



越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

A Hong Kong collective investment scheme under section 104 of the Securities and Futures Ordinance <chapter 571 of the Laws of Hong Kong>

Stock Code : 00405



VISION FOR A STEADY FORTUNE

Environmental, Social and Governance Report 2021



WUHAN

GUANGZHOU

SHANGHAI

HANGZHOU



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ABOUT YUEXIU REAL ESTATE INVESTMENT TRUST

Yuexiu Real Estate Investment Trust (Yuexiu REIT, 00405.HK) was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 December 2005, and it is the first listed real estate investment trust in the world which invests in real property in the mainland of People’s Republic of China (“PRC”).

Yuexiu REIT Asset Management Limited serves as the manager of Yuexiu REIT (“the Manager”). With extensive professional and practical experience in real estate investment, asset management and capital management, the Manager brings a long-term and steady flow of investment income to the unit-holders of Yuexiu REIT through actively managing its assets and expanding its operations. The Manager is committed to becoming a professional asset management institution with a focus on the commercial property market, continuing asset appreciation capability, commercial operation capability and capital management capability, so as to acquire and maintain a leading position in the industry.

PROPERTY PORTFOLIO

Yuexiu REIT focuses on office buildings, retail malls, clothing wholesale mall, and hotel and serviced apartments. While using the properties for multiple purposes, the Manager implements active and prudent investment strategies to identify high-quality commercial projects and supporting resources in the core areas of domestic cities with high economic growth. By continuously improving the quality of tenants and the scale of assets, Yuexiu REIT will inject new growth momentum and bring sustained and stable returns to unit-holders.

As of 31 December 2021, Yuexiu REIT’s portfolio of properties consisted of nine properties, namely, White Horse Building Units (“White Horse Building”), Fortune Plaza Units and certain Carpark Spaces (“Fortune Plaza”), City Development Plaza Units and certain Carpark Spaces (“City Development Plaza”), Victory Plaza Units (“Victory Plaza”), Guangzhou International Finance Center (“GZIFC”) and Yuexiu Financial Tower (“Yuexiu Financial Tower”), located in Guangzhou; Yue Xiu Tower (“Yue Xiu Tower”), located in Shanghai; Wuhan Yuexiu Fortune Centre, Starry Victory Shopping Centre and certain Carpark Spaces (“Wuhan Properties”), located in Wuhan; as well as Hangzhou Victory Business Center Units and certain Carpark Spaces (“Hangzhou Victory”), located in Hangzhou. The aggregate area of ownership of the properties was approximately 1,183,284.3 m². For more information on property, please refer to Yuexiu REIT Annual Report 2021 Section “Property Portfolio” (Page 39). Please refer to Yuexiu REIT Annual Report for property valuation report (Page 129).

During the reporting year, Yuexiu REIT transferred the leasing management and promotion service functions (collectively referred to as “Leasing Agents”) of each property to Guangzhou Baima Business Operation Management Co., Ltd (“Baima BM”), Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd (“Yicheng BM”) and Guangzhou Yue Xiu Asset Management Co., Ltd (“GZAM”). The staff of the leasing agents are seasoned professionals who are dedicated to the market for lots of years, and equip with extensive experience in commercial property leasing, marketing and leasing management in the PRC. For more information on the leasing agents please refer to Yuexiu REIT Annual Report 2021 Section “The Leasing Agents” (Page 94).

To maintain good business momentum, stabilize existing customers and introduce new quality customers, the Manager conducts asset appreciation projects to maintain and improve the values of properties every year, so as to maximize leasing revenue and protect the rights and interests of our investors. More information on asset appreciation projects of 2021 please refer to the relevant chapters of this Report.

ABOUT THIS REPORT

OVERVIEW

This Report is the sixth independent Environmental, Social and Governance (“ESG”) Report of Yuexiu REIT, focusing on the disclosure of the Trust’s philosophy, significant measures and efficiency of ESG aspects in 2021. The annual update on the sustainable development performance under the four major aspects of the Trust in 2021 (Environment, Economy/Market, Employment and Community) has been provided in this Report.

EXPLANATION FOR ABBREVIATIONS

To facilitate the preparation and reviewing of this Report, Yuexiu REIT and the Trust mean Yuexiu Real Estate Investment Trust. The Manager means Yuexiu REIT Asset Management Limited, who is responsible for managing Yuexiu REIT in accordance with the Trust Deed. Therefore, in this Report, the Company indicates Yuexiu Real Estate Investment Trust and Yuexiu REIT Asset Management Limited. Depending on the specific context, “We” refer to “Yuexiu Real Estate Investment Trust”, “Yuexiu REIT Asset Management Limited” and parties who have been delegated with functions. Unless otherwise specified, terms used in this Report shall have the same meanings as defined in the Yuexiu REIT Annual Report 2021 (“Annual Report”).

BASIS OF PREPARATION

Organization	Guideline, Criteria or Recommendation
The Stock Exchange	The Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) in Appendix 27 to the Main Board Listing Rules
The Global Report Initiative (“GRI”)	Core part of the Guideline
Task Force on Climate-related Financial Disclosures (“TCFD”)	Governance, Strategy, Risk Management, Metrics and Targets

PREPARATION PROCEDURE

The contents included in this Report are determined through a set of systematic procedures. The preparation of this Report involves identifying key stakeholders, identifying and prioritizing material ESG issues, determining the boundary of reporting, collecting relevant materials and data, compiling and reviewing information, and preparing report contents.

REPORTING PRINCIPLES

This Report has been prepared in accordance with the four reporting principles of the ESG Reporting Guide of HKEX.

Principles	Response
Materiality	The Manager employed a third-party professional organization to identify the latest ESG material issues by combining the business characteristics of the Trust and communicating with the stakeholders, and submitted the results to the Board of Directors of the Manager (“the Board”) for approval. Finally, the material ESG issues were determined as the basis for preparation of the ESG report and responded through the ESG report.
Quantitative	Under the coordination of the Sustainability Working Group, we have established a data collection tool to record and monitor various environmental and social indicators, and established a data collection and review mechanism. Where applicable, this Report disclosed annual comparative data to let stakeholders know the ESG management progress of the Trust.
Balance	This Report reported the ESG performance of the Trust without bias. Besides disclosing the progress, we also discussed the improvement space and plan on relevant issues.
Consistency	To the extent reasonably practicable, the quantitative information in this Report is disclosed in a way consistent with that in the past, so that stakeholders can analyze and evaluate the performance of the Trust at different times. In case of changes in the scope of data collection, methods of data update or measurement (if any), a corresponding explanation will be attached for the report users’ reference.

SCOPE AND BOUNDARY OF THIS REPORT

This Report covers all the properties held by Yuexiu REIT from 1 January to 31 December 2021 (“This Year” or “The Reporting Year”). Sections of this Report may extend beyond the above period. Unless otherwise stated, this Report uses Renminbi (“RMB”) as the currency unit. This report focuses on the disclosure of ESG information, part of which should be read together with the Annual Report.

Yuexiu REIT successfully acquired Yuexiu Financial Tower on December 23, 2021. Based on the practical management principle, Yuexiu Financial Tower is excluded in the statistical scope of ESG performance data of 2021.

REVIEW AND APPROVAL

All the data used in this Report is obtained from the Manager, the Trust and controlled companies under it. This report is prepared by the Sustainability Working Group, reviewed by the Sustainability Steering Group and approved by the Board of the Manager.

ACCESS AND RESPONSE TO THIS REPORT

This Report is made in both Chinese and English. Should any difference between both versions, the Chinese Version shall prevail. The electronic version of this Report has been uploaded to HKEXnews and Yuexiu REIT’s website www.yuexiureit.com. If you have any comments or suggestions on the ESG performance of Yuexiu REIT, please email to yxft.ir@yuexiureit.com.

STATEMENT OF THE BOARD

SUPERVISION ON ESG ISSUES

The Board is responsible for hearing the outcomes of discussions on ESG related issues and overseeing the management of ESG risks, opportunities and strategies. The Board is responsible for approving ESG related policies and regulations, approving ESG goals and monitoring their progress, and approving the ESG Report.

PARTICIPATION IN THE ESG PROCESS

To implement the sustainable development policy of the Trust, under the guidance of the Board, the Manager has established the Sustainability Steering Group at the management level, established the Sustainability Working Group and Sustainability Teams of Properties at the execution level. Each level works in accordance with established responsibilities and submit quarterly reports to the relevant board committee based on ESG working progress. Board committees hear and discuss ESG related reports and report to the Board in accordance with their established responsibilities. The Audit Committee is responsible for reviewing issues related to ESG risks and opportunities, and progress towards goals. The Finance and Investment Committee is responsible for reviewing asset appreciation, green finance and other related issues. The Disclosures Committee is responsible for reviewing ESG reports, information disclosure and other related issues. The Remuneration and Nomination Committee is responsible for deliberating corporate governance, human resources management and other related issues.

MATERIAL ISSUES AND GOALS

Under the guidance of the Sustainability Steering Group, the Sustainability Working Group conducts multi-dimensional risk assessment and materiality analysis on ESG issues semiannually, examines and concludes the material issues, then submits them to the Board for approval. Focusing on material issues with a base on scientific principles and operational reality, the Sustainability Working Group sets the short-, medium – and long-term sustainable development goals and submits them to the Sustainability Steering Group for approval. The Manager summarizes, reviews and reports the goal performance annually with the consideration of international trends, peer benchmark and operation progress. The sustainable development goals and performance will be disclosed through annual reports, ESG reports and the official website after approval by the Board.

CHAIRMAN'S MESSAGE

2021 is both the beginning year of China's 14th Five-year Plan Period, and a crucial year of laying the foundation for long-term, sustainable, healthy and high-quality economic development and gathering momentum. Forging ahead in the new development pattern, the Manager has formulated different leasing policies for different operations in response to the changes in market drivers, industry market, and industrial structure, leading the Trust to steady progress and committed to delivering a steady flow of return to unit-holders.

I am delighted to present you the ESG Report 2021 of Yuexiu REIT on behalf of the management team of the Manager.

LIN DELIANG

Chairman



TAKE THE INITIATIVE TO CHANGE AND STEADY OPERATION

At the end of the reporting period, the valuation of properties of the Trust reached approximately RMB42.395 billion, and the successful acquisition of Yuexiu Financial Tower achieved leapfrog development. The total annual income of the Trust was approximately RMB1.797 billion, a year-on-year increase of 2.2%, and the occupancy rate at the end of the period was approximately 92.0%. The total distribution for the reporting year was approximately RMB798 million, a year-on-year increase of 23.0%; the distribution per unit (“DPU”) was approximately HK\$0.2451, a year-on-year increase of 6.9%. Based on the closing price of per unit of HK\$3.23 on 31 December 2021, the distribution yield of 2021 is approximately 7.59%. We report Yuexiu REIT’s business review and financial review for the past year, and future prospects in Annual Report of 2021.

PRACTICE THE CONCEPT OF SUSTAINABLE DEVELOPMENT IN DEPTH

As a member of sustainable ecology, we adhere to the concept of “creating sustainable value” and are committed to creating long-term benefits for stakeholders. Under the direct leadership of the Board, the Manager has established a complete and efficient sustainable development governance structure, and continuously improved and consolidated ESG system establishment and management, integrating ESG with existing business models and control mechanisms.

We have continued to advance the management of the sustainable development goals and set short-, medium – and long-term goals for energy conservation and emission reduction based on scientific targets and local conditions. Coordinated, efficient and sustainable development has been maintained through close inter-departmental liaison. Not only have we maintained positive connections and close cooperation with various stakeholders of the value chain, but also we valued and coordinated their views and suggestions, and continuously focused on and further improved our sustainable development performance.

This Report is our sixth independent ESG Report, which showcases our ESG management strategies and reports to the stakeholders from multiple perspectives. Meanwhile, we have actively maintained communication and contact with the media, ESG rating agencies and professional organizations to deepen mutual understanding, winning the recognition of the capital market for our ESG performance.

CONTRIBUTE TO CHINA’S CARBON PEAK AND NEUTRALITY GOALS

Addressing climate change has become a global consensus. Over the past year, multiple international conferences on climate change issues were held, including UN Climate Change Conference (“COP26”). Centering on Dual-Carbon Goals (Carbon Peak by 2030 and Carbon Neutrality by 2060), China continued to introduce policies and guidelines for all sectors to promote the realization of the goals. The Beijing Winter Olympics (“Beijing Winter Olympics”) held in February 2022 is the first Winter Olympics of Carbon Neutrality, drawing worldwide attention. The HKEX also issued several climate change-related guidelines during the year.

Well aware of the advent of the low-carbon development environment, we have deeply integrated climate change risks into the risk management framework. We continue to make our properties green buildings and promote the value of green assets. Through the promotion of green conventions, the application of refined energy management as well as the deep integration of digital technology, we have implemented the concept of green and low-carbon into the daily operation and management of our properties, in an effort to manage and reduce the carbon footprint of our buildings. Meanwhile, we have infused ESG elements into our investment strategy. The Guangzhou Yuexiu Financial Tower acquired this year is an internationally certified green building benchmark, which effectively increases the proportion of green buildings in our property portfolio and marks an important milestone in our path to sustainable development.

CHAIRMAN'S MESSAGE

HAND IN HAND WITH PARTNERS TO CREATE HIGH QUALITY DEVELOPMENT

We are convinced that sustainable development is not only about the environmental and health performance of buildings, but also about the importance of human experience and participation.

For tenants, we provide multi-directional support through innovation empowerment of various business operations, regional upgrading, and ecological buildings. By further thinking of asset operation, we continue to innovate the development mode of building the economy, introduce the core concept of “intelligence + health + community”, integrate the building industry chain, create the urban digital “building economy ecosphere”, realize the interconnection between enterprises and customers, and resolve to work together for achieving win-win results.

For customers, we continue to create a green and low-carbon environment in our properties by organizing various activities to promote a healthy lifestyle and reduce the use of disposable products.

For employees, we strictly protect their rights and interests, build internal communication channels on the basis of democracy and equality, provide diversified development training programs, competitive salary, benefits and promotion pathways, pay attention to the growth of employees and their physical and mental health, and efforts are made to create a beautiful career for them.

For communities, we not only work with government departments and public welfare organizations to provide venues for various public welfare activities, but also actively participate in voluntary blood donation and material donation activities.

PROSPECT

In 2022, China will adhere to the general principle of seeking progress while maintaining stability and fully implementing the new development idea. China's economy will continue to move toward high-quality development, and the new pattern of green and low-carbon sustainable development will be formed at an accelerated speed. We remain cautiously optimistic and confident in such a complex, volatile and challenging business environment. Directed by a sound and sustainable management strategy, we strive to maximize economic and social benefits by seizing new economy growth points under Dual Circulation and creating a second growth curve for all business operations. As a forerunner and pioneer in the Chinese mainland real estate fund sector, we will continue to showcase our determination and fulfill our commitment of “pursue excellence and keep improving” to all stakeholders with practical actions.

On behalf of Yuexiu REIT, I would like to take this opportunity to once again sincerely thank our stakeholders for their consistent care and support!

LIN Deliang

Chairman

ANNUAL TOPIC

SEIZE THE OPPORTUNITY OF GREEN DEVELOPMENT BASED ON THE GUANGDONG-HONG KONG-MACAO GREATER BAY AREA

Being the largest city in southern China and also the political, economic, and cultural center and transportation hub of Guangdong Province, Guangzhou has always been strongly supported by the policies issued by the Chinese government for its urban development, including Greater Bay Area Development Plan and Belt and Road Initiative.

Since listed in HKEX in 2005, Yuexiu REIT has put the concept of sustainable development into investment decision-making and day-to-day operations. The Fortune Plaza, City Development Plaza, and Victory Plaza have been certified by Building Sustainability Index Certification Program by Guangzhou Tianhe CBD Administration Committee and Hong Kong Quality Assurance Agency (“HKQAA”). In 2012, the Trust successfully acquired GZIFC, and continuous efforts have been made to enhance the energy management efficiency of the building ever since by integrating international management standards. Thus far, GZIFC has been certified by LEED EBOM V4, Building Sustainability Index Certification Program, BOMA China COE, and BOMA International 360 Performance Program.

The concept of sustainable development is rooted in the philosophy of Manager’s asset management of the Trust. On the one hand, the Manager has entered into high development potential cities (Shanghai, Wuhan and Hangzhou) based on the Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou), and endeavored to maximize the asset value of subordinated properties and create the best return for unit-holders, winning the critical acclaim for the economic development results. Thus far, the Trust has been given an investment rating by three international credit rating agencies – Moody’s, Standard & Poor’s and Fitch. On the other hand, the Manager advocates and is committed to promoting environmental green development and social inclusive development. We are willing to listen to different voices and comments, and expect to do better. Our opportunities and management effectiveness of green development continue to receive the attention of global mainstream ESG rating agencies, including MSCI, Standard & Poor’s Global, and HKQAA. This year, Yuexiu REIT received an MSCI ESG rating of “B” for four consecutive years, a HKQAA Sustainability Rating of “A” for two consecutive years, and scored an overall score of 30 points in S&P Global Corporate Sustainability Assessment (“CSA”), which was ahead of the global average level of real estate industry, and governance/economic, environmental and social performance continued to improve comprehensively.

In 2021, the Trust successfully acquired Yuexiu Financial Tower. Located in the core area of Zhujiang New Town in Tianhe CBD, Guangzhou, Yuexiu Financial Tower has won such honors as LEED EBOM V4 Platinum Certificate, Platinum WELL Mid-term Certificate and China Green Building Three-star Certificate. Yuexiu Financial Tower is one of the benchmark green buildings in Guangdong Province and in China at large, showcasing unique green asset value. The acquisition of Yuexiu Financial Tower makes the Trust with the largest Chinese mainland valued portfolio within Hong Kong and Singapore-listed real estate funds. At the same time, the proportion of the Trust’s asset portfolio and the proportion of green buildings in Guangzhou has further expanded, which can better capture the development opportunities brought by the Guangdong-Hong Kong-Macao Greater Bay Area.

SUSTAINABLE DEVELOPMENT MANAGEMENT

In the past year, under the leadership of the Board of Directors, the Manager has continued to consolidate the sustainable development framework and work system, following the cycle of P (plan), D (do), C (check) and A (act), with the concept and work of sustainable development throughout, firmly advancing our three principles of sustainable development:

ENVIRONMENT WIN-WIN DEVELOPMENT

Offer tenants and customers outstanding services, provide a harmonious working environment for employees, provide constant and stable returns for unit-holders, create higher economic value for stakeholders

SOCIETY GREEN DEVELOPMENT

Implement green leasing, promote energy-saving and environmental protection operations, apply green energy-saving technologies, strive to become a green benchmark at the forefront of the industry, and take the path of green sustainable development

ECONOMY INCLUSIVE DEVELOPMENT

Engage with communities, concern about livelihoods, care for the underprivileged, take full advantage of our platforms and resources, along with sharing the values and achievements with society

In 2021, the Trust made progress while maintaining stability and achieve milestone breakthroughs in multiple aspects of sustainable development:

Green Investment

After the acquisition of Yuexiu Financial Tower, the proportion of area of ownership with LEED Gold or above certified green building has increased to 56%.

Green Finance

Signed the Trust's first Green Club loan coordinated by DBS Bank (Hong Kong), worth HK\$4.8 billion.

Goal Management

Announced the short-, medium- and long-term sustainable development goals for the first time, and determined the implementation paths. We have sorted climate related risks with reference of TCFD recommendations.

External Evaluation

In 2021, the Trust received a Green Three Star rating on the first year participation in the Global Real Estate Sustainability Assessment Benchmark (GRESB¹), and meanwhile the Trust received 2021 Public disclosure "A" rating, the highest level under this standard.



G R E S B
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¹ Global Real Estate Sustainability Benchmark ("GRESB") is a globally recognized agency for evaluating and comparing the ESG performance of real estate and infrastructure companies.

In 2021, the Trust and properties won various honors:

Dimension	Awards/Honors	Issuing Unit/Authority
The Trust	* Performance Award of Commercial Real Estate Investment Management Institution 2021	* Guardian Group * Hong Kong Economic Journal (HKEJ)
	* Listed Company Excellence Award 2021	
GZIFC	* Super Grade A Commercial Office Building	* Guangzhou Municipal Commerce Bureau
	* Operations Management Best Practice Award 2021 (Urban Complex)	* COMIN China * Asia Property Guru
	* PropertyGuru Asian Property Award 2021	
Yuexiu Financial Tower	* Super Grade A Commercial Office Building	* Guangzhou Municipal Commerce Bureau
	* Operation Management Best Practice Award 2021 (Green Building)	* COMIN China
Four Seasons Hotel Guangzhou	Forbes Travel Guide Five-Star Hotel 2021 for seven consecutive years	Forbes Travel Guide
White Horse Building	* National Commodity Trading Market Informatization Demonstration Unit	* China Commodity Trade Market Development Committee
	* Industry Promotion Award	* Guangdong Garment & Apparel Industry Association
	* China Top 100 Commodity Markets	* Chinese Academy of Social Sciences Evaluation Studies
Victory Plaza	Golden Lion 20-year Welfare Partner	Guangzhou Charity Association, Information Times Press
Yuexiu Fortune Centre	PropertyGuru Asian Property Award 2021	Asia Property Guru
Hangzhou Victory	The 10 th Guangxia Award (2021-2022)	China Real Estate Association, Housing Industrialization Promotion Center, Ministry of Housing and Urban-Rural Development

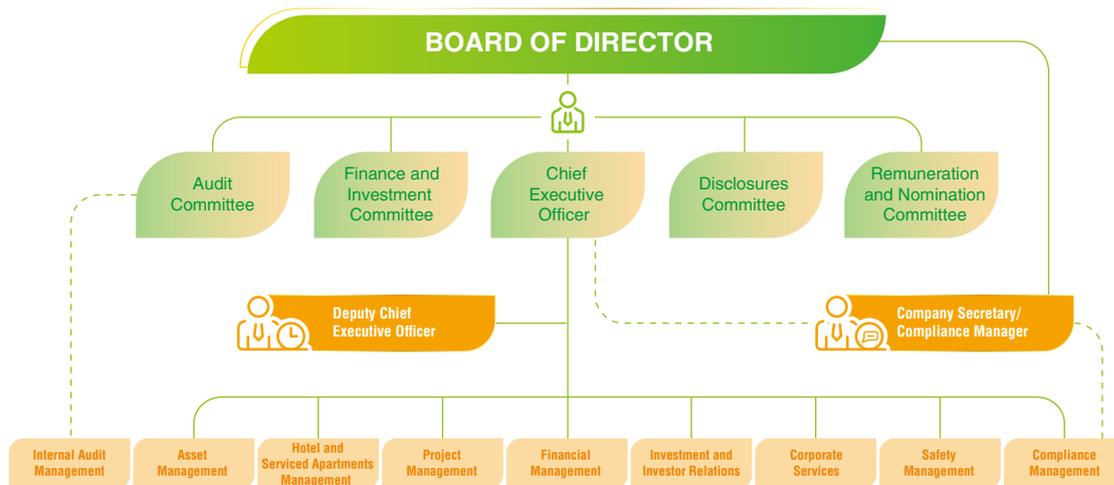
SUSTAINABLE DEVELOPMENT MANAGEMENT



CORPORATE GOVERNANCE AND BUSINESS ETHICS

The Manager encourages the transparent operation of Yuexiu REIT, with internal audit and control to evaluate the performance of the Manager. The Manager has also adopted a compliance manual (“Compliance Manual”) for use in relation to the management and operation of Yuexiu REIT which includes key policies and procedures for maintaining a high standard of corporate governance. During the reporting year, the Manager has complied with the provisions of the Compliance Manual.

The Manager’s Organization Structure



Board Diversity

The Manager is fully aware that the diversity of board members is of great significance to the improvement of corporate governance, and ensures that the Board has diverse background experience, appropriate knowledge in the decision-making process. Following the requirements of the Corporate Governance Code, the Manager has formulated a board member diversity policy in the Compliance Manual. The Remuneration and Nominations Committee reviews the composition of the board and implementation of the diversity policy on a semi-annual basis.

When the Board selects member candidates, we not only comprehensively consider multiple factors, including but not limited to age, gender, culture, educational background, professional experience, skills, academic background, and service life, but also always insist on using talented people to maintain proper balance and diversification on the premise of ensuring the effective operation of the business of the Trust.

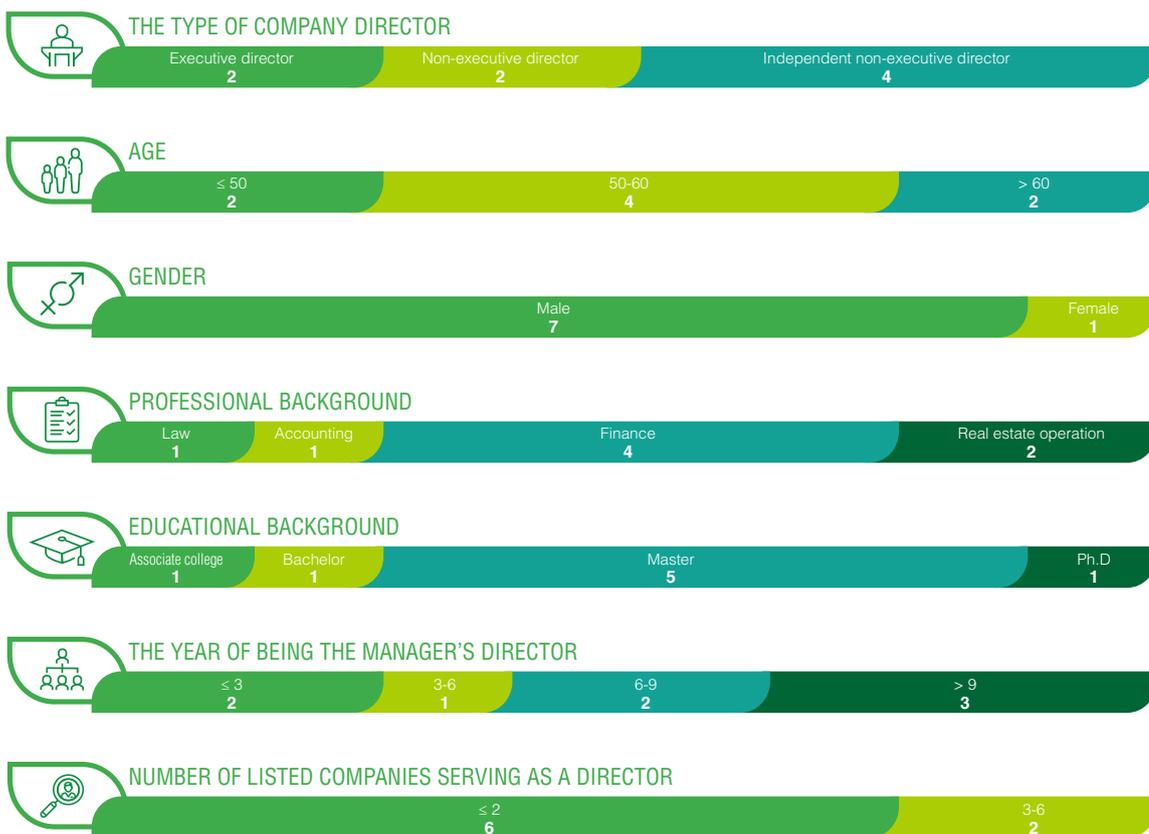
At the end of the reporting period, the proportion of female directors is 13%. The proportion of independent non-executive directors is 50%, and their independence is confirmed in writing every year according to the standards set out in the Compliance Manual. The Manager believes that the Board meets the requirements of the Trust’s business operation in terms of personnel composition, size and structure. All members have senior experience and diversified knowledge, and devote enough time and energy to fulfill the responsibilities of the Company’s directors, so as to lead Yuexiu REIT to move forward steadily. For more information on corporate governance, please refer to the section “Corporate Governance” of Yuexiu REIT’s Annual Report 2021 (Page 96).

(1) Directors of the Board

Name	Position
Mr. LIN Deliang	Chairman, Executive Director and Chief Executive Officer
Ms. OU Haijing	Executive Director and Deputy Chief Executive Officer
Mr. LI Feng	Non-Executive Director
Mr. ZENG Zhizhao	Non-Executive Director(appointed on 4 March 2021)
Mr. CHAN Chi On	Independent Non-Executive Director
Mr. CHAN Chi Fai	Independent Non-Executive Director
Mr. CHUENG Yuk Tong	Independent Non-Executive Director
Mr. CHEN Xiaouu	Independent Non-Executive Director

Note: Mr. CHENG Jiuzhou resigned as an Executive Director and Deputy CEO on March 4 2021.

(2) Structure of the Board



Connected Party Transaction Management

The Manager has clearly defined Connected Party Transaction ("CPT") management requirements in the Compliance Manual, developed and implements Related Lease Management Business Guidelines, and establishes a complete mechanism around CPT management, covering the establishment of connected parties information database, comprehensive identification of various CPT, and CPT contracts management, exemption limit monitoring, independent valuation, multi-level approval according to authority, regular reporting, information disclosure, independent inspection and special audit, etc., so as to ensure the compliance of CPT. Please refer to Page 110 of Annual Report 2021 for CPT Report.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Remuneration Policy

The Trust is managed by the Manager, who shall bear all fees and remuneration of the directors and senior executives of the Manager. The Remuneration and Nomination Committee of the Manager, chaired by an independent non-executive director, reviews the terms and conditions of employment of all staff and directors annually and makes recommendations on manpower plans, remuneration and retirement policies and options. The Remuneration and Nominating Committee is also responsible for continuing to review the structure, size and composition of the Board and Board committees, and for nominating and recommending directors for appointment, re-election or removal. If the re-elected or replaced director is a member of the Remuneration and Nominating Committee, the director must withdraw from the discussion of the agenda.

CEO is responsible for the overall sustainable development of the Trust, and CEO's remuneration is linked to the effectiveness of sustainable development management. CEO also serves as the first person in charge of safety management that is directly linked to his performance. Risk management and control within the functional scope of the heads of each department is linked to their performance.

Anti-corruption and Anti-commercial Bribery

Yuexiu REIT and the Manager attach great importance to transparency, independence, accountability, responsibility, fairness, and compliance, strictly abiding by the requirements of the applicable laws and regulations. The Manager has formulated a series of anti-corruption rules and regulations to ensure asset transparency, management process routinization, and expenditure rationalization, which further clarifies that anti-corruption and anti-commercial bribery are the "red line" that each employee must strictly adhere to. The Company has established an internal supervision and management system on anti-corruption and anti-commercial bribery. All kinds of illegal, irregular and violating behaviors or misconducts that may cause great losses to the Company's reputation or economy are put under strict supervision and handled strictly. Internal rules and regulations, training, and supervision mechanism on anti-corruption and anti-commercial bribery cover directors, employees (full-time/internship), front-line operators, and various outsourcing service providers. During the reporting year, the Manager neither identified nor confirmed any commercial bribery case. There were also no legal proceedings as a result of commercial bribery against the Manager or our employees.

(1) System and Mechanism

The Manager continuously improves various rules and regulations in order to ensure that all branches of the Company abide by business ethics and consolidate non-corrupt corporate culture through prevention, supervision, and reward and punishment measures. The Manager has formulated compliance management system documents such as Compliance Manual, Guideline on Anti-money Laundering, Measures for Risk Preference Management, and Implementation Measures for Internal Audit to closely monitor and control various compliance risks, and has established a supervision and reporting mechanism. The Manager has also established the procedure for dealing with conflicts of interest, which all directors and employees must strictly follow.

(2) Independent Supervision and Whistleblower Protection

The Manager reviews formulated anti-corruption and anti-commercial bribery policies and improves system contents every year to broaden the jurisdiction of the system, and has established and maintained an independent supervision mechanism. For complaints received, violations and internal control defects found in the inspections and audits, we uphold the principle of impartiality and objectivity, and instruct relevant departments, the hotel and serviced apartments or front-line operators to follow up timely according to the investigation results, formulate rectification/optimization plans and implement them. Any violation of law, discipline or business ethics will be reported and investigated according to the established mechanism.

Area of Specialization

Compliance Management

Mechanism and Operation

- The Compliance Management Department is responsible for compliance management functions, headed by the Company Secretary/Compliance Manager, and submits semi-annual reports to the Audit Committee.
- The compliance management colleagues independently or simultaneously hold professional Certificates of Lawyer (Hong Kong, Chinese Mainland), Corporate Counsel (China), Certified Public Accountant and Tax Accountant.
- According to the Compliance Manual, the Compliance Management Department carries out compliance inspection on the front-line operators every quarter, covering 100% of the properties of the Trust, and requires all departments of the Manager to carry out compliance self-evaluation and submit reports on a semi-annual basis.
- Based on actual requirements, the Compliance Management Department organizes various compliance training sessions for the departments of the Manager, the hotel and serviced apartments and front-line operators from time to time, and holds compliance knowledge tests.
- The Manager has set up a special hotline and mailbox for reporting both inside and outside, and the Compliance Management Department assigns dedicated personnel to manage them. The Compliance Management Department can accept all kinds of reporting information and always keep the source and whistleblower information strictly confidential to ensure that whistleblowers can be protected by law and away from interference.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Area of Specialization

Internal Monitoring

Mechanism and Operation

- The Internal Audit Management Department is responsible for risk management and internal monitoring functions, and reports directly to the Audit Committee with independence.
- The internal auditors independently or simultaneously hold professional Certificates of Lawyer (Chinese Mainland), Corporate Counsel (China), Certified Public Accountant, Accountant, Tax Accountant and International Certified Internal Auditor, and participate in continuing education every year to ensure professional competence.
- According to Implementation Measures for Internal Audit, the Internal Audit Management Department conducts internal control assessments/special audits on the departments of the Manager, the hotel and serviced apartments and front-line operators irregularly every year. The Internal Audit Management Department can accept all kinds of reporting information and always keep the source and whistleblower information strictly confidential to ensure that whistleblowers can be protected by law and away from interference.
- The Manager aims that internal audit shall cover the departments of the Manager, the hotel and serviced apartments and front-line operators at least once in every five years. During the period from 2018 to 2021 (4 years), the internal audit working scope has covered all departments of the Manager, the hotel and serviced apartments and front-line operators, and the coverage has met the goal. 100% of audit recommendations were accepted and implemented.

External audit and supervision

- According to the Listing Rules, the Manager hires an independent auditor to review the interim financial statements of the Trust and audit the annual financial statements of the Trust on an annual basis. Please refer to Yuexiu REIT's Annual Report 2021 for the Independent Auditor's Report (Page 177).
- The Manager's management of Yuexiu REIT is supervised by the Trustee. Please refer to Yuexiu REIT's Annual Report 2021 for Report of the Trustee (Page 86).



Case

Compliance Management Safeguards the Steady Development of the Trust

In November 2021, Ms. OU Haijing, Executive Director and Deputy CEO, gave a training session themed on Asset Management: Trust Listing Rules to the principal responsible personnel of the departments of the Manager and front-line operators. She explained the latest requirements of the Listing Rules in Hong Kong and Real Estate Investment Trust Code, emphasizing the importance of compliance management to the steady development of the Trust through the combination of regulatory requirement explanation and case study.



Training Site

(3) Employees' Business Ethics Training

The Manager requires employees to make commitments to integrity, organizes business ethics training every year, and requests the hotel and serviced apartments and front-line operators to effectively promote and train integrity. The relevant departments of the Manager would carry out special supervision from time to time to prevent the occurrence of events that damage the overall image of the Trust. During the year, the Manager, the hotel and serviced apartments and the front-line operators conducted a total of about 1,171 hours of anti-corruption and anti-commercial bribery training.

(4) Anti-bribery of Suppliers

The Manager emphasizes the integrity management of supply chains and all suppliers are required to comply with our supplier management policy. We have "zero tolerance" for any suppliers or potential cooperation units who violate the integrity agreement. The Manager carries out a comprehensive investigation on all companies newly included into the supplier database in terms of reputation, service reputation, qualifications, and compliance records and those found to have any illegal or disciplinary records will be eliminated by "one-vote veto". We evaluate the suppliers with cooperation records at least once a year to ensure their persistent compliance with our requirements for supplier management. During the reporting year, the Manager did not identify or know any confirmed incidents or proceedings related to supplier anti-bribery.

SUSTAINABLE DEVELOPMENT MANAGEMENT



Case

Corruption Risk Management of Asset Appreciation Projects

For property integrity management in property asset appreciation projects, the Manager has taken multiple measures to prevent corruption risks in the process of bid invitation and procurement:

- ① As stipulated in the bid invitation documents, the bidders are required to sign and submit the Bidding Statement to ensure that there is no act of bidding collusion with other companies, and undertake not to transfer the bidding qualification and not to bribe the bid issuer or members of the bid evaluation committee, otherwise, they will be held legally responsible for such acts.
- ② In the process of bid evaluation, employees are randomly selected as integrity supervisors to supervise and confirm the whole process of bid evaluation. The judges evaluate and confirm bidders in strict accordance with the evaluation criteria.
- ③ When signing the contract, the counterpart of the contract is required to sign the Integrity Agreement with the Company, and undertake not to provide kickbacks, charges, commissions, referral fees, etc. to the employees of the Company to obtain any business opportunities.
- ④ After the contract is signed, the Internal Audit Management Department would carry out special audits of bid invitation and procurement from time to time for supervision.

(5) Anti-Money Laundering

The Manager has established an anti-money laundering mechanism. For leasing business, we carry out customer identification and verification based on customer identification rules. A leasing management system has been established to register and maintain the business information and basic identity information of customers and their agents. The copies or photocopies of relevant persons' valid identity documents or other identity documents are properly kept. We have also included "anti-money laundering clauses" in the leasing contract, requiring tenants to declare that the sources of all funds submitted to the Company are legal and undertake that the identity information submitted for filing is true and reliable. For investment and financing affairs, the Manager entrusts lawyers or qualified professionals to conduct due diligence to ensure the legality and compliance of relevant economic activities. Meanwhile, the Manager submits anti-money laundering-related questionnaires and materials as required by financial institutions. During the reporting year, the Manager did not identify or know any confirmed anti-money laundering related incidents or proceedings.

Intellectual Property Rights Protection

We respect intellectual property rights, regarding trademarks, brands and other intellectual property rights managed collectively by the Asset Management Department as important assets and we try our best to protect various intellectual property rights involved in business activities, prohibiting all employees from copying or disseminating any

unauthorized copyright materials in order to avoid encroaching on the rights of copyright owners. If any infringement of intellectual property rights is found, we will take remedial measures as soon as possible, including withdrawing relevant materials or making compensation. During the reporting year, the Manager did not identify or know any confirmed incidents or lawsuits related to infringement of intellectual property rights.



Maintain Intellectual Property Rights and Support Original Brands

As the incubator base of Chinese brands, the White Horse Building has adhered to creating original design brands over the years. In 2021, the White Horse Building continued to carry out various original brand support activities, involving a total of 18 original designer brands in these activities and vigorously creating an atmosphere of supporting the originality. In addition to these activities, the White Horse Building invited the Industrial and Commercial Bureau to carry out the intellectual property rights publicity activities, and signed contracts with professional third-party copyright protection agencies to provide customers with more professional and legally effective copyright protection services for the more strict protection of intellectual property rights of original customers.

Anti-Unfair Competition

We are well aware that healthy competition not only can improve efficiency and promote innovation, but also enhance service quality to meet the needs of owners and thus better customer experience. The Manager advocates that all business activities shall be conducted in good faith and fairness to gain the trust of business partners, tenants, investors, and the public. According to the Competition Ordinance, we prohibit anti-competitive behaviors, actively identify risks in the competition routine and formulate control measures, and include bidding and tendering regulations clearly in the internal system. During the reporting year, the Manager did not identify or know any incidents of non-compliance with laws and regulations relating to competition.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management is the guarantee for the Trust to achieve strategic objectives. In order to maintain more effective business operation and sustained business growth, the Manager systematically determines business risks and formulates governance structure, management processes, and management contents. The Manager's risk management policies are dedicated to identifying business-related risks in advance to avoid impacts. This ensures the better treatment of risks, the improvement of business operations through related opportunities, and the implementation of responsibilities and supervision.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Three Lines of Defense

The Manager follows the Enterprise Risk Management (“ERM”) with three lines of defense, and has formulated and implemented the Measures of Risk Preference Management. A risk ledger and a key risk indicator system involving various aspects of the operation of the Trust have been further established. During the reporting period, the mechanisms of active risk management, risk monitoring and reporting, and independent risk supervision were effectively operated, and no material risk events occurred.



First line of defense

Departments of the Manager, hotel and serviced apartments and front-line operators

Proactively manage, monitor and report risk events and indicators in accordance with responsibilities. Major risk categories are covered, such as revenue risk, interest rate risk, exchange rate risk, liquidity risk, reputation risk, compliance risk, human resource risk, work safety risk, and information security risk.



Second line of defense

Risk management

- Develop and maintain the risk indicator system, set the monitoring threshold based on the annual business plan, calculate and monitor the indicator results every quarter, and check the validity of the threshold every half year.
- Collect, summarize, and monitor all kinds of risk events by means of information technology, analyze the correlation among all kinds of risks utilizing scenario testing and risk mapping, and continuously evaluate the possibility and impact of all kinds of risks.
- Regularly monitor and improve the risk management plans and review risk management and mitigation measures.
- Submit quarterly risk management reports to the Audit Committee that is responsible for controlling the overall risk management and the Board meets once or more quarterly (if necessary) to review the effectiveness and adequacy of risk reports and internal controls implemented by the main procedures of the Trust.



Third line of defense

Internal audit

- Develop the annual risk-oriented internal audit plan at the beginning of every year and submit it to the Audit Committee for approval.
- Independently carry out the work according to the plan, including process internal control evaluation and special audit, identify various management defects, and put forward corresponding rectification/optimization suggestions.
- Submit internal working report to the Audit Committee on a semi-annual basis.

ESG RISK MANAGEMENT

We are well aware that ESG risks are an important part of risk management, and the Manager has integrated ESG elements into the risk management framework system to identify the relationship between ESG issues and related risks. ESG risk management is mainly reflected in two aspects.

Connect traditional risks with ESG risks

Physical risks such as floods, typhoons, and high temperatures in climate change risks are integrated with ESG issues, such as property safety and health, and incorporated into daily monitoring and reporting of workplace safety risks.

Adopt TCFD recommendations

To identify and sort out potential risks that may be brought about by climate change and develop risk response measures. For more information, please refer to the Section “Addressing Climate Change” of this Report.

SUSTAINABLE DEVELOPMENT GOVERNANCE

We firmly believe that sustainable development governance is the cornerstone of realizing the long-term sustainable development goals of the Trust. Under the sound governance structure of sustainable development, the Board actively participates in ESG matters. Each level of governance defines the scope, process and priorities, summarizes the experience in actual operation and makes continuous improvement, so as to achieve the normal management of sustainable development with a structure featuring well-stated rights and responsibilities. During the reporting period, the Manager maintained the efficient operation of the sustainable development management structure at all levels.



SUSTAINABLE DEVELOPMENT MANAGEMENT

Level	Composition	Responsibilities
<p>Board and Board Committees</p> 	<p>Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors</p>	<p>Lead the discussion of ESG risks and information disclosure, supervise ESG work progress and take responsibility for ESG management system and information disclosure. Each Board Committee is responsible for the discussion of ESG related issues according to their scope of responsibility</p>
<p>Sustainability Steering Group</p> 	<p>Group Leader: Mr. LIN Deliang (CEO) Members: Ms. OU Haijing (Deputy CEO) and Mr. KWAN Chi Fai (CFO)</p>	<ul style="list-style-type: none"> • Formulate overall objectives and strategies for sustainable development • Deploy various resources to support sustainable development • Submit work reports to the Board and Board Committees • Follow up/Implement other matters decided by the Board
<p>Sustainability Working Group</p> 	<p>Ms. OU Haijing (Deputy CEO) serves as the Group Leader. The coordination is performed by the Internal Audit Management Department. Each department of the Manager designates a contact person for communication, and carries out the relevant work according to the scope of responsibilities.</p>	<ul style="list-style-type: none"> • Study and implement sustainable development management policies • Assess and report the status of sustainable development • Work out short-, medium- and long-term sustainable development work plans • Supervise the progress of sustainable development work • Submit work reports to the Sustainability Steering Group • Follow up/implement other matters decided by the Sustainability Steering Group
<p>Sustainability Teams of Properties</p> 	<p>Employees of the Manager, employees of the hotel and serviced apartments, and front-line operators</p>	<ul style="list-style-type: none"> • Conduct daily management and statistics of the corresponding environmental and social indicators of the properties • Implement sustainable development policies and plans • Periodically report the corresponding indicators • Put forward improvement suggestions on daily management • Corporate with other work of the Sustainability Working Group

SUSTAINABLE DEVELOPMENT GOALS

Centering on the UN Sustainable Development Goals (“SDGs”)², as well as on the Science Based Target³ and China’s Carbon Reduction Goal and Action Plan⁴ during the 14th Five-year Plan Period, we have accordingly adopted comprehensive and feasible measures step by step oriented towards the short-, medium- and long-term sustainable development goals in the combination of the materiality issues of the Trust.

Scope : ■ Governance/Economy ■ Environment ■ Society

Our Material Issues	Our Sustainable Development Goals (Towards 2030)	Measures, Progress and Plans
Anti-corruption and Anti-bribery	Carry out anti-corruption and anti-bribery training every year and 100% cover departments of the Manager, the hotel and serviced apartments and frontline operators	Please refer to the chapter “Corporate Governance and Business Ethics” of this Report
ESG Risk Management	Review the overall ESG framework, policies, and goals of the Trust every year	
Stable Value Creation	Review the Risk Management frameworks, policies and objectives every year	
Anti-unfair Competition	Review the procurement control every year	
Intellectual Property Rights Protection	Continuously carry out publicity and training related to intellectual property rights protection	
Industry Development	Continuously carry out tenant empowerment activities. Promote industry development through continuous participation in professional forums and industry associations	
Energy Management	① Based on 2019, reduce power intensity ⁵ by 13.5% by 2025 ② Complete the formulation of 2030 energy conservation goals and action plans by 2025	
Water Resources Management	① Based on 2019, reduce water intensity ⁶ by 10% by 2025 ② Complete the formulation of 2030 water conservation goals and action plans by 2025	
Addressing Climate Change	① Based on 2019, reduce total greenhouse gas (“GHG”) emission intensity ⁷ by 13.5% by 2025 ② Complete the formulation of GHG reduction targets and action plans for 2030 by 2025	
Waste Management	① Adhere to the promotion of paperless office, promote the reduction of waste ⁸ from daily operation. Complete the formulation of waste reduction goals and action plans for 2030 by 2025	
	② Continue to carry out garbage classification every year and entrust a qualified third party to deal with 100% of hazardous waste	

² The UN Sustainable Development Goals (SDGs) refer to the 17 global development goals formulated by the United Nations.

³ Paris Agreement: Committed to keeping the rise in global average temperature to 2°C below pre-industrial levels and working to limit it to 1.5°C.

⁴ The 2025 and 2030 goals and action plans mentioned in China’s Action Plan for Reaching Peak Carbon Emissions by 2030.

⁵ The power consumption intensity of the purchased power grid in the public area of the property and the operation of the hotel and serviced apartments, calculated by unit area or room night.

⁶ The water consumption density in the public area of the property and the operation of the hotel and serviced apartments, calculated by unit area or room night.

⁷ Including Scope 1 and Scope 2, calculated by unit area or room night.

⁸ Waste generated from asset appreciation projects is excluded.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Our Material Issues	Our Sustainable Development Goals (Towards 2030)	Measures, Progress and Plans
Green Leasing	<ul style="list-style-type: none"> ① Continue to promote green conventions and advocate green office ② Continue to promote green building certification/selection and increase the proportion of green building certificate 	
Biodiversity	Incorporate biodiversity into the scope of concerns of public service/publicity campaigns every year	
Sustainable Consumption	Continue to call on tenants and customers to reduce the use of disposable items every year	
Employee Development and Training	<ul style="list-style-type: none"> ① Every employee receives at least 36 hours of training every year ② Provide training for 100% of new employees 	Please refer to the Chapters “Work with Partners for Win-Win Development”, “Work Side by Side with Employees for a Better Career” and “Grow with the Society for a Harmonious Community” of this Report
Employee Attraction and Retention	<ul style="list-style-type: none"> ① Annual employee performance appraisal and performance communication ② Keep in touch with schools and provide internship positions every year 	
Employee Rights and Communication	<ul style="list-style-type: none"> ① Enter into a written labor contract with 100% of employees ② Purchase social insurance/labor insurance for 100% of employees ③ Organize employee satisfaction survey every year 	
Employee Safety and Health	<ul style="list-style-type: none"> ① No confirmed work-related deaths every year ② Provide annual health check for employees 	
Social Welfare	<ul style="list-style-type: none"> ① Stay connected to communities and provide venues for all kinds of charity activities every year ② Stay connected to the labor unions and continuously strengthen the volunteer team building 	
Information Security Protection	Review information security management and control mechanism every year	
Property Safety and Health	<ul style="list-style-type: none"> ① Organize at least one fire drill every six months, covering 100% of the properties of the Trust ② Rectify 100% of equipment and facilities safety hazards every year 	
Value Chain Social Responsibility	Evaluate and review 100% of suppliers every year	
Service Quality	The overall customer satisfaction of annual third-party survey shall be no less than 90% ⁹	
Customer Complaint Management	Response to 100% of customer complaints every year	
Responsible Marketing	Continue to carry out publicity and training on consumer protection to protect the legitimate rights and interests of consumers	

⁹ Refers to comprehensive satisfaction, applicable to office buildings, clothing wholesale mall and retail malls

SUSTAINABLE DEVELOPMENT POLICIES

We are determined to advance our sustainable development goals responsibly with a disciplined approach to sustainable development.

Compliance Manual



The Manager has incorporated ESG management requirements into the Compliance Manual and gradually established and improved the sustainable development policy framework, aiming to provide well-defined policy guidelines for integrating sustainable development into day-to-day operations.

Risk Management



The Manager has incorporated climate change elements with reference to the recommendations of the TCFD after reviewing the risk management framework in 2021. For details, please refer to the “Addressing Climate Change” of this report.

Policy and Instruction



The Manager, hotel and serviced apartments and front-line operators formulate various policies related to sustainability, covering major aspects of ESG. We continuously review the application of policies and systems to ensure that specific system content is practical and efficient. For details, please refer to the section headed “Policy List” of this report.

MATERIALITY EVALUATION

We maintain daily liaison and communication with stakeholders to keep abreast of their latest concerns and carry out multi-dimensional risk assessment and significance analysis around ESG issues. Through regulatory requirements analysis, media research, peer benchmarking, questionnaire surveys and property field visits, we identify material ESG issues and provide the basis for ESG reports to ensure proper disclosure of ESG information.

STAKEHOLDER COMMUNICATION

Yuexiu REIT's property portfolio is diversified. We regard tenants, customers, employees, government and regulators, unit-holders and investors, ESG third-party evaluation institutions, suppliers, media and communities as main stakeholders. The specific forms of communication are listed in the table below.

Stakeholder	Their mainly concerns	Our daily communication
 Tenants Tenants of office buildings, wholesale mall and retail malls	Property location, internal environment, property service quality, safety facilities, property energy consumption, rental level, shopping mall traffic	Regular visits, satisfaction surveys, complaint hotlines, resident property management
 Customers Customers who enjoy services in retail malls, hotel and serviced apartments	Property location, tenant portfolio, property environment, safety facilities, property transportation convenience	Complaint mailbox, regular inspection, complaint hotline, satisfaction survey
 Employees Employees of the Manager and the Trust	Remuneration, development potential, employee benefits, promotion policies, training system, corporate reputation, job intensity, internal communication channels	Direct communication, employee mailbox/hotline, training programs, assessment and satisfaction survey
 Government and regulators Local government and regulators of the registration, listing and operation of the Trust	Complying with local laws and regulations, paying taxes according to law, promoting local economic growth and local employment, and creating social benefits	Liaison maintenance and policy communication
 Unit-holders and investor Existing unit-holders, financial institutions and potential investors	Share prices, distribution, financial conditions, business prospects, future development plans, corporate governance, management selection and recruitment	Unit-holders' meeting, financial information disclosure, investor hotline/mailbox, investor relations roadshow

Please refer to Page 127 of Annual Report 2021 for Investor Relations Report

Stakeholder	Their mainly concerns	Our daily communication
<p>ESG third-party evaluation institutions</p> 	<p>Independent third-party institutions evaluating the ESG performance of the Trust</p>	<p>Information disclosure, governance, risk management, environmental and social benefits</p> <p>Annual report, ESG report, website/email communication, ESG information inquiry and response</p>
<p>Suppliers</p> 	<p>Suppliers providing devices and services required for daily operations of the Trust</p>	<p>Procurement policies, supplier management system, fair trade, on-time delivery, timely payment, communication channels, and maintaining good partnerships</p> <p>Supplier review, regular visits, regular assessments</p>
<p>Media</p> 	<p>The media which focus on the Trust and promote our operating performance and service conditions</p>	<p>Social impacts, financial performance, future direction, awards obtained</p> <p>Event invitations, public opinion monitoring</p>
<p>Communities</p> 	<p>Communities where properties of the Trust are located and supported areas</p>	<p>The environmental impact of the properties, the recreational facilities provided in the properties, the traffic and opportunities and public welfare programs brought by the properties for the local area</p> <p>Public welfare programs and complaint hotline</p>

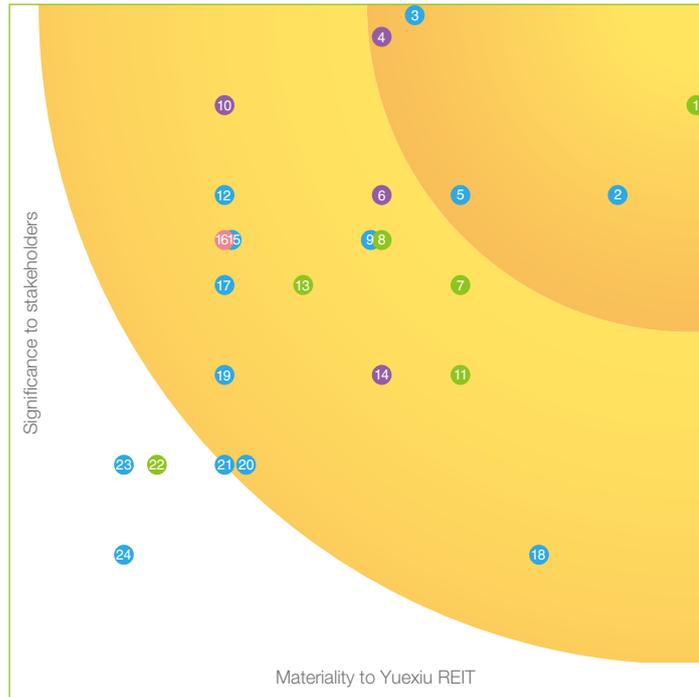
MATERIALITY EVALUATION

MATERIAL ISSUES

Based on our business development and industry characteristics, we conducted a multi-dimensional review of material issues on a semi-annual basis from the perspectives of compliance requirements, investor concerns, ESG international standards, peer concerns and other issues that stakeholders are concerned about.

Based on the evaluation results of previous years, the Manager conducts issue review with the assistance of ESG professional consultants based on the daily contact information of stakeholders. We have organized a total of 12 online and offline interviews and multiple telephone communications, and established various focus groups around the three major aspects of ESG. We finally identified and analyzed 24 sustainable development issues that have material impact on the Trust's development, covering the four dimensions of environment, society, operation and employment.

According to the evaluation results, an important topic was added this year, namely ESG risk management. At the same time, we maintain the materiality of topics such as energy conservation, water conservation, addressing climate change, waste reduction, talent attraction and retention, and value chain social responsibility, and actively respond to the country's requirements for high-quality development.

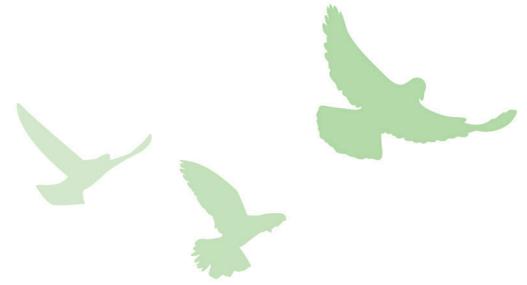


- Environment
- Operating practice
- Employment and labor practice
- Society

List of Material Issue, Goal and Progress

Rank	Issue	Category (in accordance with ESG reporting guidelines)	Goal and Progress (Chapter of this Report)
1	Energy management	Environment	Advancing Green Leasing
2	Stable value creation	Operating practice	Sustainability Management
3	Anti-corruption and anti-bribery	Operating practice	Anti-corruption and Anti-commercial Bribery
4	Employee attraction and retention	Employment and labor practice	Talent Attraction and Retention
5	ESG risk management	Operating practice	Risk Management and Internal Monitoring
6	Employee development and training	Employment and labor practice	Employee Development and Training
7	Addressing climate change	Environment	Addressing Climate Change
8	Waste management	Environment	Advancing Green Leasing
9	Value chain responsibilities	Operating practice	Advancing Green Leasing Responsible Supply Chain
10	Employee safety and health	Employment and labor practice	Occupational Safety and Health
11	Green leasing	Environment	Advancing Green Leasing
12	Information security protection	Operating practice	Providing Wonderful Services
13	Water resources management	Environment	Advancing Green Leasing
14	Employee interest and communication	Employment and labor practice	Protection of Employee Rights and Interests Talent Attraction and Retention
15	Service quality	Operating practice	Providing Wonderful Services
16	Social Welfare	Society	Support community development, safety and charity
17	Property safety and health	Operating practice	Safe Building
18	Industry development	Operating practice	Empowering Tenant Operation Growing With Tenants
19	Intellectual property protection	Operating practice	Intellectual Property Protection
20	Customer complaint handling	Operating practice	Satisfying Service
21	Anti-unfair competition	Operating practice	Anti-unfair Competition
22	Biodiversity	Environment	Creating Green Community
23	Responsible marketing	Operating practice	Responsible Supply Chain
24	Sustainable consumption	Operating practice	Creating Green Community





INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

We strive to reduce the possible impact on the environment during the operation, while integrating the notion of sustainable development into the day-to-day operation mindset according to our business characteristics, at the same time actively expending green leasing and low-carbon activities. Along with strict compliance of national and regional “Dual Carbon” policies, as well as the laws and regulations regarding environmental protection, we internalize the operational concept of sustainable management into relevant internal management systems, and guidance are given to subordinated properties. In the future, we will continue to adhere to green development and continue to implement our policy — “Integrate with the Environment to Promote Low-Carbon Operation” in every aspect of our business.

SDGs RESPONDED IN THIS SECTION



INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

MATERIAL ESG ISSUES IN THIS SECTION AND CORRESPONDING INTERNAL MANAGEMENT POLICIES

Issues	Internal management policies
Energy management	Environmental Monitoring Process, Environmental Factors Identification and Evaluation Process, Environmental Protection Guidelines, Public Energy Consumption Control Index, Implementing Rules for Energy Consumption Management, Standard Operating Procedure of GZIFC
Green leasing	Green Convention, Decoration Manual, Standard Operating Procedure of GZIFC
Addressing climate change	Emergency Plan Measures, Emergency Kit Location Guide, Standard Operating Procedure of GZIFC
Water resources Management	Implementing Rules for Energy Consumption Management, Public Energy Consumption Control Index, Standard Operating Procedure of GZIFC
Waste management	Management Procedure of Waste Chemicals, Standard Operating Procedure of GZIFC

GOAL MANAGEMENT

Goal setting	Progress review of 2021	Next stage plan
Please refer to the Chapter “Sustainable Development Goals” for details	<ul style="list-style-type: none"> GHG emissions (Scope 1 + Scope 2): -7% year-on-year Asset Appreciation Projects related to energy conservation and emission reduction: RMB2.39 million Confirmed violations of waste management regulations: 0 	<ul style="list-style-type: none"> Continue to strengthen the statistical analysis of energy consumption of various properties and integrate international standards Promote the realization of energy conservation, water conservation, GHG reduction and waste reduction goals Continue to promote green publicity and environmental protection public welfare activities in various properties Continue to carry out green building promotion and certification promotion activities

PRACTICING GREEN INVESTMENT

We take ESG performance into consideration in the evaluation of potential investment properties. We investigate and evaluate the environmental assessment reports and green building design certification of properties, focusing on the environmental benefits of buildings and ensuring that buildings meet the local environmental assessment policies and requirements.

During the reporting period, the Trust successfully acquired Yuexiu Financial Tower, which has LEED EBOM V4 Platinum certification, Platinum WELL mid-term certification and China Three-star Green Building certification, making it one of the green building benchmarks in South China. The proposal was approved by 96.24% of independent unit holders.

OPERATING GREEN BUILDING

Guidelines and Mechanisms

Strict and effective management and gradually improved mechanism are important pillars for us to achieve green lease. We standardize and guide the internal environmental management of our properties to consolidate the energy consumption management mechanism.



Guideline

Please refer to “Policy List” of this report for details.



Mechanism

Set up a working group on energy conservation and consumption reduction, establish the structure and division of responsibilities, and cover the whole process of resource consumption recording, monitoring, feedback and target adjustment.



Practice

Please refer to this chapter for details.

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

Green Building Certificate

Our efforts in operating green buildings are fruitful and widely recognized. Until now, properties held by Yuexiu REIT have won a number of green building-related certificates or awards. Among them, 56% of the property area is certificated LEED gold or above, and we aim to further increase the proportion of the area certified by international green building standards to more than 70%.

Property	Green Building Certificates or Awards
<p>GZIFC</p> 	<ul style="list-style-type: none"> • BOMA 360 Certificate • BOMA China COE Certificate • LEED EBOM V4 Platinum Certificate • “Sustainable Building Index Verified Mark” awarded by Guangzhou Tianhe CBD Administration Committee and HKQAA
<p>Yuexiu Financial Tower</p> 	<ul style="list-style-type: none"> • LEED EBOM V4 Platinum Certificate • Platinum WELL Mid-Term Certificate • China Green Building Three-Star Certificate
<p>Fortune Plaza</p> 	<p>“Sustainable Building Index Verified Mark” awarded by Guangzhou Tianhe CBD Administration Committee and HKQAA</p>
<p>City Development Plaza</p> 	<ul style="list-style-type: none"> • “Sustainable Building Index Verified Mark” awarded by Guangzhou Tianhe CBD Administration Committee and HKQAA • “Building Energy-saving and Wall Material Innovation Demonstration Project in Guangzhou”
<p>Victory Plaza</p> 	<p>“Sustainable Building Index Verified Mark” awarded by Guangzhou Tianhe CBD Administration Committee and HKQAA</p>
<p>Hangzhou Victory</p> 	<p>National Two-star Green Building Design Label</p>

Green Building Highlights

GZIFC

- 
Glass curtain wall: The hollow double silver LOW-E glass is used, which can effectively block 70% of ultraviolet rays, and the heat transfer coefficient is 50% lower than that of ordinary glass, which effectively reduces the energy consumption of air conditioners.
- 
Environmental greening: more than 10,000 square meters, the greening rate is about 33%.
- 
Air quality: Equipped with VAV system, centralized air supply system, fresh air plus fan coil system and VRV system. The internal air is subjected to electrostatic dust removal, G3 coarse-efficiency filtration, F7 medium-efficiency purification, and photocatalytic sterilization treatment.

Yuexiu Financial Tower

- 
Glass curtain wall: The natural ventilation effect is realized by the curtain wall ventilator instead of opening windows in ordinary public buildings, which saves 42%-52% of energy compared with the traditional curtain wall for heating and 38%-60% for cooling.
- 
Natural lighting: The fully hidden frame double silver coating LOW-E laminated hollow (argon-filled) ultra-white glass curtain wall is adopted, and the natural lighting rate reaches 62.56%.
- 
Air quality: VAV air conditioning system, international fresh air system, purification system and real-time monitoring system, regularly monitor CO₂ content. PM2.5 interception rate reaches 99%; formaldehyde/benzene removal rate reaches 90%; fresh air volume reaches 40 cubic meters/person/hour; indoor sterilization effect is as high as 99%.

Energy-saving and low-carbon transformation

We decompose the sustainable development goals, implement differentiated management methods, and continue to deploy green and low-carbon management and control measures in our properties. The carbon footprint mainly comes from the consumption of purchased electricity. Up to now, the lighting systems of properties have been updated or gradually updated to LED lighting to reduce the carbon footprint of lighting. Some properties carry out intensive and hierarchical management of air conditioners to achieve energy-saving management of building cooling and heating.

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

Type	Office Building	Retail Mall	Clothing Wholesale Mall	Hotel and Serviced Apartments
Main Features	<ul style="list-style-type: none"> - High-rise buildings - Mostly corporate customers - High service standards - High Safety Standard - Special equipment and facilities - Various types of waste 	<ul style="list-style-type: none"> - Huge daily customer flow - Public oriented - Varying requirements of tenants - Special equipment and facilities - High Safety standards - Various types of waste 	<ul style="list-style-type: none"> - Huge daily customer flow - Mostly clothing shops - Varying requirements of tenants - Special equipment and facilities - High Safety Standard - Various types of waste 	<ul style="list-style-type: none"> - Directly consumers oriented - High-end brand positioning - Varying requirements of consumers - First-rate service standards - Provision of food services - High Safety Standard
Main Measures	<ul style="list-style-type: none"> - Lighting system renovation - Water supply system renovation - Equipment energy conservation renovation - Garbage classified disposal - Energy conservation and environmental protection publicity - Disaster drill 	<ul style="list-style-type: none"> - Lighting system renovation - Water supply system renovation - Equipment energy conservation renovation - Garbage classified disposal - Energy conservation and environmental protection publicity - Environmental greening upgrading 	<ul style="list-style-type: none"> - Lighting system renovation - Tenant electricity quota - Equipment energy conservation renovation - Water recovery from cooling tower - Garbage classified disposal - Energy conservation and environmental protection publicity 	<ul style="list-style-type: none"> - Garbage classified disposal - Water efficiency management - Application of eco-friendly equipment - Promotion of environmental concepts - Selection of eco-friendly services - Environmental greening upgrading

Within the reporting period, the Manager has unfolded energy conservation and consumption reduction projects such as greening and upgrading asset appreciation projects as adding electrically operated valves to the level main pipes of air conditioning chilled water system of Wuhan Yuexiu Fortune Center, cold and heat source interconnection renovation of Yuexiu Fortune Center and Starry Victory Shopping Center, and heating system renovation of Four Seasons Hotel Guangzhou. A total of RMB2.39 million has been invested cumulatively.



Cold and Heat Source Interconnection Renovation and Air Conditioning Chilled Water System Renovation of Wuhan Properties

(1) Cold and Heat Source Interconnection Renovation Project

The renovation guaranteed the continuous heat supply of the mall on the one hand and realized interconnection as required to reduce energy consumption on the other hand. The energy conservation rate reached 32.6% at interconnection upon testing.

- In case of boiler failure in the shopping mall, the office building's air conditioning system can supply heat for the shopping mall;
- When the customers of the office building apply for overtime air conditioning, it will be supplied by the shopping mall starting from 20:00;
- During the peak period of the shopping mall in the transition seasons, the office building's air conditioning system will provide cooling for the shopping mall's food shops.

(2) Project of Adding Electrically Operated Valves to the Level Main Pipes of Air Conditioning Chilled Water System

Yuexiu Fortune Center connects the automatic control system of building equipment through adding electrically operated valves, and realizes the supply of central air conditioning on demand through centralized management. By comparison, the energy consumption of the air conditioning system during the overtime air conditioning period (20:00 to 23:00) 40 days before/after the electrically operated valves are put into use is reduced by 31.8%.

The two projects are expected to save about 260,000 KWH of electricity per year and reduce CO₂ emissions by about 159 tonnes per year.



Cold and Heat Source Interconnection



Electric valve

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

ADVANCING GREEN LEASING

We adhere to the bottom line of environmental compliance and strictly follow national and local laws and regulations. The water source for daily operation of its properties is municipal water supply, and there is no difficulty in obtaining water source. By strengthening energy consumption control and improving resource management mechanisms, we have reduced the pain points in low-carbon operations and green services. We also regard customers as common partners in green development, and guide customers to operate in a more “low-carbon” way by organizing various green and environmental protection activities.

Promotion of Green Convention

During the reporting period, we continued to guide and manage our properties in accordance with green and low-carbon operation procedures, and deeply integrated world-class management requirements with the company’s standardized management system. Since 2019, the Manager has included the Green Convention as an annex to the lease contract, and agreed on the tenants’ maintenance of environmental performance in decoration, operation and other links. In 2021, the Manager has continued to extend the requirements of the Green Convention to all super-A office buildings.

Object	Green Convention	Actions
Front-line Operator 	Data monitoring	Data analysis and monitoring, technical guidance and support will be provided if abnormalities are found
Tenant/Customer 	Environmental decoration Energy efficient operation/consumption	Advocate to use green and environmentally friendly decoration materials and supervise inspections Electricity and water usage quota management
Decoration Team 	Decoration activities	<ol style="list-style-type: none"> ① It is strictly forbidden to use decoration materials that are harmful to the environment, such as oil-based paint, some adhesives, etc. ② Call on tenants to choose decoration materials (such as coatings and boards) that meet the technical requirements of environmental protection and the certification of national environmental protection standards when opening the second decoration. ③ Choose products that have passed relevant environmental protection and safety certifications, such as building boards, equipment and cleaning agents, office paper for daily use, printer ink cartridges, and cleaning paper.

Renewable Energy Application

This year, all properties of the Trust continued to promote energy-saving technical transformation, water resource recycling and other energy-saving and emission reduction measures. By innovating energy and water conservation implementation plans, we improved the efficiency of resource utilization, strengthened the identification of water and electricity consumption difficulty points, and tried to reduce resource consumption in operation.

Topic: Resource regeneration and energy recycling

The Manager requires each property to formulate energy-saving and water-saving plans in line with the actual situation according to operating conditions, continue to carry out energy-saving renovation of hardware facilities, and popularize water-saving faucets. According to the tenants' work and business arrangements, each property reasonably control the management mechanism for the opening and closing of lighting and air-conditioning systems, and at the same time actively respond to the government's call to save electricity, turn off exterior wall curtain lights at specific times, and explore the application of renewable energy.



Application of Renewable Electricity and Technology

- Elevator electric energy feedback device:** the elevators of GZIFC generate electricity when the elevator is unloaded upward and fully loaded downward and feed it back to other electrical equipment in the building through the elevator electric energy feedback device, reducing the elevator electricity consumption by 8% annually.
- Solar charging tables and benches:** GZIFC has set up solar cell phone charging tables and chairs outdoors. The photovoltaic solar lighting panels on the top generate electricity to provide power for light box advertisements, mobile phones, USB devices, and lighting.



Site Photo



Site Photo

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

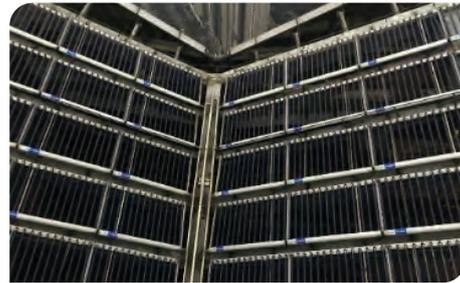


Application of Renewable Electricity

- Solar street lamps:** the White Horse Building started the install solar street lamps in public area since 2020, and 6 lamps had been put into use as of the end of 2021.
- Solar collectors:** the roof of Yuexiu Financial Tower is equipped with solar collectors to reduce the energy consumption of electric hot water. It can supply about 9.6 m³ (60°C) of solar hot water every day, saving 335kWh/year of electricity.



Site Photo



Site Photo



Water Resource Recycling

- Rainwater recycling**
 The properties saved water by collecting rainwater for toilet flushing, car washing and plant watering and other purposes.
- Condensate water recovery from air conditioning**
 GZIFC is equipped with air conditioning condensate water recovery devices, and the recycled condensate water is supplied to the cooling tower. About 8,500 m³ of condensate water is recycled a year.



Site Photo



Site Photo

- Water recovery from cooling tower**
 Through renovation of the cooling water, the White Horse Building can shut down the cooling tower to store water, recover and place the water in the water storage pan, and filter out the slag before pumping water for high-pressure water gun. The recovered water is used for cleaning the cooling tower, saving 1,200 m³ of water a year.

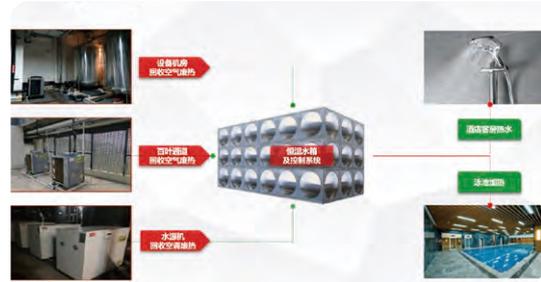


Site Photo



Heat Collection and Recycling

- In December 2021, Four Seasons Hotel Guangzhou initiated the tower hot water system energy conservation renovation project which is expected to be put into use in 2022. The air source and water source heat pump hot water units provide hot water for guestrooms, and the generated cold energy is transferred into the hotel air-conditioning system, achieving significant energy conservation results. It is estimated that this project can save more than 300,000 m³ of natural gas and 600,000 kWh of air conditioning electricity a year, and reduce CO₂ emissions by about 366 tonnes a year.
- Four Seasons Hotel Guangzhou further renovated the steam heating system in the logistics area. The steam exchange tank system has been renovated into a water source hot water pump and air source heat pump hot water system, and connected with the AB risers of air conditioning chilled water to make use of the waste heat of central air conditioning in the building. A total of 110,655 m³ of natural gas is saved every year, equivalent to a reduction of 239 tonnes of CO₂ a year.



Site Photo

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

Lean Management

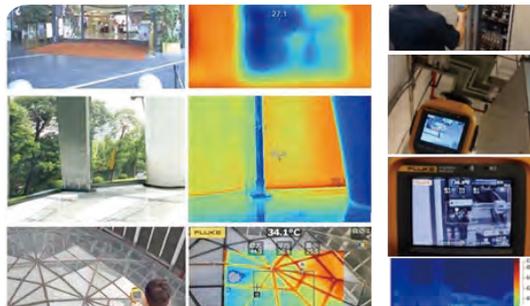
Properties of the Trust strictly implement the ISO 50001 energy management system, formulate equipment lists and energy-use benchmark indicators, and conduct refined statistics and analysis of major energy-consuming equipment through cooling capacity measurement, power monitoring, and weather conditions on a daily basis.

- Adjust the boot time of the control device
- Adjust the chilled water setting value of the refrigeration host
- Adjust the night execution time of the podium
- Adjust the startup time of the end air conditioner fan cabinet
- Detect the optimal secondary pump operating frequency
- Fine control of exhaust fan
- Optimize the elevator delivery mode



Uses Infrared Imaging Technology to Eliminate Energy Consumption Anomalies

GZIFC regularly scans the building envelope with the infrared thermal imager in order to detect its leakage and thus avoid cold loss and increased energy consumption due to poor air tightness. The infrared thermal imager is also used to scan the power distribution cabinets, buses, cables and other equipment of the power supply and distribution system every month to avoid energy consumption caused by increased resistance of connectors due to poor contact.



Infrared imaging examination

Digital Energy Consumption Monitoring

We use the digital platform to conduct intensive and intelligent management of electricity consumption, implement daily monitoring and monthly analysis, and identify room for improvement in energy-saving management. As of the end of the reporting period, digital energy consumption monitoring covered 77% of property area of the Trust's portfolio.



Building Equipment Management System

Both GZIFC and Yuexiu Financial Building have been equipped with Building Equipment Management System ("BMS") which realizes real-time, centralized, correlated and digital monitoring of all kinds of equipment by connecting the subsystem data of all kinds of equipment and facilities in the building to the same monitoring platform. In the case of discovering abnormalities, they can be promptly fed back to relevant engineering personnel to improve energy management efficiency.



System Interface



Digital Energy Consumption Monitoring Platform



System Interface

The energy management system of Wuhan properties coordinates regional power distribution data through an intelligent monitoring platform, and realizes real-time electricity visual management of the whole region by means of centralized control management. Through the early warning mechanism, fault alarm mechanism and incident analysis mechanism, the system accelerates the engineering personnel's response to incidents, and effectively improves the equipment maintenance service quality and fault handling emergency speed. At the same time, the system offers the energy consumption analysis function.

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

Waste and Emission Management

The properties of the Trust strictly comply with national and local laws and regulations when dealing with emissions, resolutely implement the relevant requirements of local waste classification, carry out strict waste classification, storage and treatment, as well as hiring qualified third-party professional institutions for professional waste treatment.

Sanitary sewage



All sewage from the properties is collected into the municipal sewage network and then treated together with the urban sewage.

Smoke fumes and exhaust gas



The smoke fumes and exhaust gas mainly come from food service tenants of our properties along with restaurants of hotels and serviced apartments. For such type of tenants, we provide special fume disposal equipment to control the smoke fumes of restaurants further ensuring compliance with relevant regulations on exhaust gas emission.

Solid waste



Following the principles of reduction and innocuousness, we implement the applicable laws and regulations on waste classification in various places, and send hazardous waste such as paint buckets, printer cartridges, printers, ink boxes and other wastes to suppliers or qualified third party for disposal.

Recycle the waste office furniture from tenants, including office furniture, goldfish tanks, sofas, etc., and recycle them for other purposes, striving to improve the recycling rate of waste.

The national garbage classification policy has been implemented for several years. During the reporting period, we continued to carry out the related work of garbage classification. The properties of the Trust actively worked with the local government departments to strictly implement the garbage classification standards, and required the customers to store and dispose of garbage in accordance with the relevant provisions, helping them gradually getting used to garbage classification. During the reporting period, we have not found or known any violations of regulations relating to waste and disposal.

- Set up classified trash cans in the properties;
- Post waste sorting guidelines in the properties;
- Set up a battery recycling box at the front desk of the service center;
- Invite garbage classification experts to give relevant lectures.





Wuhan Stary Victory Shopping Center Carried out Garbage Classification Publicity and Promotion

Wuhan Stary Victory Shopping Center unfolded a fun garbage classification event from April 22 to April 25. Participants were given gifts for correctly classifying the garbage or recycling waste batteries. This event was intended to popularize garbage classification knowledge and urge the public to reduce hazardous waste for protecting Earth.



Event Poster



Steam Boiler Low-Carbon Emission Upgrade and Renovation of Four Seasons Hotel Guangzhou

According to environmental protection standards such as GB 13271-2014 Boiler Air Pollutant Emission Standard and Guangdong Provincial Standard DB 44/765-2019 Boiler Air Pollutant Emission Standard, Four Seasons Hotel Guangzhou completed the low-carbon emission upgrade and renovation of two Miura CZI-2000WS gas steam boilers (EGR low-carbon oxide combustion system) in 2021. After renovation, the NOX emission value of the boilers was reduced from 200mg/m³ to 110mg/m³.

Reduced the Emission by **45%**

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

BUILDING GREEN COMMUNITIES

This year, properties of the Trust carried out various promotion and public welfare activities themed with low-carbon operation to actively respond to the Earth Hour, International Earth Day and World Oceans Day. Meanwhile, our customers paid increasing attention to low-carbon operation, environmental protection and other topics, which not only makes the green publicity effective, but also forms a positive cycle and feedback with customers in low-carbon operation and environmental protection.

- Turn off the lights in the office
- Turn off the computer and unplug after get off work
- Reduce the use of disposable products
- Paperless office
- Take the stairs to go up to the second floor and go down from the third floor
- Recycled plastic bags
- “Operation Liquidation” to cherish food
- Set the air conditioner temperature to 26℃



Low-carbon Theme Events

The Fortune Plaza had launched low-carbon stress reduction events from April 2021 in an attempt to urge the public to practice green commuting and participate in environmental protection actions. Through exercising and low-carbon lifestyle, the customers were encouraged to engage in green, healthy working and living environment, making the Earth greener and themselves healthier.

The City Development Plaza and tenants unfolded the Energy Saving and Low-carbon Campaign from November to December 2021. The green concept was spread through such activities as Energy Conservation King Competition, Vertical Marathon Challenge, Stairs-Walking Qualifier and Online Electricity Knowledge Contest, so that the customers could know more about energy conservation and environmental protection related measures and create a better atmosphere of green, low-carbon operation.



Event Poster



GZIFC Low-carbon and Green Themed Activities

- Online and Offline Green Publicity**

In April, GZIFC hosted the online Earth Day themed photography exhibition, Urban Greenness, Nature Collection. On June 8, the World Oceans Day, GZIFC launched the initiative of jointly protecting the blue ocean and the blue homeland of marine animals through a promotional video played in a loop and the official account in response to China's annual theme of Preserving the Biodiversity, Harmonious Co-existence between Human and Nature.

(一) 低碳生活

出门尽量使用公共交通工具，离开房间随手关闭电源。低碳生活方式不仅有助于改善全球变暖，也会减缓海洋酸化的速度从而降低对珊瑚礁和海洋生物的危害。

(二) 保护海洋环境

海边度假时，将个人垃圾带进垃圾箱或随身带走；不私自捕捉和伤害海洋动物；潜水时，不触碰珊瑚礁和其他海洋生物。

(三) 减少塑料制品的使用

出门尽量自带水杯，使用一些环保、可回收材质的物品替代塑料瓶、塑料吸管、一次性塑料碗等塑料制品，做好垃圾分类，进行物品回收利用。

Public Call

- Carbon Exploration Lifestyle Mart**

On December 13, GZIFC shopping mall started the one-week Explore Carbon Lifestyle Market which was attended by multiple popular brands in floriculture, aromatherapy and organic light food. The event was designed to encourage the public to slow down in the fast-pace lifestyle and focus on the fine daily moments and health.



Event Photos

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION



GZIFC Low-carbon and Green Themed Activities

- **The Future Green, Low-carbon Life Forum**

On December 16, the Future Green, Low-carbon Life Forum hosted by GZIFC was held. Experts in international green building research from BOMA China and USGBC carried out discussions and shared their viewpoints about 30-60 Dual-Carbon Goals, Green Buildings and Health. The event was attended by consul generals of several consulates who have their offices in GZIFC, presidents of about 10 enterprises and media reporters. At the Forum, GZIFC Green Health Committee was established. It's an organization established to advocate for a green and healthy office environment in response to the national green and environmental protection policies.



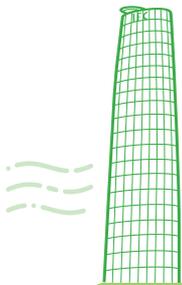
论坛暨绿色健康委员会启动会致辞 —— 林德良

- 越秀房托董事会主席及行政总裁
- BOMA中国副主席

以“智慧(INTELLIGENCE)+健康(CARE)+社群(COMMUNITY)”为核心理念的写字楼3.0产品应运而生，我们对写字楼的思考，从对物理空间的关注，逐渐跃升为对人身体的关注，希望通过楼宇经济发展模式的创新，焕新城市生活方式，激活区域经济高质量发展的新引擎。

Speech of the Senior Management

ADDRESSING CLIMATE CHANGE



The unique and innovative tube-in-tube structural system offers enough lateral stiffness and excellent wind-proof and seismic performance.

— GZIFC

Climate Risks and Opportunities

Addressing climate change is one of the material issues for the sustainable development of the Trust. We are committed to addressing climate risks and capturing high-quality development opportunities. On the one hand, we have actively taken measures to mitigate climate change by formulating emergency plans for extreme weather and conducting drills. On the other hand, we start to develop strategies to adapt to climate change, improve service standards and expand the radius of low-carbon management.

This year, we further studied and adopted TCFD recommendations in an attempt to comprehensively sort out the potential risks of climate change, including financial risks and non-financial risks, and deeply integrate climate change risks into the risk management system so as to guide us to better risk management. In the future, we will further study and carry out climate scenario analysis.

Transition Risks

Type	Potential Impact	Response
Policy and Law	China's "Dual-Carbon" Goals drive economic transformation, and regulators are committed to advocating and practicing ESG concepts. A series of policies and regulations have been issued, and the improvement of management requirements requires matching resource investment.	<ul style="list-style-type: none"> – Follow the policy and regulatory requirements closely, organize policy interpretation and training activities. – Continuously improve the efficiency of energy management, upgrade equipment and facilities, explore and popularize renewable energy, and examine carbon emissions of the value chain.
Technology	<ul style="list-style-type: none"> – The promotion and popularization of low-carbon new technology products (such as new energy vehicles) drive the renovation of properties to meet service needs, resulting in increased costs. – Existing equipment and facilities with high energy consumption may be scrapped in advance, and assets may be reduced. – The energy conservation and consumption reduction transformation and renewal will produce new costs, and it takes time to verify the reliability of energy saving technology. 	<ul style="list-style-type: none"> – Continuously to pay attention to the development of the carbon emission market and the dynamics of voluntary GHG reduction certificates. – Maintain or improve the greening environment and coverage inside and outside the properties, select local cold-resistant and drought-resistant plants according to the characteristics of climate environment. – Maintain communication and interaction with government regulators, industry associations, science and technology groups, real estate companies and ESG third-party evaluation institutions, etc.

INTEGRATE WITH THE ENVIRONMENT TO PROMOTE LOW-CARBON OPERATION

Type	Potential Impact	Response
Market	<ul style="list-style-type: none"> – Tenants' consumption preferences change, and the building environment performance begins to have an impact on tenant retention and even asset value. – Under the concept of responsible investment, ESG performance becomes a consideration for investment institutions and credit rating agencies. 	<ul style="list-style-type: none"> – Advocate energy conservation, emission reduction and environmental protection to tenants, customers, employees and communities through multiple channels.
Reputation	<ul style="list-style-type: none"> – Climate-change-related safety incidents can cause image damage and even financial compensation. – If the requirements of environmental protection and healthy environment of tenants and customers are not effectively satisfied, it may affect customer satisfaction and retention. – Failure to respond to employees' request for a green and healthy working environment may affect employee satisfaction and stability. 	<p>For practical cases, please refer to the relevant chapters of this report.</p>

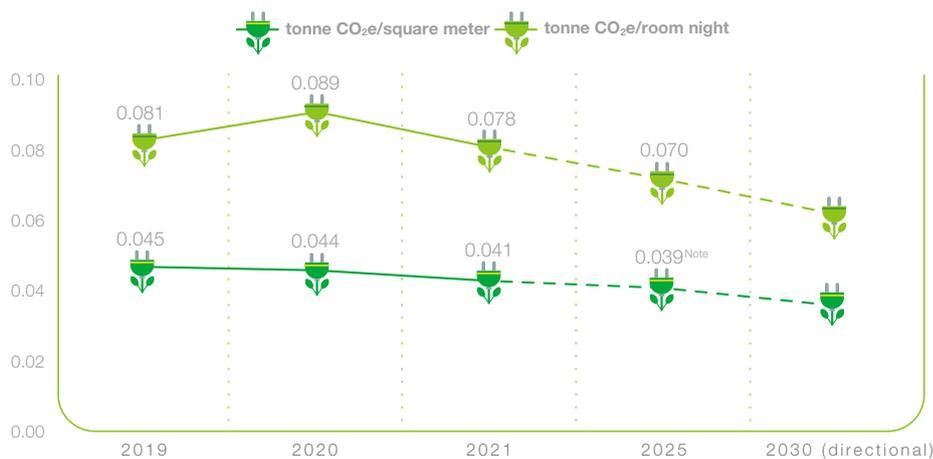
Physical Risks

Type	Potential Impact	Response
Urgent	<p>Typhoons, floods, high temperatures, pests and other climate change related extreme weather/disasters may result in:</p> <ul style="list-style-type: none"> – Property safety under acute threat and rising safety management costs. – Supply chain fracture and increasing procurement costs. – Service interruption and impact on operating income. – A reduction in assets or early scrapping of assets in case of non-compliance with environmental protection requirements. 	<ul style="list-style-type: none"> – Better understand the impact of climate change on business operations and its associated risks and opportunities. – Develop extreme weather management plans and conduct regular drills to cope with the increased frequency of extreme weather events due to climate change. – Develop appropriate work procedures and measures to prevent or mitigate potential damage to our properties due to climate change.
Chronic	<p>Intensifying greenhouse effect, decreasing precipitation, rising sea level and other chronic changes may lead to:</p> <ul style="list-style-type: none"> – Chronic threatening of property safety, especially in coastal, river-side, typhoon-prone and arid areas. – The shift in energy mix and subsequently higher operating costs, as renewable energy is generally more expensive than fossil energy. – The potential increase in engineering costs, such as more expensive property renovation if using materials of higher environmental standards. – The potential increase in insurance costs, such as buildings in coastal, river-side, typhoon-prone and arid areas requiring high insurance costs. 	<ul style="list-style-type: none"> – Develop plans for telecommuting and online meetings, and equip employees with laptops; – Purchase property safety and operating continuity insurances for the properties, and regularly review the adequacy. <p>For practical cases, please refer to the relevant chapters of this report.</p>

Climate targets and pathways

After years of improvement, the energy consumption intensity of properties has been significantly improved. On this basis, we aim to reduce electricity consumption intensity and GHG emission intensity (Scope 1 + Scope 2) by 13.5% by 2025 based on 2019. We aim to further improve the proportion of area of our green buildings certified by LEED Gold or above certificate (or equivalent international certificate) to over 70% (2021: 56%). In addition, we collect and measure Scope 3 (e.g. tenants, suppliers) GHG emissions data step by step.

We are convinced that the key to addressing climate change is for all sectors of society to work closely together under the overall planning of the state, and advance systematic reform and innovation step by step with the base of science and local conditions from the energy production structure. Based on the scientific goals and China’s carbon reduction goals and action plans during the “14th Five-Year Plan” period, combined with the current operating conditions of its various business formats, the Manager has set short-, medium- and long-term targets and realization pathways for reducing GHG emissions.



Note: The values are rounded to three decimal places and this exact value is 0.0389.

Stage	Target	Critical Pathway
Short-term (2025)	Based on 2019, reduce GHG emission intensity (Scope 1 + Scope 2, calculated per square meter or room night) by 13.5% by 2025.	<ul style="list-style-type: none"> ① Improve energy management efficiency ② Equipment and facilities upgrade/renovation ③ Explore the use of renewable energy ④ Examine the GHG emissions of the value chain
Medium-term (2030)	Focusing closely on China’s 2030 “carbon peak” pace, based on scientific principles, formulate 2030 emission reduction targets and action plans by 2025.	<ul style="list-style-type: none"> ① Energy management efficiency is optimized ② Increase the proportion of renewable energy ③ Continuously reduce GHG emissions of the value chain
Long-term (2060)	Actively and orderly integrate into the zero-carbon era, and contribute to the country’s realization of “carbon neutrality” in 2060.	<ul style="list-style-type: none"> ① Comprehensive promotion of renewable energy ② Research and consider carbon offsetting methods, such as GHG emission reduction certificate





WORK WITH PARTNERS FOR **WIN-WIN DEVELOPMENT**

We uphold the business philosophy of “Professionalism, Steadiness, Excellence and Win-win Results”, constantly pursue higher service quality, always adhere to the strategy of win-win cooperation, commit to creating sustainable value for customers, partners, industry peers for win-win development.

SGDs RESPONDED IN THIS SECTION



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

MATERIAL ESG ISSUES AND CORRESPONDING INTERNAL MANAGEMENT POLICIES IN THIS SECTION

Issues	Internal Management Policies
Customer Complaint Handling	Guidelines for Customer Satisfaction Survey, Guidelines for Management of Clients' Opinions, Guidelines for the Handling of Customer Complaints, Standard Operating Procedure of GZIFC
Service Quality	Guidelines on Service Standards for Special Groups, Decoration Manual, Tenancy Relationship Management Operational Guidelines, Guidelines for Customer Call Operations, Standard Operating Procedure of GZIFC
Property Safety and Health	Fire Emergency Response and Disposal Guidelines, Guidelines for the Investment of Safety Production Funds, Administrative Measures for Safety Production Responsibility System, Fire Drill Guidelines, Measures for the Management of Fire Control Facilities and Equipment, Guidelines on Operation Procedures for Safe Production, Administrative Measures for Occupational Health and Safety, Standard Operating Procedure of GZIFC
Privacy Protection	Data Protection Notification and Authorization, Customer Resource Management Operational Guidelines, Standard Operating Procedure of GZIFC

GOAL MANAGEMENT

Goal setting	Progress review of 2021	Next stage plan
Please refer to the Chapter "Sustainable Development Goals" for details	<ul style="list-style-type: none"> Customer satisfaction rate at third-party surveys: 96% Customer complaint response rate: 100% Fire drill: every 6 months Asset appreciation projects for safety guarantee: about 8.92 million RMB Asset appreciation projects for operation and image enhancement: about 26.59 million RMB 	Continue to improve the customer relationship management capabilities of the whole value chain, and strive to provide high-quality products and high-level services for tenants and customers, and maintain high customer satisfaction

PROVIDING WONDERFUL SERVICE

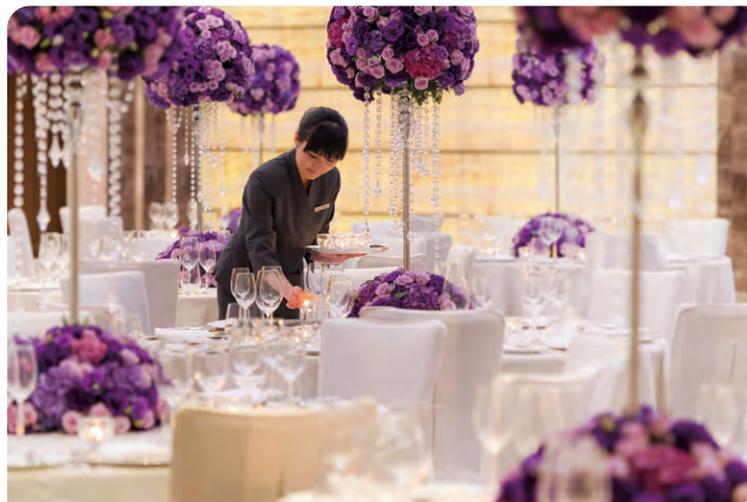
Yuexiu REIT maintained diversified business development during the reporting period. All along, we put the interests of customers first, fully understand the needs of customers, provide high-quality services and a comfortable environment, and maintain a high level of customer satisfaction and trust.

Satisfying Service

- When cleaning the rooms in Ascott Serviced Apartments GZIFC, the staff helped the guest squeeze the toothpaste from bottom to top, so that the guest could easily squeeze out the toothpaste when she use it next time. This thoughtful act has won the praise from the guest.

According to the characteristics of various properties, we develop comprehensive customer service policies and service system, strive to create the best quality service experience for customers. We hire third-party institution to carry out customer satisfaction surveys and feedback the survey results to frontline operators, pushing them to continuously improve the service quality. We achieved a customer satisfaction of 96% in a third-party survey in 2021.

Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC provide food service to the guests. In accordance with the food hygiene regulatory requirements, qualified food safety managers should be staffed, and all employees engaged in food service have valid health certificates. Restaurants should also employ qualified professionals to ensure food safety. In case of any feedback or complaint about food quality from customers, the restaurant manager shall immediately follow it up and learn about the customer's request and deal with it properly. During the reporting period, no food safety incidents occurred.



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

YEService Service System

2021 is the first year that the properties launch the YEService, and great results have been achieved. Through the six value systems of YESintelligence, YEShealthy, YEScare, YESeasy, YEShare and YESocial, the YEService has comprehensively provided customers with wonderful services in terms of comfortable environment, safety and efficiency, and humanistic care building services.

YESintelligence

GZIFC has taken the initiative to upgrade its hardware and equipment, and launched a comprehensive renovation to upgrade its image and services. Intelligent renovation has been carried out in the drop-off area, car search system, garbage classification area, elevators and other equipment. Meanwhile, the concept of sustainable development is integrated into the renovation of services and facilities to practice green working with tenants.

The Wuhan Yuexiu Fortune Center completed the 5G full coverage of 5G LampSite, making it a large-sized commercial building with 5G full coverage, building an intelligent 5G office environment, laying a solid foundation for more intelligent equipment. Considering the popularization of new energy vehicles, the Wuhan Yuexiu Fortune Center further introduced the super charging poles of branded electric vehicles to create a convenient and intelligent technical experience for the tenants.



越秀财富中心实现5G全覆盖，跨进5G时代

越秀财富中心 2021-12-31 10:08



YEShealthy

(1) Skyline Farm

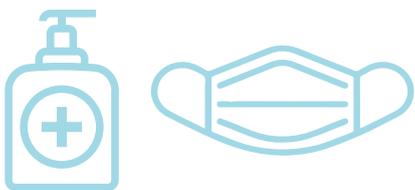
The Fortune Plaza and Wuhan Starry Victory Shopping Center made use of the rooftop space to create the Skyline Farm, so that tenants could grow crops of food value by themselves. Special personnel were assigned to guide the planting. The Skyline Farm not only added a green space to the property, but also enabled the tenants to experience a low-carbon, healthy and sustainable lifestyle.



Skyline Farm

(2) Regular Pandemic Prevention and Control

Since the implementation of regular pandemic prevention and control, we required all properties to conduct regular and frequent disinfection in elevators, baby care rooms, toilets and other confined spaces. Meanwhile, we increased the ventilation of the fresh air conditioning system, cleaned the air conditioning system regularly, and used ultraviolet light tubes and 84 disinfectants to disinfect the fresh air pipes and air conditioning cabinets, and strengthened air quality management, to ensure that the tenants could work in a healthy and safe environment.



Site Photo

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Due to the huge consumer flow in the retail mall, pandemic prevention and control was expected to be performed properly during the repeated outbreaks. Therefore, the Victory Plaza required the customers to wear a facial mask properly and present their respective health code before entry and test body temperature. The mall rails, door handles, elevator keys, toilets and front desks, which are frequently touched by customers and crowded with people, were disinfected and wiped daily and with increasing disinfection frequency. Sanitizers were provided beside the elevators in shopping malls and at the entrances and exits of office buildings for customers to use. All tenants were required to conduct epidemic prevention as required by government departments, and their employees were required to wear masks and take the body temperature. The body temperature of customers was taken and registered, and the stores were comprehensively disinfected.



Site Photo



YEScore

The City Development Plaza organized the fun sports activity themed with "Enjoy a Fun Life". It is unfolded in the forms of individual events and group events, urging people to take time out from their busy work schedule, relax and maintain physical and mental health in the sports activities.



Event Photo



CARE FOR OVERTIME STAFF 加班护航站


暖饮


车牌登记


雨具


手电


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广州国际金融中心服务号




至尊服务热线(HOTLINE): 020-88836666
www.gzifc.com

Service Poster

GZIFC provides escort services for tenants who work overtime at night. Tenants can add their unit to the security inspection route after requesting overtime home service to the exclusive property assistant.



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

YESeasy

(1) Wheelchair Accessible Facilities

GZIFC continuously conducts training on the service and reception guidelines for special groups, and provides accessibility facilities such as braille for elevator buttons, wheelchair accessible parking spaces and wheelchair accessible passage, demonstrating warm empathy.



Service List

(2) Baby Care Rooms

GZIFC provides clean, private and conformable baby care rooms for nursing mothers in the property. The baby care rooms are equipped with comfortable nursing chairs, water purifiers, cold and hot water taps, intelligent consumable cabinets, dryers and disinfection cabinets.



Baby Care Room



Soundproof Office Cabin

YEShare

During the reporting year, GZIFC added a shared soundproof office cabin on the office floors accessible to all office staff members on the floors, so that they could have a quiet and efficient working environment without noise disturbance.



YESocial

During the reporting year, GZIFC kept organizing the Youth Science Summer Camp. Science, technology, engineering and mathematics knowledge was popularized from the perspectives of super high-rise design, building air conditioning units, indoor air monitoring system and fire safety, so that the teenagers could understand the operation principles of buildings and expand their building horizon.

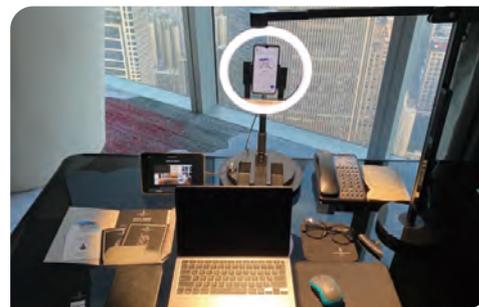


Event Poster



Work at Leisure Service of Four Seasons Hotel Guangzhou

In consideration of the officing needs of business guests, Four Seasons Hotel Guangzhou launched the Work at Leisure service to provide thoughtful business officing services. Guests might click the required additional services through the electronic equipment in the room, including office equipment, computer equipment, projection facilities and printing facilities. After confirmation, the required items would be delivered to the guest room by special personnel.



Service List and Example

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT



"I am deeply moved by the staff's seriousness and responsibility on their work and their proficiency in work.

Their hard-working attitude also exemplifies the spirit of your Company.

I would like to express my sincere thanks to you!"

— A letter of thanks from a tenant after the City Development Plaza checked the leaking points of toilets and cleaned up the sewage until midnight upon receipt of a request on the repair of blocked toilets.

Handling Complaint and Feedback

We attach great importance to customer feedback, integrate digital technology to continuously improve the complaint handling system and mechanism, conduct statistical analysis on tenant complaints and handling every month, publish them in the monthly operation report, and respond to 100% of customer complaints. There are differences in the attributes of the main customer groups of properties. We require front-line operators of each property to refine the on-site complaint management system based on business characteristics, and to handle and resolve customer complaints or suggestions quickly and in a targeted manner. In order to listen to customers' opinions in a timely manner, each front-line property operator will also conduct customer research including periodic visits and special visits.



Real-Time Toilet Feedback System

To promptly respond to and meet with the needs of tenants, in addition to reserving traditional information communication channels such as messages on Wechat official accounts, complaints to the steward and complaints via the front desk hotline, GZIFC also makes full use of information technology to create a real-time feedback system for toilets. Service connection is immediately available by scanning the QR code behind the toilet door.



System Function Interface

Healthy Building

The properties of the Trust pay great attention to indoor air quality. We have carried out tobacco odor control for years, while continuing to promote tobacco control equipment and smoke-free environment, to create a better business and office environment for tenants.

The office buildings of the Trust are all smoke-free buildings with standard tobacco control measures in place:

- Designated outdoor smoking areas are set up to reduce the interference to non-smokers.
- Anti-smoking supervisors with a work recorder are designated to inspect the public areas and safety stairs to record and admonition the violations.
- Smoke alarms are installed at frequent smoking spots to provide timely feedback and monitor the occurrence of cigarette smoke.
- Holding Smoke-free Day activity to create a smoke-free environment.



Air Quality Management System

For indoor air quality (IAQ) management, GZIFC and Yuexiu Financial Tower have installed four air conditioning systems — VAV system, Centralized air supply system, fresh air plus fan coil system and VRV system. Meanwhile, CO₂ monitors are installed and connected with the fresh air and ventilation systems to exhaust harmful gases outdoors. The air inside the building is treated by electrostatic dust removal, G3 coarse filtration, F7 medium purification, photocatalytic sterilization, combined with regular and frequent cleaning of the filter screen and air conditioning equipment, which ensures clean and fresh air quality and guarantees the health of the people in the building.



Site Photo



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Safe Building

We take property security as our top priority, including physical security, information security and fire safety. Each property regularly organizes tenants and customers to carry out safety training, fire drills, selection of safety ambassadors and other activities to improve customers' self-protection skills and make safety awareness and safety concepts deeply rooted in the hearts of the people. During the reporting period, the Manager has carried out a number of safety and security asset appreciation projects, with a cumulative investment of approximately 8.92 million RMB.

Project	Property
Fire alarm lock installation at the evacuation fireproof doors of the podium building project	GZIFC
Domestic hot water system pipeline safety check project	Four Seasons Hotel Guangzhou
Fire exhaust pipe replacement and fire water supply system transformation project	White Horse Building
Fire alarm control panel replacement project	Fortune Plaza
Fire and domestic water system equipment renovation project	Shanghai Yuexiu Tower
Drawer-type switch cabinet in low-voltage distribution room renovation project	Shanghai Yuexiu Tower
Restaurant grease trap renovation project	Shanghai Yuexiu Tower

Physical Safety

The Manager carries out a number of safety inspections every year, including monthly inspections, quarterly inspections, special inspections, surprise inspections and holiday inspections. For the hidden security risks identified in inspections, we urge front-line operators to make rectification plans and 100% implementation. We include customers in the construction of the safety team, select merchants as safety ambassadors, and cooperate with the promotion of safety management to realize the safety management of the whole building.



Professional Safety Performance Inspection of Super High-rise Buildings

In May and July, the Manager employed a qualified independent third-party institution to conduct a comprehensive and professional inspection on the safety performance of GZIFC and Wuhan Yuexiu Fortune Center. The inspection range covered infrastructure, decoration and equipment, including load-bearing components, fences and dividing walls, glass curtain walls, steel components, ground coatings, decorative surfaces, suspended ceilings, water pipes, lighting systems, heating systems, elevators and other key departments and equipment. Through the safety inspection, we gained a comprehensive understanding of the latest physical conditions of the two super high-rise buildings, which provided a scientific and objective basis for the formulation of security guarantee and asset appreciation.



Total Station Measurement



Flood Safety Drill

In September, Hangzhou Victory organized a flood control safety drill. We clarified the composition and responsibilities of the members of flood control emergency rescue group, equipment support group, warning group and communication liaison group, and simulates the emergency mechanism under waterlogging caused by rainstorms, in order to improve the awareness of flood control and emergency rescue and the ability to deal with emergencies.



Drill site

Information Security

We attach great importance to customer privacy protection, and have formulated a series of policies and procedures for customer information management and customer privacy protection to improve employees and customers' awareness of privacy protection and prevent illegal acts that violate privacy. For the tenant information and other operating data, each property has set up special posts to be responsible for sorting, summarizing, filing, and keeping confidential. The Manager encrypts all kinds of sensitive information and sets permissions, which cannot be viewed or copied without authorization. Front-line operators have also established customer privacy ledgers to keep sensitive business information documents confidential. The viewing and use of all confidential documents are strictly managed in accordance with authorization and approval.

- Configure password protection policies for business systems, mailbox systems, etc.
- The system automatically reminds employees to update their work computer and work mailbox passwords quarterly.
- Stipulate the employee's information confidentiality obligation in the labor contract.
- Regularly check network security policies, and install patches in a timely manner if network security loopholes are discovered.
- Disaster recovery backup of key system data and regular data recovery test.
- Hire professionals to provide information security training for employees.
- It is strictly forbidden to install and use information software from unknown sources.
- Equip the machine room with access control system and monitoring system, and designated personnel maintenance.
- Regularly carry out anti-peeping inspections in the property.

Within the reporting period, the Manager did not identify or know any verified complaint of customer privacy violation or customer data loss.

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Fire Safety

The properties of the Trust have implemented the safety production work guidelines—"Safety first, Prevention foremost and Comprehensive management". We have taken proper fire safety measures, and incorporated safe operations into the property management system, while always paying attention to fire and electricity safety. We have set up a fire safety culture wall, built mini fire stations, regularly inspected fire hydrants, fire extinguishers, anti-virus masks and other fire prevention equipment, and provided the tenants with fire safety manuals, so that employees and tenants could promptly understand fire control knowledge, pay attention to fire safety, and build safe buildings. Every property prioritizes the use of flame retardant materials to reduce the risk of fire.



Fire Safety More Important than Mount Tai

(1) Emergency Team

In terms of personnel allocation, GZIFC is staffed with a 24-hour emergency team with emergency handling capacity, which provides a strong guarantee for dealing with all kinds of emergencies. We also organize emergency safety training for employees and tenants from time to time, and regularly provide first-aid training for front-line personnel.



(2) Exhibition Base

To ensure the fire safety of the building, the White Horse Building has built a popular science and safety exhibition on fire base in the west passage of B1 floor. It is composed of equipment and facilities linkage area and fire equipment identification area. Employees and tenants can quickly identify fire tools and prepare for emergencies.



Site Photos



Fire Safety More Important than Mount Tai

(3) Mini Fire Stations

GZIFC has set up an emergency equipment room in the special area on the first floor to store indoor firefighting equipment, anti-terrorism and stability maintenance equipment. The room is equipped according to the requirements of mini fire stations and minimum emergency units of public security, which can help respond to emergencies quickly. Adhering to the early fire suppression goal of “early rescue, suppressing small fires and arrival at the scene in three minutes”, the White Horse Building has built an exclusive mini fire station. The managers of the mini fire station conduct practical drills for the team members on a weekly basis.



Site Photos

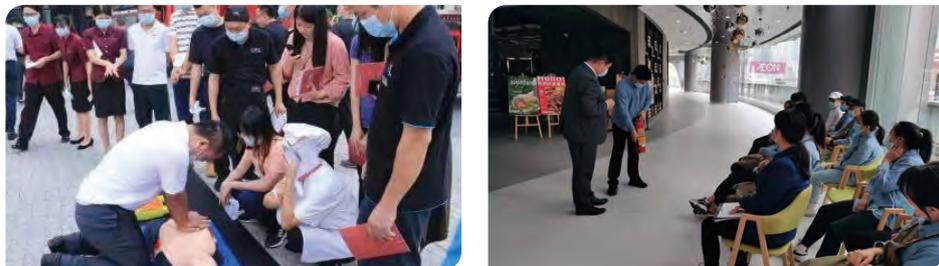
Safety Training

We deepen the construction of “safety ambassadors”, provided fire protection and safety production training to tenants and businesses, and improved self-rescue and self-evacuation capabilities, aiming to form a comprehensive safety management network.



Training in CPR and Use of Safety Equipment

After every fire drill, we arrange fire first aid courses for tenants, and through the simulation house, tenants can deeply understand the escape skills when encountering fire. Victoria Plaza conducts special firefighting training for new tenants to introduce the firefighting situation of the building. The White Horse Building sets up a fire protection cultural wall for customers, so that tenants can learn more about fire protection knowledge by browsing the cultural wall at ordinary times.



Training Photos

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Growing Building

To maintain a good business status, preserve and increase the property value, the Manager launches asset appreciation projects for the properties of the Trust every year to promote building hardware upgrade, creating a comfortable and convenient environment for the tenants and customers. These projects have also laid a solid foundation for rent maximization, better safeguarding the interests of investors. During the reporting period, the Manager carried out several asset appreciation projects for operation and image enhancement, with a cumulative investment of approximately 26.59 million RMB.

Project	Property
Pavement decoration project	White Horse Building
Main gate plaza and external wall renovation project	White Horse Building
Decoration renovation project	Shanghai Yuexiu Tower
Peripheral landscape improvement project	Shanghai Yuexiu Tower
Decoration renovation project	Wuhan Yuexiu Fortune Center



Refreshing Landscape of Shanghai Yuexiu Tower and Debut of M-SPACE

On November 3, Jazz Show in Autumn — Refreshing Landscaping Experience of Shanghai Yuexiu Tower was held to celebrate the refreshing landscaping with the public. On the same day, the art and aesthetics sharing platform M-SPACE made its debut in Shanghai. Inspired from natural experience and green elements, this renovation takes the outdoor environment, natural lights and temperature into careful consideration to fully upgrade the backyard. Through the green garden and waterscape, the art scenes have been integrated into the office experience, continuously strengthening the green, shared and social office experience in the new era.



Ms. OU Haijing (Fourth from Right), Executive Director and Deputy CEO of the Manager, attended the event with tenants

About M-SPACE

M-space is an art and aesthetics sharing platform exquisitely cultivated by the Manager, showcasing the art influence, cultural trends and public service topics to the public through exhibitions, salons and other forms. So far, we have organized more than 100 activities in M-Space.

GROWING WITH TENANTS

Enabling Tenants

Combined with business characteristics, the properties held by the Trust actively explore innovative services and practices, and are committed to becoming affordable commercial properties, providing more resources and value for tenants, while growing together with commercial tenants. We hold exhibitions and events within the properties according to customers' needs, promote our customers through our platforms, organize industries exchange activities for our customers to participate in order to support our commercial tenants.



White Horse Building Organized Various Procurement Theme Activities to Empower the Development of Tenants

1. Procurement Festival

The Procurement Festival provided communication opportunities such as stage display and matching fair for original brands, and enhanced the awareness of tenants by planning display activities and holding matching fairs.

2. Internal Procurement Fair

The Internal Procurement Fair provided appealing discounts. In the forms of online live streaming selling and offline retail, it could effectively drive the sales of tenants.

3. Fashion Week

The original Fashion Week is held every year. Well-known fashion designers, representatives of business associations and high-quality commercial real estate projects across the country, buyers' delegations, authoritative media and fashion KOL are invited to attend the event, providing a display platform for the incubation of original brands.

In 2021, various promotion activities were reported in 379 national, provincial and municipal mainstream media, and 1.052 million times were played on new media such as TikTok.



Event Poster



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Common Growth

We built a business community that facilitates communication for tenants. During the year, we launched two series of activities, the “Happy Shopping Festival” and the “Joyful Food Festival”, to stimulate sales of merchants. Tenants can communicate directly through our industry exchange platform to develop new business opportunities and promote business development. At the same time, we also promote communication and cooperation between merchants to enhance the stickiness between customers and buildings.



Followed the Development Trend of The Garment Industry, and Supported Brand Growth via Transformation and Upgrading

In 2021, the White Horse Building launched the annual theme of Cantonese Style, vigorously brought the high-end quality advantages of Guangdong goods into play, and presented the brands of Guangdong goods at the Guangdong Fashion Week to continuously expand the brand awareness for the purpose of facilitating brand growth in multiple aspects, and building the most influential new domestic high-end fashion brand base. On September 30, the upgraded second floor of the White Horse Building was opened for business again. In line with the industry trend that the collection shop mode injects new blood into physical store commerce in recent years, the second floor of the White Horse Building has set up a children’s wear area while offering quality women’s wear. Combined with the positioning of other floors, a collection mode of “1+1+1+1” has been formed to gather women’s wear, men’s wear, children’s wear and accessories to meet the one-stop procurement needs of purchasers. The new purchasing environment and experience have attracted buyers from all over the country.



Event Opening and Lion Dance Ceremony



Building a Platform for Tenant Communication

In November, the first Bulk Trade Industry Salon organized by Shanghai Yuexiu Tower and hosted by tenants from related industries was successfully held. The event was intended to provide a platform for the bulk transaction tenants in the building to communicate with each other, attracting 12 tenants.



Event Photo

RESPONSIBLE SUPPLY CHAIN

The Manager and each property maintain close cooperation with various parties during operation. Through multi-party interactive communication, we integrate industry resources, promote coordinated development, and fulfil our social responsibility.

Policy and Guideline

In order to establish a complete supplier management policy and control the quality of suppliers' products and services, we have formulated a number of supplier management systems and standards. We independently review the procurement process each year to ensure compliance and effectiveness.

Qualification Management

We have established a supplier database to centrally manage supplier information. For suppliers of asset appreciation projects, the Manager requires them to have valid qualification certificates such as quality management system certificate, environmental management system certificate, and occupational health and safety management system certificate. We regularly organize supplier qualification audits, material audits and product supervision to ensure that they complete the supply of materials on time and with high quality in accordance with contractual agreements and procurement requirements, and service standards meet our expectations. We promise to give priority to purchasing products with environmental certificate under the same conditions, and call on tenants to practice environmental protection and green procurement through the "Green Convention". For details, please refer to the "Promotion of Green Convention" chapter. Please refer to the "Anti-Corruption and Anti-Commercial Bribery" chapter for supplier anti-bribery related information.

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

System Certificate

Company	Type	Certificate
Yicheng BM	Tenancy service, Property management	① GB/T 19001-2016/ISO 9001:2015 ② GB/T 24001-2016/ISO 14001:2015 ③ GB/T 45001-2020/ISO 45001:2018 ④ GB/T 23331-2020/ISO 50001:2018
Baima BM	Tenancy service, Property management	GB/T 19001-2016/ISO 9001:2015
GZ JLL	Property management	① GB/T 19001-2016/ISO 9001:2015 ② GB/T 24001-2016/ISO 14001:2015 ③ GB/T 23331-2020/ISO 50001:2018 and RB/T 107-2013 ④ GB/T 45001-2020/ISO 45001:2018
Ascott Serviced Apartments GZIFC	Serviced apartments operation	Safety Production Standardization Level 2 Certification (Business Hotel)

Quality Supervision

- The Asset Management Department inspects the quality of property management quarterly, and the inspection content covers property environment management, customer complaints, outsourcer management, etc.
- The Project Management Department conducts quarterly special inspections on the maintenance of property equipment and facilities and the management of energy consumption.
- We hire professional third-party institutions to carry out energy consumption management audit and equipment and facility safety audit from time to time.

Low-Carbon Procurement

We tend to choose suppliers that operate where the properties of the Trust are located. This, on the one hand, supports local economic development, shorten the distance of logistics and transportation, reduces GHG emissions in transit, on the other hand, facilitates our supervision over suppliers and maintain the stability of supply chain.

Green Initiative

We encourage customers to make green procurement, using cleaner, paper and equipment meeting CQC standard, FSC and HACCP certificates. We further inspire customers to purchase environmental protection products, and appeal to them for purchasing daily consumables certified by FSC and office equipment products certified by EPEAT and Energy Star.

ASSISTING INDUSTRY DEVELOPMENT

Over the past year, the commercial real estate asset management and REITs practices in Chinese mainland developed rapidly, constantly releasing development potential. The amended Hong Kong Real Estate Investment Trust Code also created brighter development prospects for REITs.

Since our listing in HKEX in 2005, we have built a “three-in-one” business model of commercial operation, capital operation and property management, and delivered fruitful results, providing pioneering experience and a valuable case for Chinese mainland to invest in property asset securitization. During the reporting year, we contributed to the specialization of asset management industry of domestic commercial real estate by strengthening industry exchanges and opening up market space, and assisted the industry development together with our partners.



Contributing the Power of Yuexiu to the Specialization Development of Asset Management Industry

In 2021, we talked to and communicated with industry associations, specialized forums and mainstream media, and shared our respective experience in asset management. The (9th) Annual Meeting of BOMA China 2021 & Sustainability Best Practice Forum of Commercial Real Estate, 2021 Bo'ao Real Estate Forum, and the 5th China Real Estate Asset Securitization and REITs Summit Forum were also organized to continuously contribute the power of Yuexiu to the specialization development of asset management industry of domestic commercial real estate.



Mr. LIN Deliang, Chairman, Executive Director and CEO of the Manager, made a keynote speech at the Sustainability Best Practice Forum of Commercial Real Estate held in BOMA China (photo source: BOMA China)



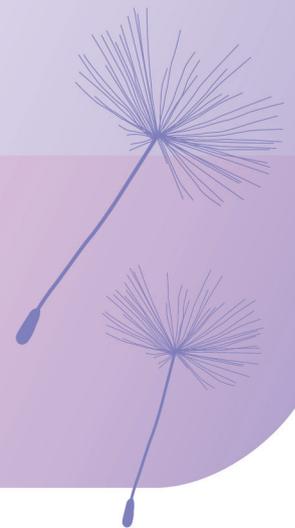
維多利亞中心



WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

We uphold the principle of “Focusing on people, marching with employees”, and view the benefit of the employee as the most important subject. We strictly follow related national labor regulations to protect the legal rights of the employees, provide comprehensive training system, take care of their physical and mental health, and establish a democratic atmosphere that puts the employees at first, creating a fair and equal environment that is full of opportunities and happiness.

SGDs RESPONDED IN THIS SECTION



WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

MATERIAL ESG ISSUES AND CORRESPONDING INTERNAL MANAGEMENT POLICIES IN THIS SECTION

Issue	Internal management policies
Employee development and training	Employee Handbook, Labor Contract, The Measures for Salary Management, The Measures for Performance Management
Employee attraction and retention	
Employee interest and communication	
Employee safety and health	

GOAL MANAGEMENT

Goal Setting	Progress review of 2021	Next stage plan
Please refer to the Chapter "Sustainable Development Goals" for details	<ul style="list-style-type: none"> • Labor contract signing rate: 100% • Employee social insurance coverage rate: 100% • Female employees percentage: the Manager 49%; Hotel and serviced apartments 53% • Overall turnover rate: the Manager 13%; Hotel and serviced apartments 27% • Average training hour: 56 hours • Employee training coverage rate: 100% • Work-related fatalities (case): 0 	<ul style="list-style-type: none"> • Increase the investment in staff training resources and continue to improve the management mechanism related to personnel training • Pay attention to the physical and mental health of employees, improve the work experience of employees, and improve employee stickiness

PROTECTION OF EMPLOYEE RIGHTS AND INTERESTS

Compliant and Regulated Employment

In terms of employment, we fully respect and safeguard the international human rights conventions and labor standards signed by the government of China, strictly abide by the national labor laws and regulations, continuously improve the human resources management system.

- Establish labor relations with employees in accordance with the voluntary principle.
- 100% of employees sign labor contracts in accordance with relevant national regulations, which list positions, remuneration, working hours, vacations, etc.
- Clarify the rights and obligations of employees in the Employee Handbook.
- Resolutely resist and prohibit the recruitment of child labor, forced labor, harassment and abuse.
- Guarantee the legal rights of employees to participate in political life.

During the reporting year, there was no violation or complaint related to human rights and labor measures in the Company, and the employment relations remained stable and harmonious.

Employee Diversity

We are committed to building a diversified talent composition. Following the principles of anti-discrimination and fairness, we treat all employees equally. Different nationalities, races, marriages, genders, regions and religious beliefs do not affect the employment, remuneration and promotion.

Employees of the Manager

We set the Remuneration and Nomination Committee under the Board, chaired by an independent non-executive director, which regularly reviews the employees' comprehensive performance, including work performance evaluation and competence evaluation. In 2021, all employees of the Manager complied with the requirements as specified by the Company.

The Manager's team boasts diversified professional backgrounds and rich working experience. Female directors account for 13% of the Board; and 25% of those holding the senior executive positions are females. For the introduction of directors and senior executives, please refer to "Introduction of Directors and Senior Executives" in the Annual Report 2021 (Page 87). 49% of the employees of the Manager are female. In the reporting year, the overall turnover rate of the Manager's employees was 13% (Male: 15%; Female: 10%).

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

Professional field	Professional qualifications held separately or cumulatively (on 31 December 2021)
 <p>Real Estate</p>	China Real Estate Appraiser, Land Valuer, Real Estate Agent, Real Estate Economist
 <p>Economy/Finance</p>	Finance Economist, Business Management Economist, Hong Kong Regulated Activity Type 9 Asset Management (Representative (R) and Responsible Officer (RO)), China Securities Qualification
 <p>Law</p>	Lawyer (Hong Kong, Chinese mainland), Franchised Company Secretary, Corporate Counsel (China)
 <p>Accounting/Tax/Audit</p>	Certified Public Accountant, Accountant, Management Accountant, Tax Accountant, International Certified Internal Auditor
 <p>Engineering</p>	Certified Engineer/Engineer (Civil, HVAC, electrical and mechanical, electrical, cost and safety)
 <p>Information System</p>	Information Systems Manager certificate, Certified Information Systems Auditor
 <p>Human Resource</p>	Human Resources Manager certificate, Psychological Consultant

Employees of the Trust (namely Employees of Hotel and Serviced Apartments)

At the end of the reporting period, the Trust employed 521 and 127 employees in China respectively, through its subsidiary in the hotel operation and its affiliated company in the serviced apartment operation, mainly serving the operation functions and service delivery of hotels and serviced apartments. 53% of the employees are female. Within the reporting year, the overall employee turnover rate of the hotel and serviced apartments was 27%.

Equal Employment

Special group: we focus on accepting and employing the physically challenged without affecting the performance of duties. Four Seasons Hotel Guangzhou employs 8 physically challenged employees who work in various divisions such as finance department, housekeeping department and laundry room. They enjoy the same remuneration and benefits as other employees, including festival gifts and maternity protection, and equally participate in the evaluation and post competition with outstanding employees.

Female employees: we strictly guarantee the various benefits that pregnant female employees are entitled to according to law, including labor insurance and medical treatment, paid maternity leave, breastfeeding leave, etc. Female employees receive additional medical examinations every year, and special holidays are available on International Women's Day.

Fresh graduates: we are pleased to provide opportunities for newcomers. This year, the Manager officially launched the management trainee program ("Management Trainee") for fresh graduates. Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC also have management trainee or intern programs for fresh graduates based on their global management network. We keep in touch with local schools to provide a variety of career opportunities for graduates or current students, and also allow us to hear the voices of the new generation in the process.

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER



Hotel and Serviced Apartments Management Trainee Plan



Graduation Ceremony of
Management Trainees

The local management trainee program of Four Seasons Hotel Guangzhou (“Local MIT”) is open to all employees. It’s a 12-month specialized training plan for all management trainees, featuring staged assessment on the management trainees during the training and work shift periods. According to the core principle of people orientation, Four Seasons Hotel Guangzhou will offer the final position to each management trainee after taking full consideration of their training and assessment, based on their personal strengths and willingness combined with the job requirements.

Based on its Graduate Development Plan (“GDP”) in the global headquarters, Ascott Serviced Apartments GZIFC provides management trainee opportunities every year to high potential young graduates with less than two years of work experience to help with their personal growth and development and comprehensive learning planning. The graduates in GDP can learn about the markets around the world by work shift in the real estate sector.



Colleges Cooperation



Intern Farewell Party



Remuneration and Benefits

In accordance with internal employment policies, we provides employees with market-competitive salaries and benefits, ensures the statutory holidays and vacations for employees according to the related laws.

- Pay endowment insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance for employees, as well as housing provident fund and supplementary medical insurance.
- Provide employees with a competitive enterprise annuity plan as an important supplement to employee pensions.
- Employees can get annual leave ranging from 5 to 15 days per year according to the cumulative working years of participating in the society.
- Provide employees with rich and healthy restaurants, and provide employees with meal allowances.
- Provide employees with professional suit cleaning and home movies benefit.
- Provide dormitory with beautiful environment and superior location for employees in need.

In order to motivate employees and improve efficiency, we implement a floating salary system in which employee remuneration consists of basic salary and performance bonus. Special awards are also offered according to performance achievement to maximally incentivize the employees.



Employee Benefits of Four Seasons Hotel Guangzhou

Four Seasons Hotel Guangzhou provides employees with dormitory rooms and cafeteria. The dormitory rooms are equipped with an independent kitchen, and a public reading room is designed to create a comfortable resting environment. The cafeteria will hold the special dish day activity of different themes on a selected day every month, receiving the high praise of employees. For example, the Korean food day will offer specialty food such as pickles, rice cakes, Korean barbecue.

Insight of our Home - Staff Dormitory



Site Photos

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

TALENT ATTRACTION AND RETENTION

In the past year, we continued to strengthen talent attraction and optimized our talent reserves. Based on the needs of business development, we have formulated a talent recruitment plan, implemented a systematic talent pipeline construction through a combination of online and on-site recruitment, internal open competition and external recruitment.

Employee Motivation

In order to achieve the goal of applying for jobs, we continue to identify key target talents and key employees, adhere to the principle of “two-way selection”, and improve the retention rate of talents while improving recruitment efficiency.

- Formulate a “Three-year Plan” for talent development and refine the promotion plan every year
- Guide every employee to formulate work goals and plans at the beginning of every year as the basis for performance appraisal.
- Annual talent review, as one of the basis for employee promotion and salary improvement.
- Make predictions in advance for the retention and recruitment of key positions.
- Reward outstanding employees, outstanding teams and outstanding leaders every year.



Employee Incentives of Four Seasons Hotel Guangzhou

Four Seasons Hotel Guangzhou holds the employee celebration party every month for outstanding employees. The management present awards to the outstanding employees for their dedication.



Event Photos

Communication with Employees

We have formulated an employee complaint handling policy and set up open channels to listen to employees' opinions and grievance reports, and establish a harmonious labor relationship.

Type	Specific way
Daily communication 	The Manager, Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC all have established labor unions, and 100% of employees have joined. In daily work, employees' opinions and feedback can also be expressed through the union mailbox and the "Xinyu mailbox" at the front desk. The opinions and complaints raised are managed by special personnel, and they will be dealt with and given feedback in a timely manner.
Evaluation communication 	The Manager evaluates 100% of the employees once a year according to the work plans and goals formulated at the beginning of the year, and requires the heads of each department to communicate their performance evaluation results face-to-face with the employees of the department at the end of the year, and record the feedback results of the employees. The Manager also requires and urges the hotel and serviced apartments management to do a good job in employee assessment and communication, and take the initiative to care for and respond to the reasonable demands of the employees.
Employee seminar 	In every year, the Manager organizes an employee seminar participated by the Chairman of the Board and employees' representatives. Any questions or suggestions from employees can be reported directly to the Chairman at the meeting.
Employee congress 	In accordance with the relevant rules and regulations, the matters that need to be submitted to the employee congress, we convene the employee congress to discuss, vote and decide according to the regulations.



The Face-to-face Communication Meeting of Executives and Employees of Four Seasons Hotel Guangzhou

Four Seasons Hotel Guangzhou holds the Talk with General Manager Meeting once a month. Employee representatives of all departments have the opportunity to attend the meeting and communicate face to face with the General Manager, raise questions in work and receive answers. The hotel management can also take advantage of this opportunity to understand the working conditions of various departments and employees.



Event Photos

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

Caring the Employees

We adhere to “Focusing on people” principle, take care for everyone working in the property, help the employees who have difficulties, and support them through the difficult time. We call on employees to actively participate in various sports to promote physical and mental health. The Manager, Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC have set up a labor union respectively with care and solicitude for employees by organizing outdoor activities and caring activities, forming a corporate culture of mutual help, enhancing corporate cohesion and enhancing employee happiness.



Ascott Moment

Ascott Serviced Apartments GZIFC unfolds the Ascott Moment every year. The Ascott Moment in 2021 was themed with My Hero. The ordinary Heroes were commended and thanked as the employees enjoyed the grand afternoon tea.



Event Photos



The Employee Tour of Four Seasons Hotel Guangzhou

On December 13, 2021, Four Seasons Hotel Guangzhou organized an employee tour of indoor skiing in light of the ice sports craze started by the 2021 Beijing Winter Olympics. The various ice and snow events allowed the employees to relax and embrace the joy of winter.



Event Photo

Satisfaction Survey

We understand the importance of listening to the voices of our employees and regard them as important partners. We internally organize a satisfaction survey for all employees every year, and submit the results to the company's senior management. We also offer our employees the option of a PDP personality test, which includes a professional satisfaction analysis. Through that we can timely understand the emotional state of employees and respond in a timely manner, improving team stability and career experience. In 2021, 97% of employees of the Manager and 86% of employees of hotel and serviced apartments participated in satisfaction survey.



Employee Satisfaction Survey Result Application

The employee feedback channels of Ascott Serviced Apartments GZIFC consist direct communication and employee suggestion box, as well as annual anonymous satisfaction survey. After completion of employee satisfaction survey, the results will be fed back to relevant departments to make improvement plans. In 2021, Ascott Serviced Apartments GZIFC added storage racks in the shower to enhance the employee experience according to employee feedback.



Site Photo

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

"I have worked in five departments over the past five years, which enables me to understand the operation of the hotel from multiple perspectives, master extensive skills, and better understand the job duties and mentality of different positions and employees."

— Hellen Liu,
Guest Service Department of
Four Seasons Hotel Guangzhou



EMPLOYEE DEVELOPMENT AND TRAINING

We attach great importance to the growth and development of talents, encourage and support our employees to participate in various types of training to maintain continuous self-improvement, while establishing a complete employee development and training system within the Company. The training covers the employees of the Manager, employees of hotel and serviced apartments, front-line operators and all kinds of outsourcers.

Training System

We have set up a variety of training courses and training methods according to the characteristics of different positions, providing external learning opportunities for employees, so that they can acquire leading professional skills and management experience in external exchanges.

- Create "10 Core Courses" of asset management, covering topics such as asset management, business management, and enterprise management.
- At the beginning of the year, formulate training plans covering various professional lines and resource plans for education and training institutions.
- Provide channels and cost budgets for employees to participate in external training for employees to apply.
- The hotel and serviced apartments provides cross-training opportunities for employees.
- Provide employees with relevant external training subsidies through the assistance of labor unions.

Talent Team

We regard professional talent as an important asset, and we also attach great importance to providing opportunities for newcomers to the workplace. This year, the Manager officially launched a management training program for fresh graduates, attracting fresh graduates from domestic and foreign universities, and the Company's management act as professional mentors. So far, the Manager has established a talent team development plan covering management trainees, professional elites, management reserve talents and middle and senior management.

Character	Training content	Training method
Management Trainees 	Guide the formulation of personal development plans and clarify mid- and long-term career development goals. Formulate a job rotation task book and growth list, and clarify short-term task goals and ability improvement goals.	<ul style="list-style-type: none"> • Course study • Internal and external communication • Report and answer • Cultural team building
Professional elite 	Rotation exercise plan, in-depth understanding of different functions and formats.	<ul style="list-style-type: none"> • Work rotation • Special training • Report and answer
Manage reserve talents 	Customized training programs to exercise business capabilities and team management capabilities.	<ul style="list-style-type: none"> • Asset management • Business management • Team management
Middle and senior management 	Diversified subject learning, business management and business management learning seminars.	<ul style="list-style-type: none"> • Regular communication • Thematic seminars • Study tour

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER



IDP For Everyone and Diversity Training Programmes

During the reporting period, the Manager continued to promote the “Everyone has an IDP (Individual Development Programme)” plan, following the “SMART” principle (ie Specific, Measurable, Attainable, Relevant, Time-bound), Each employee is encouraged to formulate a personal career development plan, and the company provides mentors to communicate with employees on a one-to-one basis on a regular basis.

Meanwhile, we continued to hold diversity training activities on topics such as Asset Management: How to Maximize the Value of Assets, Hotel Asset Management Training, Enterprise Legal Risk Prevention Training, Air Conditioning multi-online System Training and Sustainability Case Studying. The lecturer team members consisted of company executives, industry experts and external consultants (law firms, accounting firms, etc.). These training activities were designed to unify the understanding of asset management, learn about the industry development and improve the various professional abilities of employees. Held both online and offline, these training activities were available to employees interested in training via different channels.



Training Photos



Four Seasons Hotel Guangzhou Talent Training Mechanism

① New Employees

Four Seasons Hotel Guangzhou arranged for a 3-day EMBARK training session within the first 3 months and provided department training as needed by different positions. During this period, new employees would take such courses as hotel development history and development, compliance requirements, business conduct and professional ethics, and service culture. At the end of the training and probation period, the employees received an EMBARK training certificate.

② Current Employees

Four Seasons Hotel Guangzhou has set up designated trainer training to act as a trainer within the department. Employees who are responsible for training will participate in this one-day designated trainer certification training. After the course is over, the training manager will conduct a post-certification assessment on the post. After passing the qualification, the employee will become a qualified department trainer, and a course certification will be issued as one of the basis for promotion.



Occupational Training Photos

WORK SIDE BY SIDE WITH EMPLOYEES FOR A BETTER CAREER

OCCUPATIONAL HEALTH AND SAFETY

The Manager and each property management team strictly abide by the applicable national and regional laws and regulations, such as the Fire Protection Law of the People's Republic of China, etc., related to Environment, Health and Safety ("EHS"). We organize occupational safety training every year, and the coverage rate of employee safety training is 100%.

We protect the physical and mental health of our employees in various ways:

- Establish workplace occupational hazard monitoring files and individual occupational health monitoring files.
- Arrange professional medical examinations in 3A hospitals for employees every year, and arrange additional medical examinations for female employees.
- Provide epidemic prevention equipment (masks, gloves, face shields, etc.) and free nucleic acid testing.
- Hire professional consulting agencies to provide emergency safety training and mental health consultation every year.
- Regularly organize safety training and drills.

We have posted warning signs in hazardous workspace to remind entering staff to wear temporary protective items, reinforce ventilation and heat reduction during high temperature times, hand out cooling items to employees, and ensure sufficient drinking water supply on site.

We equip our employees with facilities, tools and personal protective equipment that are compatible with occupational safety and health protection, as well as AED in the properties. For the issued personal protective equipment, we carry out regular inspections, and the protective equipment that requires technical appraisal will be sent to the testing station authorized by the state for inspection, and the inspection will be filed. Employees injured on the job were all provided with paid sick leave and appropriate care.





Four Seasons Hotel Guangzhou Cared about the Mental Health of Employees

Four Seasons Hotel Guangzhou has worked with a professional psychological consultancy organization for three consecutive years. Online and offline listening companionship, health salon, group therapy and other mental health activities are provided every year under themes such as Employee Book Club — the Power of Self-care, Character Exploration and Befriend Emotions. One-on-one psychological counseling and consultation is provided to employees in need. These efforts are to create a warm and harmonious workplace environment, and care for employees' mental health.



Event Photos



First Aid Training of Ascott Serviced Apartments GZIFC

Ascott Serviced Apartments GZIFC organized fire joint drills, first aid training, and equipped the building with AED to build a multi-dimensional defense line for employees to protect their life safety.



Training Photos





GROW WITH THE SOCIETY

FOR A HARMONIOUS COMMUNITY

We continue to fulfill the commitment of corporate citizens by caring for the natural environment and green cause, and practice green and sustainable development concept through the active organization of environmental protection and carbon reduction activities. Details of community-related environmental promotion can be seen in the section “Building Green Communities”. Meanwhile, we care for the city devotees and vulnerable groups, support the regular COVID-19 prevention and control and community pandemic prevention and control barrier building, contribute to and inject love into the harmonious development of the community, and sincerely serve the society.

SGDs RESPONDED IN THIS SECTION



GROW WITH THE SOCIETY FOR A HARMONIOUS COMMUNITY

GOAL MANAGEMENT

Goal Setting	Progress review of 2021	Next stage plan
Please refer to the Chapter “Sustainable Development Goals” for details	<ul style="list-style-type: none"> Respond to poverty alleviation by consumption, and purchase agricultural products and fruit (lychee) for poverty alleviation Volunteer services: 422 person time and 1,540 hours cumulatively 	<ul style="list-style-type: none"> Continue to support the industrial development of counterpart regions Continue to carry out or participate in charitable activities to encourage more employees to join

Support community development, safety and charity

With the vision of “sincerely giving back to the society and building a beautiful community” and the courage to take on social responsibilities, we are enthusiastic about public service to actively transmit positive energy. In 2021, we continued to purchase the agricultural products and fruit (lychee) from corresponding poverty alleviation support areas in response to the call. The properties also actively arranged for employees to participate in social charity activities to respond to social needs.



COVID-19 Vaccination Volunteer Service

GZIFC COVID-19 Vaccination Point was put into operation from April to December as Guangzhou’s first super Grade A business building vaccination point to support the joint building of community pandemic prevention and control barrier. The volunteer team worked with the community as well as relevant units to maintain the order of the vaccination site and provided consulting services for those in need. The volunteer service lasted 45 days in total, and more than 50,000 doses of vaccine were inoculated. The vaccination point was critically acclaimed by the customers and surrounding citizens, reported by 895 articles People’s Daily, and multiple mainstream media of Guangzhou and Guangdong Province, transmitted for 1.29 million times on the Official Account and website, and awarded the Most Beautiful Vaccination Point by Liede Sub-district.



Site Photos



Caring for Society and Helping the Financially-strained

- On August 9, the White Horse Building worked with the surrounding chambers of commerce and wholesale malls to unfold the voluntary blood donation activity themed with “Spread Love with Actions”. The activity attracted a total of 160 participants composed of employees, tenants of the building and surrounding units, and the accumulated blood donation reached 36,400 ml.



Event Photo

- Throughout the year, the White Horse Building organized such charity activities as “Caring Your Neighbors”, “Mid-Autumn Celebration” and “Beauty in Guangzhou and Love in White Horse” to involve the tenants, mobilize the resources and spread love and power. In addition to clothing donation, the White Horse Building donated RMB1 on behalf of each customer who spent in the building to purchase winter clothing and daily necessities and give them out to the residents in need in Lihua Community in the form of Spring Festival Gift Package.



Ms. OU Haijing (Right), Executive Director and Deputy CEO of the Manager, presented the Charity Activity Certificate to the Donor

GROW WITH THE SOCIETY FOR A HARMONIOUS COMMUNITY

- On October 20, the Love Worthy — Care for Children in Distress Charity Exhibition Salon & Meeting Opening Ceremony was held in GZIFC. The event was jointly initiated by the Guangzhou Furniture Industry Association, Guangzhou Federation of Social Organizations, Guangzhou Council of Children in Distress Care Center. The salon was intended to call on more enterprises and individuals to join the Children in Distress Care activities and offer them practical assistance.



Event Photos

- On November 25, the volunteer team worked with Guangzhou Disabled Persons Service Association to hold a charity sale themed with Lighting up Life with Love and Painting the Future with Ingenuity in GZIFC. Together the volunteers and the physically challenged made clay handicrafts for charity sale. All proceeds from charity sale have been donated to the Handicrafts Center for the Disabled to encourage them to integrate into the society.



Charity Sale

PROSPECTS

2022 marks a crucial year of advancing the implementation of the national 14th Five-year Plan, a year in which achievements have been made in building a new development pattern centered on the big domestic cycle and featuring the mutually promoted domestic and international cycles, and an important year to continuously advance ecological progress, actively deploy the Dual-Carbon strategy and advocate green and low-carbon transformation.

In the new year, we will rise on the momentum, continue to advance the principles and goals of sustainable development, forge ahead towards green, low-carbon and sustainable development, make greater contribution to the high-quality appreciation of assets, and work with all stakeholders to create greater economic and social benefits.



SUPPORT THE NEW HIGH QUALITY DEVELOPMENT JOURNEY

We will seize the new development opportunities of the industry, enhance management initiative, flexibly adjust the operation strategy, continue to carry out customer satisfaction survey and deeply explore the value of space, and strive to start the second growth curve of high-quality development of Yuexiu REIT, and constantly bring sustainable and stable returns for unit-holders.



SUPPORT THE NEW GREEN AND LOW-CARBON JOURNEY

We will continue to advance the sustainable development goals and improve the environmental performance of our properties. Meanwhile, we will continue to play an exemplary role in green and low-carbon building management, organize and participate in industry seminars, innovate development concepts, apply low-carbon technologies and materials, and jointly explore a green and low-carbon future.



SUPPORT THE NEW HARMONIOUS BEAUTIFUL JOURNEY

We will uphold the people-oriented concept to protect the legitimate rights and interests of employees, create a safe, healthy and harmonious office environment, and walk side by side with the employees. We will actively undertake the social responsibility of a corporate citizen, take the initiative to fulfill social responsibility, engage in public welfare programs, care for the community, and transfer warmth and love to every corner of the society.

SUSTAINABILITY PERFORMANCE SUMMARY

POLICY LIST

Aspect	Laws and Regulations	Internal Policies
A1 Emissions	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Waste Provisions on the Administration of Urban Construction Wastes National Hazardous Waste Inventory	Environmental Monitoring Guidelines Environmental Factors Identification and Evaluation Guidelines Environmental Protection Guidelines Standard Operating Procedure of GZIFC
A2 Use of Resources	Energy Conservation Law of the People's Republic of China	Measures for Energy Consumption Management Implementing Rules for Energy Consumption Management Public Energy Consumption Control Index Standard Operating Procedure of GZIFC
A3 The Environment and Natural Resources	Environmental Protection Law of the People's Republic of China	Guidelines on Chemical Safety Instructions Environmental Protection Guidelines Guidelines for Property Smoking Control Management Green Convention Standard Operating Procedure of GZIFC
A4 Climate Change	China's National Climate Change Programme China's Policies and Actions for Addressing Climate Change (White Paper) Guiding Opinions on Integrating and Strengthening Efforts in Climate Action and Ecological and Environmental Protection Opinions on Fully, Accurately and Comprehensively Implementing the New Development Concept to Perform Carbon Peak and Carbon Neutrality Work	Compliance Manual Measures for the Management of Risk Preference Drill Plan of Emergency Plan Emergency Kit Configuration Guidelines Standard Operating Procedure of GZIFC

Aspect	Laws and Regulations	Internal Policies
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Personal Income Tax Law of the People's Republic of China	Employee Handbook Labor Contract Salary Management Measures Performance Management Measures
B2 Health and Safety	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China	Fire Emergency Response and Disposal Guidelines Guidelines for the Investment of Safety Production Funds Administrative Measures for Safety Production Responsibility System Fire Drill Guidelines Measures for the Management of Fire Control Facilities and Equipment Guidelines on Operation Procedures for Safe Production Administrative Measures for Occupational Health and Safety Standard Operating Procedure of GZIFC
B3 Development and Training	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China	Employee Handbook
B4 Labor Standards	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China	Employee Handbook Labor Contract

SUSTAINABILITY PERFORMANCE SUMMARY

Aspect	Laws and Regulations	Internal Policies
B5 Supply Chain Management	Company Law of the People's Republic of China Contract Law of the People's Republic of China	Management Measures for Suppliers of Asset Appreciation Projects Management Review Procedure for Material Suppliers Supplier Management Guidelines
B6 Product Responsibility	Construction Law of the People's Republic of China Fire Protection Law of the People's Republic of China Food Safety Law of the People's Republic of China	Standard Operating Procedure of GZIFC Guidelines for Customer Satisfaction Survey Guidelines for Management of Clients' Opinions Guidelines for the Handling of Customer Complaints Customer Resource Management Operational Guidelines Guidelines on Service Standards for Special Groups Decoration Manual Tenancy Relationship Management Operational Guidelines Guidelines for Customer Call Operations Data Protection Notification and Authorization
B7 Anti-corruption	Provisions of the Independent Commission Against Corruption of Hong Kong Special Administrative Region Provisions on Bribery Prevention of Hong Kong Special Administrative Region Guideline on Anti-Money Laundering and Counter-Terrorist Financing	Compliance Manual Guidelines on Anti-money Laundering Measures for Risk Preference Management Implementation Measures for Internal Audit Statement of Bidding Integrity Agreement Measures for the Administration of "Three Public Matters"
B8 Community Investment	Charity Law of the People's Republic of China Charity Donation Law of the People's Republic of China	Notes for Volunteers

PERFORMANCE LIST

Aspect	KPI	Unit	2021	2020	2019	
A. Environment						
A1 Emissions	A1.2 Greenhouse Gas (GHG) Emissions and Intensities					
	GHG emissions (Scope 1) ¹	tonne of CO ₂ e	2,991.88	2,793.46	3,288.87	
	GHG emissions (Scope 2) ²	tonne of CO ₂ e	44,634.93	48,567.70(a)	51,039.41(a)	
	GHG Emissions (Scope 1 + Scope 2) ³	tonne of CO ₂ e	47,626.81	51,361.16	54,328.28	
	GHG emission Intensity (Scope 1)	tonne of CO ₂ e/ per million revenue ⁴	1.69	1.59	1.60	
		tonne of CO ₂ e/m ² (Office buildings/Wholesale mall/Retail malls) ⁵	0.001	0.001	0.001	
		tonne of CO ₂ e/ per room per night (Hotel/Serviced apartments) ⁶	0.012	0.011	0.012	
	GHG Emission Intensity (Scope 2)	tonne of CO ₂ e/ per million revenue	25.24	27.62(a)	24.80(a)	
		tonne of CO ₂ e/m ² (Office buildings/ Wholesale mall/Retail malls)	0.040	0.043(a)(b)	0.044(a)(b)	
		tonne of CO ₂ e/ per room per night (Hotel/Serviced apartments)	0.066	0.078(a)	0.069(a)	
	GHG Emissions Intensity (Scope 1 + Scope 2)	tonne of CO ₂ e/ per million revenue	26.93	29.21	26.40	
		tonne of CO ₂ e/m ² (Office buildings/ Wholesale mall/Retail malls)	0.041	0.044	0.045	
		tonne of CO ₂ e/ per room per night (Hotel/Serviced apartments)	0.078	0.089	0.081	
	A1.3 Total hazardous wastes produced					
	Waste fluorescent tubes	Tube	5,134	4,532	3,906	
	Waste batteries ⁷	Kg	142	-	-	
	Waste printer cartridges	Cartridge	77	45	64	
Waste ink boxes	Box	130	146	150		
Paint buckets	Kg	70	251	94		
A1.4 Total non-hazardous wastes produced and intensity						
Waste office paper consumption	Kg	21,878	22,318	43,292		
Waste office paper consumption intensity	Kg/per million revenue	12.37	12.69	21.03		

SUSTAINABILITY PERFORMANCE SUMMARY

Aspect	KPI	Unit	2021	2020	2019
A2 Use of Resources	A2.1 Total energy consumption and intensity				
	Gasoline consumption	L ⁸	3,510	1,140	1,209
	Gasoline consumption intensity	L/per million revenue	1.98	0.65	0.59
	Diesel consumption	L ⁹	5,135	5,720	5,678
	Diesel consumption intensity	L/per million revenue	2.90	3.25	2.76
	Natural gas	m ³ ¹⁰	1,373,838	1,283,854	1,512,957
	Natural gas consumption intensity	m ³ /per million revenue	776.88	729.99	735.12
	Outsourced electricity	KWH ¹¹	76,824,327	79,606,125	83,657,449
	Outsourced electricity consumption intensity	KWH/per million revenue	43,442.84	45,263.36	40,647.67
	Outsourced electricity consumption intensity	KWH/m ² (Office buildings/ Wholesale mall/Retail malls)	68.09	70.29(b)	72.08(b)
	Outsourced electricity consumption intensity	KWH/per room per night (Hotel/ Serviced apartments)	114.46	127.76	112.43
	A2.2 Water consumption and intensity				
	Water consumption	m ³ ¹²	904,023	745,677	902,876
	Water consumption intensity	m ³ /per million revenue	511.21	423.99	438.69
	Water consumption intensity	m ³ /m ² (Office buildings/ Wholesale malls/Retail malls)	0.782	0.715(b)	0.760(b)
Water consumption intensity	m ³ /per room per night (Hotel/ Serviced apartments)	1.438	0.913	1.284	
B. Society					
B1 Employment	B1.1 Total workforce by gender, age group and geographical region¹³				
	Total workforce	Person	648	700	764
	Male	Person	307	336	369
	Female	Person	341	364	395
	Management	Person	120	127	133
	Non-management	Person	528	573	631
	29 and below	Person	307	322	422
	30-49	Person	304	340	303
	50 and above	Person	37	38	39
	Chinese mainland	Person	634	685	747
	Hong Kong, Macao and Taiwan Regions of China	Person	7	5	9
	Overseas	Person	7	10	8
	B1.2 Employee turnover rate by gender, age group and geographical region¹⁴				
	Total employee turnover rate	Percentage	27	27	28
	Male	Percentage	31	29	32
	Female	Percentage	23	25	24
	29 and below	Percentage	34	38	33
	30-49	Percentage	20	15	22
	50 and above	Percentage	30	28	13
	Chinese mainland	Percentage	27	27	29
	Hong Kong, Macao and Taiwan Regions of China	Percentage	13	56	15
Overseas	Percentage	18	8	22	

Aspect	KPI	Unit	2021	2020	2019
B2 Health and Safety	B2.1 Number of work-related fatalities				
	Number of work-related fatalities	Person	0	0	0
	Percentage of work-related fatalities	Percentage	0	0	0
	B2.2 Lost days due to work injury ¹⁵				
	Work injury	Case	30	19	6
	Lost days due to work injury	Day	122	64	26
B3 Development and Training	B3.1 The percentage of employees trained by gender and employee category				
	Training coverage	Percentage	100%	100%	100%
	Total employees trained	Person time	15,525	16,912	14,560
	Male	Person time	6,496	7,017	5,629
	Female	Person time	9,029	9,895	8,931
	Management	Person time	2,107	2,218	1,711
	Non-management	Person time	13,418	14,694	12,849
	B3.1 Training hours completed per employee by gender and employee category ¹⁶				
	Total training hours	Hour	38,188	35,519	40,788
	Male	Hour	17,845	16,220	18,881
	Female	Hour	20,343	19,299	21,907
	Management	Hour	6,945	6,516	7,433
	Non-management	Hour	31,243	29,003	33,355
	B3.2 Average training hours completed per employee by gender and employee category				
	Average	Hour	56	48	49
Male	Hour	55	45	48	
Female	Hour	57	51	51	
Management	Hour	54	44	50	
Non-management	Hour	56	49	49	
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region ¹⁷				
	Total suppliers	Quantity	1,024	1,013	1,212
	South China	Percentage	81	73	72
	East China	Percentage	9	11	19
	Central China	Percentage	6	6	7
	North China	Percentage	2	0	0
	Northeast China	Percentage	0	3	0
	Southwest China	Percentage	0	5	0
	Northwest China	Percentage	0	0	0
	Hong Kong, Macao and Taiwan Regions of China and Overseas	Percentage	2	2	2
B6 Product Responsibility	B6.2 Number of received complaints regarding products and services				
	Facility	Case	28	31	37
	Service	Case	33	21	22

SUSTAINABILITY PERFORMANCE SUMMARY

Aspect	KPI	Unit	2021	2020	2019
B7 Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees				
	Corruption cases	Case	0	0	0
	B7.3 Anti-corruption training provided to directors and staff ¹⁸				
	Hours of anti-corruption training	Hour	1,171	620	-
	Person-times of anti-corruption training	Person-time	1,167	716	-
B8 Community Investment	B8.2 Resources used in the focus area ¹⁹				
	Person-times of welfare activities	Person-time	422	254	-
	Hours of welfare activities	Hour	1,540	816	-

Notes

- According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, Scope 1 of GHG emissions refers to the direct GHG emissions from the sources owned and as controlled by the organization, such as emissions from vehicles owned by the organization.
- According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, Scope 2 of GHG emissions refers to the indirect GHG emissions from outsourced power, covering GHGs such as carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. The carbon emission coefficients of purchased power used in the 2021 GHG emission performance data were China's national emission coefficients in the latest Environmental Key Performance Indicators Reporting Guidelines issued by HKEX in May 2021 which was released by the Ministry of Ecology and Environment of the People's Republic of China in 2019. According to the same standard, the latest factor in 2021 is 0.5810 kgCO₂/kWh.
 - Consistency Description: in order to make meaningful comparisons and to monitor the changes in GHG emissions from outsourced power, the historical GHG emission performance data for 2020 and 2019 are retrospectively revised using the latest guidelines for outsourced power emission coefficients, and density indicators related to GHG (Scope 2) are also revised in accordance with the consistency principle. In the future, we will continue the comparable calculation method and continue to improve the level of data management.

Year	2025 Target	2021	2020	2019
Originally adopted standard	Not Applicable	Not Applicable	Benchmark Emission Coefficients of China Regional Power Grid of Emission Reduction Projects 2017	Emission Coefficients of China Regional Power Grid of Emission Reduction Projects 2011 and 2012
Newly adopted standard	Adopted unanimously the China power CO ₂ coefficient released by the Ministry of Ecology and Environment of the People's Republic of China in relevant year			
tonne of CO ₂ e (Scope 2)	Not Applicable	44,634.93	48,567.70	51,039.41
tonne of CO ₂ e (Scope 1+Scope 2)/per million revenue	Not Applicable	26.93	29.21	26.40
tonne of CO ₂ e (Scope 1+Scope 2)/m ²	0.039	0.041	0.044	0.045
tonne of CO ₂ e (Scope 1+Scope 2)/per room per night	0.070	0.078	0.089	0.081

3. Total GHG emissions are limited to direct/indirect carbon dioxide emissions from the energy consumption of non-leasing/sales parts of the properties held by Yuexiu REIT including Scope 1 and Scope 2. The carbon footprint is mainly from the outsourced during the operation of the properties.
4. The Trust record the income of Yuexiu Financial Tower from December 24, 2021. According to the "Principle of Consistency", the statistical scope of GHG emissions in 2021 and the calculation of income density per million (including GHG, electricity consumption, water consumption, office paper, gasoline, diesel, natural gas, etc.) do not consider the influence of Yuexiu Financial Tower.
5. According to the principle of Materiality, the range of properties included in the statistics of current year is determined in consideration of actual management (refer to "Scope and Boundary of the this Report"). The area of ownership is calculated according to the properties included in the statistical scope of this year (including rentable area, parking space area, common facilities area, refuge floor area, etc.).
 - b. Consistency Description: In ESG reports of 2019 and 2020, we used the rentable area to measure the intensity. In order to be consistent with calculation method of 2021, we have updated the electricity consumption density, water consumption density and GHG emission intensity data related to the area of non-hotel and serviced apartments of 2019 and 2020 according to the relevant area of ownership, so as to better reflect the performance of the properties.
6. Room nights = total number of rooms × annual days × annual average occupancy rate.
7. The number of waste batteries is statistically disclosed from 2021.
8. The gasoline consumption is the gasoline consumption of vehicles in hotel and serviced apartments. The gasoline consumption in 2021 increased with the increase of vehicle use.
9. The diesel consumption is mainly the diesel consumption of electric generator owned by the properties of the Trust.
10. The statistic range of natural gas consumption covers the natural gas consumed by the heating equipment of the properties of the Trust and the natural gas consumed by the catering sector of Four Seasons Hotel Guangzhou, other than the natural gas consumed by catering tenants and dining halls in retail malls and office buildings.
11. Power consumption in the public areas of office buildings, wholesale mall, retail malls, and hotel and serviced apartments, excluding the power consumption of tenants.
12. Water consumption in the public areas of office buildings, wholesale mall, retail malls and hotel and serviced apartments, excluding the water consumption of tenants. Due to the recovery of the hotel and serviced apartments occupancy rates and the changes in people's living habits after the epidemic, water consumption increased.
13. "Employees" are the persons who perform the operational functions and service of the hotel and serviced apartments, including full-time employees and interns.
14. "Employee turnover" includes employees who voluntarily leave or terminate their employment by reason of dismissal, retirement or death, excluding interns. The employee turnover rate is calculated as the number of employees turnover/(the number at the beginning of the group + the number of employees who enter the group in the year).
15. Statistics of work-related injuries shall be subject to the approval of the Ministry of Human Resources and Social Security.
16. The statistic range covers the employees of Yuexiu REIT and the Manager.
17. The regions of the suppliers are determined based on their place of incorporation, including the suppliers of the Manager and the suppliers providing services to the properties.
18. The anti-corruption training data has been calculated and disclosed since 2020, and the statistic scope of 2021 covers the Manager, the hotel and serviced apartments and the frontline operators.
19. The person-times and hours of public welfare activities have been calculated and disclosed since 2020.

STANDARDS AND INDEXES

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	B6.3			
	B7 Anti-corruption			
	General Disclosure/B7.1/7.2/7.3			
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	A2 Use of Resources:		Strategy	
	General Disclosure/A2.3/A2.4			
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	A4 Climate Change:			
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Sustainability Performance Summary	A1 Emissions: A1.2/A1.3/A1.4 A2 Use of Resources: A2.1/A2.2 B1 Employment: B1.1/B1.2 B2 Health and Safety: B2.1/B2.2 B3 Training and Development: B3.1/B3.2 B5 Supply Chain Management: B5.1 B6 Product Responsibility: B6.2 B7 Ant-corruption: B7.1/B7.3 B8 Community Investment B8.2	102-48/204-1/ 302-1/302-3/303-3/ 303-4/303-5/305-1/ 305-2/306-2/401-1/ 404-1/405-1	Metrics and Targets	A1.1 Emissions of nitrogen oxides, sulfur oxides and other pollutants are not significant to the business of the Trust. A2.5 Not applicable to the business of the Trust. B6.1 Not applicable to the business of the Trust.
Standards and Indexes	–	102-55	–	–
Feedback Form	–	–	–	–

FEEDBACK FORM

Thank you for reading Yuexiu REIT's 2021 ESG Report. We sincerely hope that you can evaluate this Report and provide valuable suggestions for us so that we can make continuous improvement.

If you have any comments or suggestions on the ESG of Yuexiu REIT, please fill in the form and email to yxft.ir@yuexiureit.com.

Yuexiu Real Estate Investment Trust's 2021 ESG Report Opinion Feedback Form

Name _____

Employer _____

Title _____

Tel _____

E-mail _____

Your evaluation on this Report: (Please ✓ in the corresponding position)

	Fine	Good	Marginal	Poor	Very poor
Do you think this Report highlights Yuexiu REIT's material ESG information?	<input type="checkbox"/>				
Do you think the information and indicators disclosed in this Report are clear, accurate and complete?	<input type="checkbox"/>				
Do you think the layout and style of this Report are easy to read?	<input type="checkbox"/>				
Which parts of this Report are you most interested in?	_____				
What else do you think you need to know that is not reflected in this Report?	_____				
Do you have any suggestions for our future release of ESG reports?	_____				