas intensity	m ³ /person	0.83	0.14	0.25	
	m ³ /RMB 1,000,000	0.20	0.04	0.06	
	m ³ /10,000 m ³	3.85	0.86	1.60	
Total electricity consumption	kWh	89,974,099.73	118,454,066.36	109,289,237.77	
Total electricity consumption intensity	kWh/person	7,899.39	7,258.21	5,939.63	
	kWh/RMB 1,000,000	1,946.05	2,064.42	1,509.19	
	kWh/10,000 m ³	36,664.26	43,693.86	38,414.49	

ESG Indicator		Unit	2020	2021	2022
A2 Use of Resources					
A2.2 Water consumption and intensity	Total water consumption	m ³	2,745,537.63	2,049,041.46	1,822,737.75
	Total water consumption intensity	m ³ /RMB 1,000,000	59.38	35.71	25.17
	Total water consumption intensity	m ³ /person	241.05	125.55	99.06
	Water consumption intensity per 10,000 m ²	m ³ /10,000m ²	1,118.80	755.82	640.68

Note:

- The annual key performance data for environment in 2022 are collected from the office area of Yuexiu Property and for the environmental and social data of Yuexiu Services, please see the Yuexiu Services 2022 ESG Report;
- The greenhouse gas emissions disclosed in the Report only include the carbon dioxide emissions and do not include greenhouse gases such as methane and nitrous oxide emissions from other sources;
- Carbon dioxide emissions in Scope 1 include the greenhouse gas emissions generated in the combustion of fossil energy such as gasoline, diesel oil, natural gas, petroleum and pipeline gas; greenhouse gas emissions in Scope 1 are calculated by reference to the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Unites (Enterprises) (for Trial Implementation) issued by the General Office of the National Development and Reform Commission and the HKEX's Reporting Guidance on Environmental KPIs;
- Carbon dioxide emissions in Scope 2 include the greenhouse gas emissions caused by indirect energy consumption such as outsourced electricity and heat; greenhouse gas emissions in Scope 2 are calculated by reference to the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Unites (Enterprises) (for Trial Implementation) issued by the General Office of the National Development and Reform Commission and the HKEX's Reporting Guidance on Environmental KPIs; electricity emission factors take reference to the Notice on the Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025;
- Less diesel oil was used due to the reduction in the use of official cars in this year; less natural gas was used due to the reduction in the use of fuel in the canteens;
- Earthwork recovery rose significantly as we devoted more efforts for earthwork recovery.
- Due to the business nature of Yuexiu Property, 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.

List of Social Performance Indicators

B1. Employment

Indicator		Unit	2020	2021	2022
B1.1 Total workforce by gender, employment type, age group and geographical region					
Total number of employees		Person	11,390	16,320	18,400
Gender	Male	Person	7,026	9,689	11,593
	Female	Person	4,364	6,631	6,807
Employment type	Full-time	Person	/	16,289	18,148
	Part-time	Person	/	31	252
Employee category	Senior management	Person	126	163	203
	Middle management	Person	859	1,123	1,322
	Staff	Person	10,405	15,034	16,875
Age group	29 years old or younger	Person	3,998	4,868	5,347
	30-49 years old	Person	5,888	9,065	10,693
	50 years old or older	Person	1,504	2,387	2,360
Geographical region	Mainland of China	Person	10,796	15,726	17,769
	Hong Kong, Macau and Taiwan	Person	592	592	623
	Overseas	Person	2	2	8
B1.2 Employee turnover rate by gender, age group and geographical region					
Total employee turnover rate		%	/	37.50%	34.02%
Gender	Male	%	/	35.84%	34.02%
	Female	%	/	39.92%	34.02%
Age group	29 years old or younger	%	/	51.30%	52.05%
	30-49 years old	%	/	30.85%	29.35%
	50 years old or older	%	/	34.61%	14.36%
Geographical region	Mainland of China	%	/	37.19%	35.01%
	Hong Kong, Macau and Taiwan	%	/	45.70%	5.62%
	Overseas	%	/	0%	50.00%

B2. Health and Safety

Health and safety		Unit	2020	2021	2022
B2.1 Number and rate of work-related fatalities	Number of work-related fatalities	person	0	1	1
	Rate of work-related fatalities	%	0%	0.01%	0.01%
B2.2 Lost days due to work injury	Lost days due to work injury	day	342	441	1,464

Note: 1. Such work-related fatality was resulted from a traffic accident.

B3. Development and Training

B3.1 The percentage of employees trained by gender and employee category		Unit	2020	2021	2022
All employees		%	100%	100%	100%
Gender	Male	%	64.63%	54.46%	62.46%
	Female	%	35.37%	45.54%	37.54%
Employee category	Senior management	%	0.69%	2.48%	1.37%
	Middle management	%	5.98%	9.19%	6.29%
	Staff	%	93.33%	88.33%	92.34%

B3.2 The average training hours completed per employee by gender and employee category		Unit	2020	2021	2022
All employees		hour	21.81	37.82	45.53
Gender	Male	hour	24.42	41.73	45.80
	Female	hour	17.60	31.92	45.07
Employee category	Senior management	hour	26.27	104.03	25.63
	Middle management	hour	21.00	60.73	30.21
	Staff	hour	21.82	35.40	46.97

B5. Supplier Management

B5.1 Number of suppliers by geographical region		Unit	2020	2021	2022
Total		supplier	13,050	26,850	Region 18,196
Geographical region	Southern China	supplier	7,428	15,574	Southern China 8,248
	Eastern China	supplier	1,474	2,761	Western China 1,534
	Northern China	supplier	0	353	Eastern China 2,494
	Central China	supplier	1,877	3,333	Central China 3,154
	Northeast China	supplier	1,842	2,969	Northern China 2,766
	Southwest China	supplier	429	1,300	/ /
	Northwest China	supplier	0	0	/ /
	Hong Kong, Macau, Taiwan and overseas	supplier	0	560	/ /

B6. Product Responsibility

B6.2 Number of products and service related complaints received		Unit	2020	2021	2022
Total number of products and service related complaints		case	15,670	33,195	64,187

B7. Anti-corruption

B7.1 Number of legal cases regarding corrupt practices		Unit	2020	2021	2022
Number of filed or concluded legal cases regarding corrupt practices		case	0	0	0

B7.3 Description of anti-corruption training provided to directors and staff		Unit	2020	2021	2022
Number of directors and staff attending anti-corruption training		person	/	16,085	16,042
Number of hours of directors and employees attending training		hour	/	/	30,052

B8. Community Investment

B8.2 Resources contributed to the focus area		Unit	2020	2021	2022
Employees' participation in public welfare/voluntary events		person-time	967	4,238	7,647
Total contribution in public Welfare		RMB million	/	/	16.96

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

Issues	Guide Requirements	Disclosure Section
A. Environment		
A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT
	KPI A1.1 The types of emissions and respective emissions data.	APPENDIX ESG Performance
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX ESG Performance
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX ESG Performance
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX ESG Performance
	KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT - MANAGEMENT APPROACH-Target Achievement
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT - MANAGEMENT APPROACH-Target Achievement; 1.3 GREEN MANAGEMENT

Issues	Guide Requirements	Disclosure Section
A. Environment		
A2: Use of Resources	General Disclosure Policies on efficient use of resources, including energy, water and other raw materials.	1.3 GREEN MANAGEMENT
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	APPENDIX ESG Performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX ESG Performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT - MANAGEMENT APPROACH - Target Achievement
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	CHAPTER 1 GREEN AND LOW-CARBON DEVELOPMENT - MANAGEMENT APPROACH - Target Achievement
A3: The Environment and Natural Resources	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The products of the Group’s primary business do not require packaging materials, so A2.5 is not applicable.
	General Disclosure Policies on minimizing the issuer’s significant impact on the environment and natural resources.	1.3 GREEN MANAGEMENT - Green Ecology
A4: Climate Change	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1.3 GREEN MANAGEMENT - Green Ecology
	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	1.1 TACKLING CLIMATE CHANGE
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	1.1 TACKLING CLIMATE CHANGE

Issues	Guide Requirements	Disclosure Section
B. Society		
B1: Employment	General disclosure Information on: (a) the policies; and (b) compliance with laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	CHAPTER 3 PEOPLE-ORIENTED - MANAGEMENT APPROACH; 3.1 EMPLOYEE RIGHTS PROTECTION
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	APPENDIX ESG Performance
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	APPENDIX ESG Performance
B2: Health and Safety	General disclosure Information on: (a) the policies; and (b) compliance with laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.3 EMPLOYEE HEALTH AND SAFETY
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX ESG Performance
	KPI B2.2 Lost days due to work injury.	APPENDIX ESG Performance
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 EMPLOYEE HEALTH AND SAFETY
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2 TALENT TRAINING AND DEVELOPMENT
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX ESG Performance
	KPI B3.2 The average training hours completed per employee by gender and employee category.	APPENDIX ESG Performance

Issues	Guide Requirements	Disclosure Section
B. Society		
B4: Labor Standards	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	CHAPTER 3 PEOPLE-ORIENTED - MANAGEMENT APPROACH; 3.1 EMPLOYEE RIGHTS PROTECTION
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labor.	3.1 EMPLOYEE RIGHTS PROTECTION
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	3.1 EMPLOYEE RIGHTS PROTECTION
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of supply chain.	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
	KPI B5.1 Number of suppliers by geographical region.	APPENDIX ESG Performance
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN

Issues	Guide Requirements	Disclosure Section
B. Society		
B6: Product Responsibility	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	CHAPTER 2 HEALTHY RESIDENCE - MANAGEMENT APPROACH; 2.4 PROTECTION OF CUSTOMER RIGHTS AND INTERESTS
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There were no product and service recalls that had a significant impact on the Group's operations during the reporting period, therefore B6.1 is not applicable
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	APPENDIX ESG Performance
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	5.3 INTELLECTUAL PROPERTY
	KPI B6.4 Description of quality assurance process and recall procedures.	2.2 CONTROLLING PRODUCT QUALITY
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.4 PROTECTION OF CUSTOMER RIGHTS AND INTERESTS
B7: Anti-corruption	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.2 BUSINESS ETHICS
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	APPENDIX ESG Performance
	KPI B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	5.2 BUSINESS ETHICS
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	APPENDIX ESG Performance

Issues	Guide Requirements	Disclosure Section
B. Society		
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	CHAPTER 4 BUILDING A HARMONIOUS SOCIETY - MANAGEMENT APPROACH
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.2 SUPPORTING COMMUNITY DEVELOPMENT; 4.3 BOOSTING RURAL REVITALIZATION; 4.4 PRACTICING PUBLIC WELFARE ACTIVITIES
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	APPENDIX ESG Performance

Global Reporting Initiative (GRI) Content Guidelines Index

GRI Guidelines Indicators	Details	Quote
General Standard Disclosures		
The organization and its reporting practices		
2-1	Organizational details	YUEXIU PROPERTY PROFILE
2-2	Entities included in the organization's sustainability reporting	ABOUT THE REPORT
2-3	Reporting period, frequency and contact point	ABOUT THE REPORT
2-4	Restatements of information	ABOUT THE REPORT
2-5	External assurance	NOT INITIATED YET
Activities and workers		
2-6	Activities, value chain and other business relationships	YUEXIU PROPERTY PROFILE
2-7	Employees	CHAPTER 3 PEOPLE ORIENTED LIST OF SOCIAL ESG PERFORMANCE INDICATORS
2-8	Workers who are not employees	4.4 PRACTISING PUBLIC WELFARE ACTIVITIES LIST OF SOCIAL ESG PERFORMANCE INDICATORS
Governance		
2-9	Governance structure and composition	OUR SUSTAINABILITY GOVERNANCE FRAMEWORK
2-10	Nomination and selection of the highest governance body	STATEMENT OF THE BOARD
2-11	Chair of the highest governance body	OUR SUSTAINABILITY GOVERNANCE FRAMEWORK
2-12	Role of the highest governance body in overseeing the management of impacts	OUR SUSTAINABILITY GOVERNANCE FRAMEWORK
2-13	Delegation of responsibility for managing impacts	OUR SUSTAINABILITY GOVERNANCE FRAMEWORK
2-14	Role of the highest governance body in sustainability reporting	OUR SUSTAINABILITY GOVERNANCE FRAMEWORK
2-15	Conflicts of interest	5.2 BUSINESS ETHICS
2-16	Communication of critical concerns	MATERIALITY ISSUES AND STAKEHOLDER ENGAGEMENT

GRI Guidelines Indicators	Details	Quote
General Standard Disclosures		
Governance		
2-17	Collective knowledge of the highest governance body	SUSTAINABILITY RESPONSIBILITIES AND STRATEGIES
2-18	Evaluation of the performance of the highest governance body	SUSTAINABILITY PROGRESS IN 2022
2-19	Remuneration policies	3.1 RENUMBERATION AND WELFARE
2-20	Process to determine remuneration	3.1 RENUMBERATION AND WELFARE
2-21	Annual total compensation ratio	2022 ANNUAL REPORT
Strategies, policies and practices		
2-22	Statement on sustainable development strategy	SUSTAINABILITY VISION TO 2030
2-23	Policy commitments	MANAGEMENT APPROACH
2-24	Embedding policy commitments	MANAGEMENT APPROACH
2-25	Processes to remediate negative impacts	MATERIALITY ISSUES 5.2 BUSINESS ETHICS
2-26	Mechanisms for seeking advice and raising concerns	ABOUT THE REPORT MATERIALITY ISSUES 5.2 BUSINESS ETHICS
2-27	Compliance with laws and regulations	MANAGEMENT APPROACH
2-28	Membership associations	1.2 SUSTAINABLE BUILDINGS

GRI Guidelines Indicators	Details	Quote
General Standard Disclosures		
Stakeholder engagement		
2-29	Approach to stakeholder engagement	COMMUNICATION WITH STAKEHOLDERS
2-30	Collective bargaining agreements	3.1 EMPLOYEE RIGHTS PROTECTION
Material Topics		
3-1	Process to determine material topics	MATERIALITY ISSUES
3-2	List of material topics	MATERIALITY ISSUES
3-3	Management of material topics	MATERIALITY ISSUES
Economic Topics		
201-1	Direct economic value generated and distributed	CHAPTER 5 CORPORATE GOVERNANCE
201-2	Financial implications and other risks and opportunities due to climate change	1.1 TACKLING CLIMATE CHANGE
201-3	Defined benefit plan obligations and other retirement plans	3.1 EMPLOYEE RIGHTS PROTECTION
201-4	Financial assistance received from government	/
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	1.3 GREEN MANAGEMENT 4.2 SUPPORTING COMMUNITY DEVELOPMENT
203-2	Significant indirect economic impacts	1.2 SUSTAINABLE BUILDINGS 4.2 SUPPORTING COMMUNITY DEVELOPMENT 4.3 BOOSTING RURAL REVITALIZATION 4.4 PRACTICING PUBLIC WELFARE ACTIVITIES
Procurement Practices		
204-1	Proportion of spending on local suppliers	/

GRI Guidelines Indicators	Details	Quote
Anti-corruption		
205-1	Operations assessed for risks related to corruption	5.2 BUSINESS ETHICS
205-2	Communication and training about anti-corruption policies and procedures	5.2 BUSINESS ETHICS LIST OF SOCIAL ESG PERFORMANCE INDICATORS
205-3	Confirmed incidents of corruption and actions taken	During the reporting period, the Group have not involved in any litigations relating to corruption, money laundering, unfair competition or monopoly.
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2 BUSINESS ETHICS
Materials		
301-1	Materials used by weight or volume	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
301-2	Recycled input materials used	1.3 GREEN MANAGEMENT
301-3	Reclaimed products and their packaging materials	Products covered by the Group's main businesses require no packing materials.
Energy		
302-1	Energy consumption within the organization	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
302-2	Energy consumption outside the organization	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
302-3	Energy intensity	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
302-4	Reduction of energy consumption	1.2 SUSTAINABLE BUILDINGS 1.3 GREEN MANAGEMENT
302-5	Reductions in energy requirements of products and services	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS

GRI Guidelines Indicators	Details	Quote
Water and Effluents		
Topic management disclosures		
303-1	Interactions with water as a shared resource	1.3 GREEN MANAGEMENT
303-2	Management of water discharge-related impacts	1.3 GREEN MANAGEMENT
Topic disclosures		
303-3	Water withdrawal	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
303-4	Water discharge	/
303-5	Water consumption	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1.3 GREEN MANAGEMENT
304-2	Significant impacts of activities, products and services on biodiversity	1.3 GREEN MANAGEMENT
304-3	Habitats protected or restored	1.3 GREEN MANAGEMENT
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

GRI Guidelines Indicators	Details	Quote
Emissions		
305-1	Direct (Scope 1) GHG emissions	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
305-2	Energy indirect (Scope 2) GHG emissions	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
305-3	Other indirect (Scope 3) GHG emissions	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
305-4	GHG emissions intensity	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
305-5	Reduction of GHG emissions	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	LIST OF ENVIRONMENTAL ESG PERFORMANCE INDICATORS
Effluents and Waste		
306-3	Significant spills	The Group had no relevant event during the reporting period.
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
308-2	Negative environmental impacts in the supply chain and actions taken	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
Employment		
401-1	New employee hires and employee turnover rates	LIST OF SOCIAL ESG PERFORMANCE INDICATORS
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1 EMPLOYEE RIGHTS PROTECTION
401-3	Parental leave	/

GRI Guidelines Indicators	Details	Quote
Occupational Health and Safety		
Topic management disclosures		
403-1	Occupational health and safety management system	3.3 EMPLOYEE HEALTH AND SAFETY
403-2	Hazard identification, risk assessment, and incident investigation	3.3 EMPLOYEE HEALTH AND SAFETY
403-3	Occupational health services	3.3 EMPLOYEE HEALTH AND SAFETY
403-4	Worker participation, consultation, and communication on occupational health and safety	3.1 EMPLOYEE RIGHTS PROTECTION 3.3 EMPLOYEE HEALTH AND SAFETY
403-5	Worker training on occupational health and safety	3.3 EMPLOYEE HEALTH AND SAFETY
403-6	Promotion of worker health	3.3 EMPLOYEE HEALTH AND SAFETY
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3 EMPLOYEE HEALTH AND SAFETY
Topic disclosures		
403-8	Workers covered by an occupational health and safety management system	3.3 EMPLOYEE HEALTH AND SAFETY
403-9	Work-related injuries	LIST OF SOCIAL ESG PERFORMANCE INDICATORS
403-10	Work-related ill health	3.3 EMPLOYEE HEALTH AND SAFETY
Training and Education		
404-1	Average hours of training per year per employee	3.2 TALENT TRAINING AND DEVELOPMENT LIST OF SOCIAL ESG PERFORMANCE INDICATORS
404-2	Programs for upgrading employee skills and transition assistance programs	3.2 TALENT TRAINING AND DEVELOPMENT
404-3	Percentage of employees receiving regular performance and career development reviews	/

GRI Guidelines Indicators	Details	Quote
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	3.1 EMPLOYEE RIGHTS PROTECTION LIST OF SOCIAL ESG PERFORMANCE INDICATORS
405-2	Ratio of basic salary and remuneration of women to men	/
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	CHAPTER 3 PEOPLE-ORIENTED – MANAGEMENT APPROACH; 3.1 EMPLOYEE RIGHTS PROTECTION
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	CHAPTER 3 PEOPLE-ORIENTED – MANAGEMENT APPROACH; 3.1 EMPLOYEE RIGHTS PROTECTION
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	/
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	4.2 SUPPORTING COMMUNITY DEVELOPMENT
413-2	Operations with significant actual and potential negative impacts on local communities	/

GRI Guidelines Indicators	Details	Quote
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	4.1 BUILDING A RESPONSIBLE SUPPLY CHAIN
414-2	Negative social impacts in the supply chain and actions taken	/
Public Policy		
415-1	Political contributions	/
Customer Health and Safety		
416-1	Assessment of health and safety impacts of products and services categories	2.2 CONTROLLING PRODUCT QUALITY
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	/
Marketing and Labeling		
417-1	Requirements for product and service information and labeling	1.2 SUSTAINABLE DEVELOPMENT
417-2	Incidents of non-compliance concerning product and service information and labeling	/
417-3	Incidents of non-compliance concerning marketing communication	/
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy or losses of customer data	During the reporting period, there was no complaint about infringement of customer privacy or loss of customer information.

SASB Metric List

Topic	Metric	No.	Disclosure Section
Energy Management	Energy consumption data coverage as percentage of total floor area, by real estate type	IF-RE-130a.1	/
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage of grid electricity to the total energy consumption, and (3) percentage of renewable energy consumed to the total energy consumption, by real estate type	IF-RE-130a.2	APPENDIX ESG Performance
	Percentage change in energy consumption for the portfolio area with data coverage, by real estate type	IF-RE-130a.3	/
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	/
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	1.2 SUSTAINABLE BUILDINGS
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with high or extremely high baseline water stress to the GFA, by real estate type	IF-RE-140a.1	/
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with high or extremely high baseline water stress to total water withdrawn, by real estate type	IF-RE-140a.2	APPENDIX ESG Performance
	Percentage change in water withdrawn for portfolio area with data coverage, by real estate type	IF-RE-140a.3	APPENDIX ESG Performance
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	1.3 Green Management

Topic	Metric	No.	Disclosure Section
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by real estate type	IF-RE-410a.1	1.3 GREEN MANAGEMENT
	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by real estate type	IF-RE-410a.2	/
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	IF-RE-410a.3	1.3 GREEN MANAGEMENT
Climate Change Adaptation	Area of properties located in 100-year flood zones, by real estate type	IF-RE-450a.1	/
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	1.1 TACKLING CLIMATE CHANGE

FEEDBACK FORM

Dear reader:

Thank you for reading this Report! This is our 2022 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 2022 ESG Report Feedback Form

Name: _____

Company: _____

Position: _____

Telephone: _____

Email: _____

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

Questions	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?



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