



# 越秀服務集團有限公司 YUEXIU SERVICES GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code : 6626

**WHERE  
GOOD SERVICE  
STARTS**



Environmental, Social  
and Governance Report

**2023**



## INTRODUCTION

### ABOUT THIS REPORT

This report is the third independent Environmental, Social and Governance (“ESG”) Report (“ESG Report” or “this Report”) released by Yuexiu Services Group Limited (the “Company”). This Report sets out the management philosophy, management practices, indicators and targets of the Company and its subsidiaries (collectively, the “Group”) in relation to ESG issues for the year ended 31 December 2023 (the “Year”).

#### Preparation Basis

This Report has been prepared based on the following:

- The Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix C2 to the Rules (“Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)
- The GRI Sustainability Reporting Guidelines (2021) (GRI 2021) issued by the Global Sustainability Standards Board (“GSSB”)
- Recommendations of Task Force on Climate-Related Financial Disclosures (“TCFD”)
- Disclosure indicators based on the ESG Special Report of Listed Companies Controlled by Central Enterprises issued by the State-owned Assets Supervision and Administration Commission (“SASAC”)

#### Reporting Principles

Principle	Response
Materiality	The Group engaged a third-party professional agency to identify and review material ESG issues by reviewing relevant business and industry characteristics and using their expert evaluation. Such review was then submitted to the board of directors of the Company (the “Directors”) for review and confirmation. Such review and confirmation by the Board was the basis of this ESG Report’s preparation and subsequent actions taken to improve the Group’s addressing of relevant ESG issues
Quantitative	The Group has established and continuously improved its data collection tool and data access and review mechanism, including by establishing an ESG committee and ESG working group. Where applicable, a comparison of this year and previous year’s data is disclosed in this Report, to enable stakeholders to understand the Group’s ESG-related progress
Balance	This Report discloses the Group’s ESG performance without bias. In addition to disclosing achievements, this Report also discusses issues that require improvement (and plans for achieving such improvement)
Consistency	To the extent reasonably possible, the quantitative information in this Report is calculated and disclosed in a manner consistent with the ESG Reports published in previous years, to facilitate stakeholders’ analysis and assessment of the Group’s performance over time. Where there has been any material change in the scope of data collection, data updates or changes in measurement methods, the Group has provided corresponding explanations for stakeholders’ reference

## INTRODUCTION

### Scope of this Report

This ESG Report covers the period from 1 January 2023 to 31 December 2023, unless otherwise specified in this Report. This Report should be read together with the Group’s 2023 Annual Report.

Unless otherwise specified in this Report, the policy documents, statements, operating and social data in this Report covers the scope of the Group’s operation.

### Data Sources

All data disclosed in this Report are from public data, internal statistical statements, third-party surveys, administrative documents and reports and other relevant documents. The monetary amounts in this Report are denominated in RMB.

### Approval of this Report

This Report was reviewed and approved by the Board on 18 March 2024.

### Access to this Report

This Report has been prepared in traditional Chinese and English versions for readers’ reference. The electronic copy of this Report can be accessed from the Stock Exchange’s website (<https://www.hkexnews.hk>) or the Company’s website (<https://www.yuexiuserVICES.com>). In case of any discrepancy between the Chinese and English versions of this Report, the Chinese version shall prevail.

### Response to this Report

The Group’s continuous improvement of its ESG performance relies on your suggestions. For any questions or feedbacks in relation to the Group’s ESG performance or this Report, please complete the Feedback Form (set out at Appendix V of this Report) or email the Group at [ir@yuexiuproperty.com](mailto:ir@yuexiuproperty.com).

## COMPANY PROFILE

The Group was established in 1992 and was listed on the main board of the Hong Kong Stock Exchange in 2021 (stock code: 06626.HK). It is a leader in integrated property management and operational services provider in the Greater Bay Area, and currently the only one among the Top 100 Property Management Companies in China that provides metro property services in the Greater Bay Area. As one of the first companies in China to obtain the Class I national qualification for property management, the Group currently serves as the standing director unit of the China Property Management Institute, the vice president unit of the Guangdong Property Management Industry Institute, and the president unit of the Guangzhou Property Management Association. It was ranked TOP14 amongst the Top 100 Property Management Companies in China in 2023.

Over the past three decades, the Group has been fulfilling its mission of "Where Good Service Starts (用心 • 成就美好生活)". It has leveraged new technologies to create an innovative "Yue+" service model, by applying its extensive experiences in the entire value chain of the residential property management, specialised operation of commercial properties and integrated property management of transit-oriented developments ("TOD"). The Group continues to meet the diverse needs of customers by enhancing their customer experience, while also continuing to improve business value and expanding scale of the Group's relevant businesses, thereby ensuring both sustainable development and community prosperity.

As of 31 December 2023, the Group had extended its geographical market coverage to 49 cities within China (including Hong Kong), with the Greater Bay Area as its core market and strong presences in eastern, central, northern and western China. It currently provides property management services for more than 400 projects, with approximately 65.2 million square meters of gross floor area (GFA) under management. The types of properties that it manages include residential properties, TOD properties, office buildings, shopping malls, wholesale markets, exhibition centres, government affairs centers, industrial parks and other urban facilities. By providing customers with - full cycle services from property management, asset management, operations management and other related areas, the Group continues to build its reputation as a high-end provider of a wide range of property management and operational services.

## CHAIRMAN'S MESSAGE



**Mr. Lin Feng**  
Chairman of the Board

*2023 has been a year full of challenges and changes. Facing a complex business environment, the Group has adapted and responded flexibly to such environment, and strictly managed risks. In striving to create a better urban life, the Group pursues green, low-carbon and high-quality development, and takes focused and solid steps towards its long-term goals.*

## CHAIRMAN'S MESSAGE

The Group always adheres to the concept of sustainable development when developing its corporate strategies and in its daily operations, and strictly fulfils its "six responsibilities" in the following areas:

- economic
- service
- employee
- supply chain
- environmental
- social

The Group has received external recognition for its sustainability management practices. For example and in the Year, MSCI Inc. ("MSCI") elevated the Group's ESG rating to A, which is the highest rating offered to property management companies in Mainland China.

### Reinforcing the foundation to improve risk management capabilities

The Group views business ethics and robust risk management as being essential for the Group's operations. During the Year, the Group further improved its comprehensive risk management system and internal control mechanism, promoted a culture of integrity, and enhanced its risk management capabilities to ensure the Group's stable operation and sustainable development. During the Year, the Group provided 3,800 hours of compliance training, and 25,945 hours of anti-corruption training for Directors and employees, with a coverage rate of 100%.

The Group also further improved its ESG management structure and clarified responsibilities at each level of such structure. The Group set up a TCFD execution team under its ESG working group, forming a coherent and efficient ESG risk management system and internal monitoring mechanism that covers strategic decision-making, supervision and coordination, to execution. The Group also conducted climate related scenario analysis, in order to more effectively manage the risks and opportunities brought by climate change.

### Enhancing service quality to meet diverse demands

The Group is focused on its mission of "Where good service starts (用心 • 成就美好生活)" and "residential buildings + commercial buildings + mass transportation + urban services & public facilities". The Group provides customers with standard, professional, intelligent and full cycle quality services. The Group continues to refine its three product lines for residential property management - "Zhenyue (臻越)", "Boyue (铂越)" and "Xiangyue (享越)" - and launched the first benchmark project for the high-end service system "Zhenyue Line" during the Year, to meet the diverse and customised demands of improvement-oriented customers for high-end services.

The Group continues to increase investments in improving service quality and customer satisfaction through quality supervision and performance. During the Year, the Group implemented the "Request Response" campaign, with employees using WeCom to shorten response time to customer requests - the overall response rate reached 91%, marking an improvement of 11 percentage points from the Previous Year. The Group also developed the "Clean Community" initiative, arranging collaborative inspections and trainings to comprehensively improve the Group's management of environmental quality - as a result, the number of sanitary-related complaints decreased significantly from the Previous Year. During the Year, the Group recorded customer satisfaction of 91 for residential properties and 99.9 for commercial properties, both remaining at high levels.

## CHAIRMAN'S MESSAGE

The Group emphasises the health and safety of its employees and their working environments. During the Year, the Group has improved the organisational structure for work safety, organised and improved its work safety management policies and rules, and introduced standardised safety management regulations for different processes and categories to effectively protect the health and safety of customers and employees. During the Year, the Group organised 1,976 work safety inspections, with a work safety rectification rate of 100%. Participation in work safety training by the Group's employees reached 13,765 person times, with a safety training coverage of 100%.

### Addressing climate change

Climate change is a global challenge. The Group actively responds to the dual carbon goals of China – carbon neutrality and carbon peaking. In its operations and practices, the Group continues to improve its management of emissions, energy, water and waste discharge, enhance its efficiency of resource and energy use, and worked closely with residents, tenants and partners to promote green property management and operations. During the Year, the environmental management objectives set by the Group have been fully achieved.

During the Year, the Group set up a TCFD execution team to identify and assess physical and transition risks and opportunities related to climate change. The Group integrated climate change into the Group's risk management system to facilitate the assessment and identification of climate change's financial impact on the Group, enhancing the Group's resilience to climate change and capitalisation of development opportunities.

### Stimulating corporate vitality and unleashing employees' potential

The Group aims to create a working environment which is fair and impartial, harmonious and inclusive, and safe and healthy. The Group emphasises building a diversified talent pool, and promotes open and democratic communication. The Group maintains a talent selection and training system that is focused on internal promotion rate and turnover rate of employees as key objectives, and with the macro aim of ensuring that employees work in an efficient and collaborative manner to help drive the Group's sustainable development. During the Year, training coverage of the Group's employees reached 100%, with an average of 43 training hours per employee, 41.6 % internal promotion rate of project managers, and a year-on-year reduction in employee turnover rate. During the Year, the Group was awarded the Guangzhou AAAA Enterprise with Harmonious Labour Relations, which is an overall recognition of the Company for the Group's efforts in relation to developing human capital, developing a harmonious working environment, caring for its employees and fair remuneration distribution.

During the Year, the Group adopted a share option scheme and granted share options to qualified employees, to recognise their contributions to the Group and increase their motivation. The Group aims to match employees' development with the Group's strategic goals and promote their continued development.

### Contributing to society and promoting a sustainable value chain

The Group is committed to its social responsibilities and giving back to society. The Group organised a series of public welfare activities to enhance community cohesion and improve the living quality of residents, including community cultural activities and health lectures. During the year, the Group carried out renewal and renovation of 106 communities, and organised 2,300 community cultural activities covering 100,000 person times.

In addition, the Group worked closely with suppliers, governments, communities and other stakeholders to develop industry standards and promote a sustainable supply chain. During the Year, the signing rate of the Group's Integrity Agreement by its suppliers reached 100%.

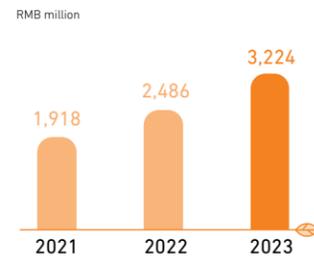
Looking forward to 2024 and with the aim of continuing to be a trusted service company for its customers, the Group will continue to improve service quality and leverage its advantages to create greater value for its customers, shareholders, employees and society. The Group will continue to develop its ESG practices, promote green and sustainable development, and work with its stakeholders to create a better future.

## SUSTAINABILITY PROGRESS

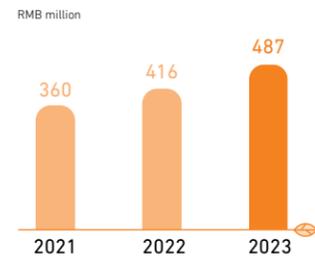
## SUSTAINABILITY PROGRESS

### RESULTS PERFORMANCE

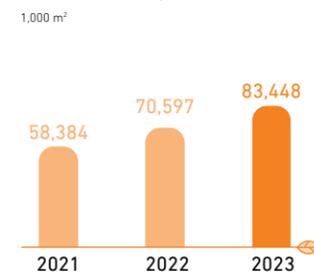
#### Total revenue



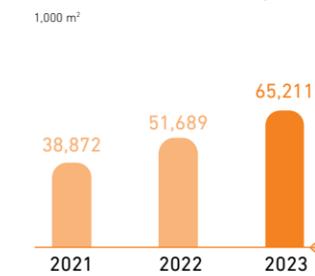
#### Profit attributable to the owner of the Company



#### Contracted gross floor area

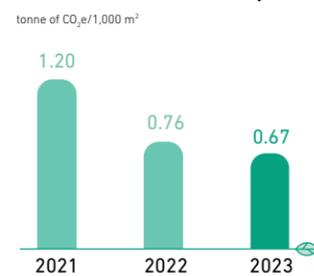


#### Gross floor area under management

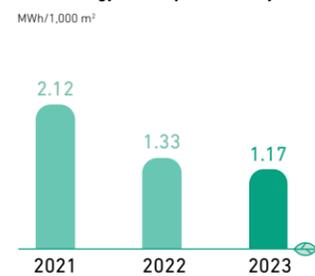


### ENVIRONMENTAL RESPONSIBILITY

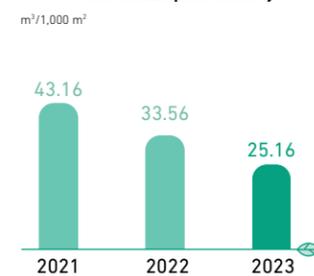
#### Carbon emissions intensity



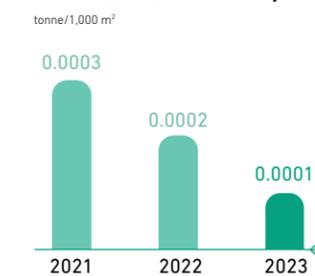
#### Energy consumption intensity



#### Water consumption intensity

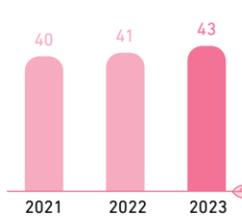


#### Hazardous waste intensity



### EMPLOYEE RESPONSIBILITY

#### Training hours per capita hours



Total employees trained  
**253,622** person times

Training coverage  
**100** %

Internal promotion rate of project managers:  
**41.6** %

Work-related injury insurance coverage  
**100** %

Safety training:  
**13,765** person times

Safety training coverage  
**100** %

### SERVICE RESPONSIBILITY

#### Customer satisfaction (residential):

**91** Score

Customer satisfaction (commercial):  
**99.9** Score

#### Complaint response time:

**2** hours

Complaint completion rate:  
**100** %

#### Hours saved for residents by smart property services:

**8.5** hours per year

Emergency drills:  
**67,459** person times

#### Work safety investment:

**93,473** RMB thousand

Work safety rectification rate:  
**100** %

### ECONOMIC RESPONSIBILITY

#### Total compliance training:

**3,800** hours

Training on legal knowledge:  
**20,200** hours

#### Guidelines for management and control of high-risk business:

**4**

Management suggestions:  
**42**

#### Total anti-corruption training:

**25,945** hours

Integrity education and promotion activities coverage:  
**100** %

#### Information security training:

**1,531**

Signing rate of Customer Information Confidentiality Undertakings:  
**100** %

### SUPPLY CHAIN RESPONSIBILITY

#### Total number of suppliers:

**3,540**

Signing rate of Integrity Agreement:  
**100** %

### SOCIAL RESPONSIBILITY

#### Investment in community and charity:

**26,851** RMB thousand

Public welfare and volunteer services:  
**899** person

#### Community renewal projects:

**106**

Rectification completion rate:  
**100** %

#### Community cultural activities:

**2,300**

Covering  
**100,000** person times

## HONOURS AND RECOGNITIONS



### Honours

### Awarded by

TOP14 amongst Top100 Property Management Companies in China for 2023  
(2023中國物業服務百強企業TOP14)

China TOP10 Listed Property Management Companies in terms of Comprehensive Strength for 2023  
(2023年中國物業服務上市公司綜合實力TOP10)

Guangzhou TOP1 Property Management Company in terms of Comprehensive Strength for 2023 (2023廣州市物業服務企業綜合實力TOP1)

China High-end Property Service Leading Company for 2023  
(2023中國高端物業服務領先企業)

China Leading Property Management Companies in terms of Service Quality for 2023 (2023中國物業服務質量領先企業)

China Index Academy

TOP8 among China's Listed Property Management Companies in terms of Non-residential Property Services for 2023  
(2023中國物業服務上市公司非住宅物業服務TOP8)

China Leading Property Management Companies in terms of Characteristic Service - Community Operation Services for 2023  
(2023中國特色物業服務領先企業-社區運營服務)

TOP7 among China's Property Management Exceptional Companies in terms of ESG Development for 2023 (2023中國物業服務ESG發展優秀企業TOP7)

China's Outstanding Listed Property Management Company in ESG Practice for 2023 (2023中國物業服務上市公司ESG實踐優秀企業)

2023 Property Management Companies with Outstanding Performance of Digital Intelligence (2023物業服務數智力卓越表現)

Guandian Index Academy

## HONOURS AND RECOGNITIONS



### Honours

### Awarded by

2023 Guangdong Province Property Service Comprehensive Development Strength Enterprise (2023廣東省物業服務綜合發展實力企業)  
Best Member of Guangdong Property Management Industry Institute for 2023  
(2023年度廣東省物業管理行業協會最佳會員)

Guangdong Property Management Industry Association

Model Staff Home in the Property Management Industry of Guangzhou 2023  
(廣州市物業管理行業2023年“模範職工之家”)

Outstanding Case of Labour Union Work in the Property Management Industry of Guangzhou 2023 (廣州市物業管理行業2023年“工會工作優秀案例”)

Guangzhou Property Management Industry Association

Annual Contributing Member Unit 2023 (2023年“年度貢獻會員單位”)

Outstanding Learning Enterprise 2023 (2023年“優秀學習型企業”)

Guangzhou Municipal Human Resources and Social Security Bureau

Guangzhou AAAA Enterprise with Harmonious Labour Relations

Excellence in ESG Governance Award (Small-cap Category)  
(卓越ESG管治表現大獎(小市值組別))

Excellence in Social Sustainability Award (Small-cap Category)  
(卓越社會表現大獎(小市值組別))

Ming Pao

Listed State-owned Companies - ESG Vanguard 100 Index 2023  
(國有企業上市公司ESG-先鋒100指數(2023))

The Task Force for the Blue Book of the Social Responsibilities of State-owned Enterprises (2023)

## STATEMENT FROM THE BOARD

The Board of the Company prioritises sustainable development management. Pursuant to the Stock Exchange's ESG Reporting Guide, the Group has established an effective multi-tier ESG management system and mechanism to continuously improve its ESG governance structure and strengthen the Board's supervision and involvement in ESG-related matters.

### ESG Governance Structure

The Board assumes full responsibility for the Group's ESG-related matters. The ESG Committee under the Board was established in 2022, comprising of one non-executive Director, one executive Director and three independent non-executive Directors. As authorised by the Board, the ESG Committee is responsible for supervising the Group's vision, goals, strategies and management structure and policies regarding ESG issues, including the supervision and control of matters related to climate change, reviewing and evaluating ESG-related risks and opportunities, and deliberating and reviewing ESG-related goals and performance.

In order to more effectively manage the risks and opportunities brought by climate change, the Group has set up:

- an ESG leadership group, led by the chief executive officer (CEO) and comprised of main business leaders, which is responsible for supervising and implementing ESG-related practices;
- an ESG working group, comprising of heads from functional departments of the headquarters and regional companies, which is responsible for implementing and improving ESG mechanisms, concepts and measures; and
- a TCFD execution team under the ESG working group, to coordinate the overall implementation of tactics, strategies and goals related to climate change, assess specific climate-related physical and transition risks and opportunities, develop specific measures, monitor the management of climate-related risks and opportunities, review the performance of climate risk management, and report to the ESG Committee.

The Board recognises the impact of climate change, and highlights its responsibilities and role on climate change issues. Board members actively participated in trainings on climate change to enhance their understanding of climate change-related issues and improve relevant decision-making. During the Year, the Group has twice reported on ESG-related (including climate change) matters to the Board, and the Board then reviewed the Group's climate information disclosure plan, identified and managed climate-related risks and opportunities, and reviewed other relevant information (including progress in meeting relevant targets).

## STATEMENT FROM THE BOARD

### ESG Risk Management

The Group places great emphasis on the identification and assessment of ESG-related risks. The Group, based on analysis of industry risk trends, regulatory requirements and macro policies, regularly reviews its database of ESG issues, carries out materiality assessment of ESG issues through stakeholder research, expert evaluation and board deliberation, and formulates ESG-related risk management and response plans when necessary. The Board prioritises various ESG issues based on their materiality. The Board participated in the materiality assessment of ESG issues in 2023, reviewed, approved and confirmed the results, and provided guidance on the Group's ESG priorities.

### ESG Target Management

The Board conducts regular inspections on the Group's ESG issues, including reviewing and approving targets and improvement plans for GHG emissions, waste disposals, energy and water consumptions. The Board reviewed and discussed the Group's progress against ESG-related targets at the Board meeting held in August 2023. The Board has reviewed the Group's achievement of ESG targets for the Year, and approved the ESG targets set for 2024.

## FEATURE: THE SHINING LIGHT IN THE COMMUNITY

"Where Good Service Starts (用心 • 成就美好生活)" is the Group's brand mission, and accurately describes the Group's daily work. The Group is committed to creating peaceful and harmonious community environments and being the shining light guarding relevant residents, by providing professional and thoughtful property services.

### The shining light in the community

"In daily life, property service staff are like shining lights. They work silently in every corner of the community. The night patrol of the security personnel, the morning tidying of the cleaning personnel, and the timely response of maintenance personnel are all indispensable parts of a community's normal operation."

#### ➤ Weathering the storm

In September 2023, Guangzhou experienced heavy rain caused by super typhoon Haikui. The Group promptly implemented emergency prevention measures, and prepared sandbags, iron support frame, emergency drainage pumps, hoses, measures water fenders, shovels and other flood prevention materials - e.g. equipping sandbags at the entrances of low-lying underground garages to prevent rainwater flooding.

At 1:05 a.m. on 8 September, heavy rain poured down and serious water accumulated in many roads. Within half an hour, 38 employees of the property service team at Yuexiu Paradiso Riverside gathered and involved themselves in flood control and waterlogging prevention work. They carried sandbags at a speed of 300 bags/hour, and used flood control boards and sandbags to build a solid "flood control wall". In addition, they promptly sent vehicle moving notices to residents and ensured the orderly departure of vehicles within a short period of time, with zero damage to vehicles on site.

Meanwhile, the cleaning staff were busy cleaning up leaves, branches, garbage and silt around drainage outlets. The engineering staff cooperated with the Power Supply Bureau to efficiently restore power. The elevator maintenance personnel completed all elevator maintenance and recovery work. For 26 hours, they fought to ensure the smooth passage and safety of the property owners.



Ensuring safe use of electricity, water and elevators



Cleared fallen trees to ensure property owners' passage safety

#### ➤ Speed and care under continuous snowfall

In December 2023, multiple cities of Shandong encountered continuous snowfall, resulting in a record-high snow depth of over 53 cm. The Group quickly gathered 254 staff members in Yantai City, Shandong Province at 6:00 a.m. and used shovels, brooms, snow shovels and other tools to carry out a series of snow sweeping and de-icing work in the community entrance and exit, garage, building gates, to ensure the smooth passage and safety of 7,285 property owners. This won such staff members recognition for "Yuexiu Speed".

## FEATURE: THE SHINING LIGHT IN THE COMMUNITY

In addition, multiple staff members offered warm ginger tea to residents to resist the winter cold.



Snow sweeping and de-icing



Hot ginger tea action

#### ➤ Assisting with flat tyres

In May 2023, several car owners of Yuexiu Lingnan Villas, a project in Guangzhou under the Group's management, encountered flat tyres due to nails. Adhering to the principle of "safety work is no trivial matter and safety responsibility is of paramount importance (安全工作無小事,安全責任重如山)", the Group's property management team promptly set up a working group to strengthen video surveillance, and conducted a thorough search for the source of this issue. The working group subsequently found that there were nails spilling on the ground at the construction site next to the site.

After discovering this problem, the working group responded in a swift and orderly manner. The cleaning staff cleaned and washed the road several times, and cleared the nails left on the road to ensure the residents' driving safety. The working group worked together with the Community Committee to purchase nail-clearing machines, and regularly supervised the nail-clearing work, so that the residents can drive safely. The working group also effectively communicated with the construction unit, government authorities and property owner representatives to check, register, verify and estimate the compensation amount for 67 residents' damaged vehicles within 4 days, and successfully helped them to receive such compensation.



Cleaning the surrounding roads with nail-clearing vehicles

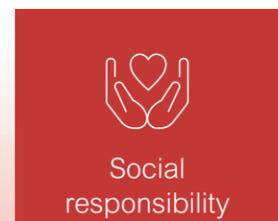
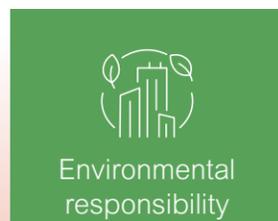


Resident representatives presented a commemorative banner

# SUSTAINABLE DEVELOPMENT MANAGEMENT

## Our Philosophy

Focusing on the "six responsibilities" of sustainable development, the Group has established a comprehensive and efficient ESG risk management and internal control system, thereby promoting the integration of ESG concepts into corporate strategies and daily operations from top down and continuous improvement of its ESG management capabilities, to create economic benefits while positively contributing to the sustainable development of society.



# SUSTAINABLE DEVELOPMENT MANAGEMENT

## SUSTAINABLE DEVELOPMENT STRATEGIES AND GOALS

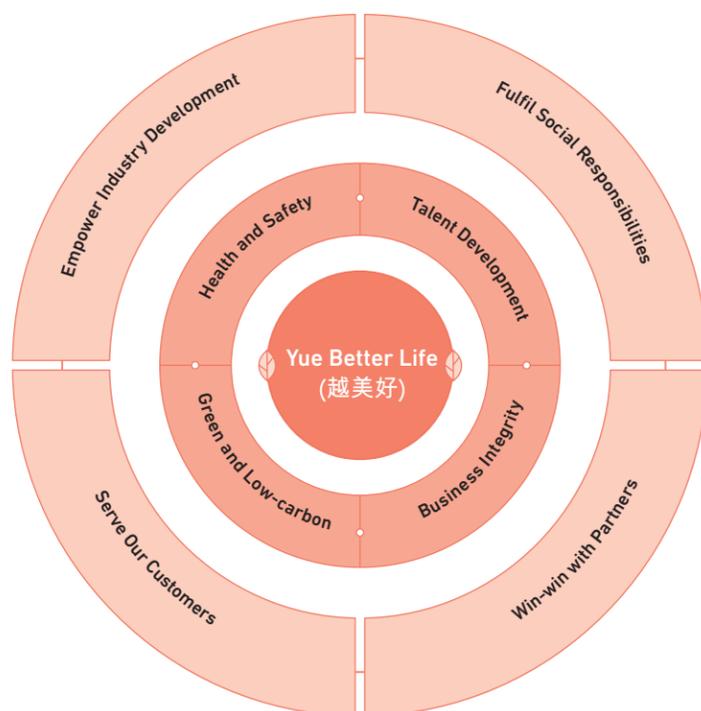
Sustainable development is an essential part of today’s corporate strategic planning, and an effective way to improve an entity’s comprehensive corporate competitiveness, enhance long-term value, and maximise economic, social and environmental value. Taking into account regulatory requirements, industry characteristics and its own business model and development status, the Group actively aims to satisfy China’s national “dual carbon” policy and references the United Nations Sustainable Development Goals, by actively satisfying its six responsibilities of sustainable development – i.e. economic, service, employee, supply chain, environmental and social responsibility - to support the Group’s development and stakeholder’s needs.

During the Year, the Group decided to channel 10% of the unutilised net proceeds from its initial public offering (approximately RMB144 million) for ESG development by allocating more resources in the management of ESG risks and opportunities, including for the promotion of green property management, improvement of old community facilities, implementation of waste management and water management, community investment, employee training and development, etc., thereby effectively integrating its ESG development strategy with business development, management and operations.

### ESG strategy

The Group has developed the “One – Four – Four” sustainable development strategy, with “Yue Better Life (越美好)” as its core, focusing on the four strategic pillars – i.e. business integrity, health and safety, talent development, green and low carbon, and the four commitments – i.e. to serve its customers, achieve win-win results with partners, empower industry development, and actively fulfil social responsibilities, with a view to building the “Yue Better Life (越美好)” open business ecosystem.

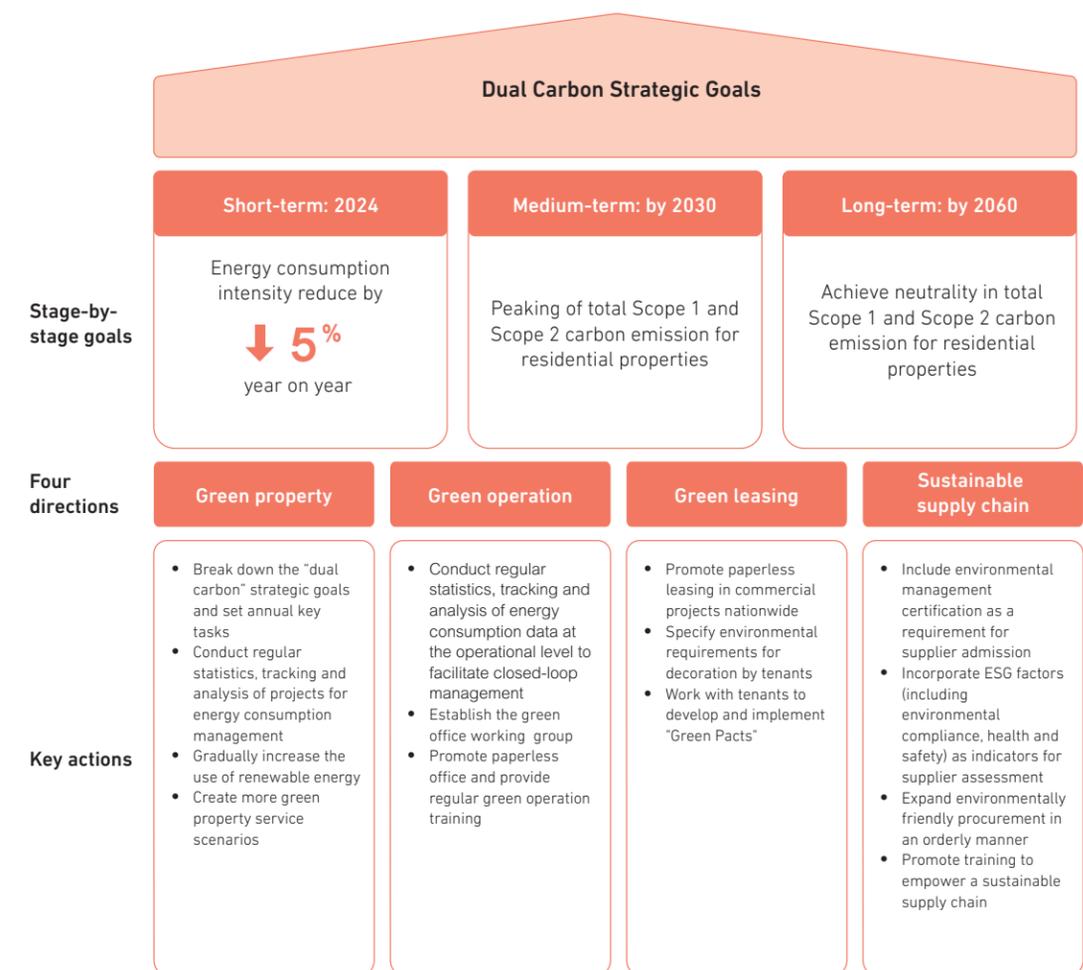
“Yue Better Life (越美好)” Sustainable Development Strategy



# SUSTAINABLE DEVELOPMENT MANAGEMENT

## Dual carbon strategy

The Group pays close attention to environmental protection and climate change, proactively identifies the risks and opportunities arising from the “dual carbon” policy, promotes green property management, and supports green, low-carbon and circular economy. In line with the dual carbon strategic goals (scope 1 and scope 2) set by its holding company, Yuexiu Property Company Limited (“Yuexiu Property”), the Group strives to achieve carbon peaking by 2030 and carbon neutrality by 2060. The Group has also further specified short, medium and long-term goals with respect to green and low-carbon development, and plans key actions around four major areas – i.e. green property, green operation, green leasing and sustainable supply chain.



## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Six responsibilities practice of sustainable development

The Group pursues high-quality and sustainable development and is focused on its brand mission of “Where good service starts (用心•成就美好生活)”, by aiming to achieve sustainable development. The Group has defined its six responsibilities of sustainable development, and has set out key annual goals and actions under each responsibility, to ensure consistency between commercial and social values while pursuing economic development and growth.

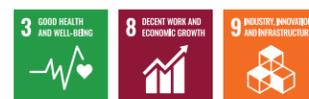
#### Practice of the six responsibilities

##### Economic responsibility

Continue to improve service quality, consolidate business models, broaden business scope; optimise cost management through technological innovations to create sustainable economic benefits; and enhance the Group’s competitiveness to promote economic development and stimulate employment growth

- **Sustainable financial performance:** Ensure a robust financial position and long-term profitability through innovative business models and effective cost management
- **Investor relations:** Maintain open and transparent communications with investors, and ensure protection of investors’ legitimate rights and interests

Corresponding United Nations Sustainable Development Goals (SDGs)



##### Service responsibility

Focus on the mission of “Where Good Service Starts (用心•成就美好生活)” with a commitment to providing high-quality, safe and green services

- **Service quality improvement:** Continue to improve service quality, with the aim of providing a safe, comfortable, convenient and green living and working environment to meet customers’ needs
- **Innovation and technology application:** Utilise technological innovations, such as smart property management systems, to improve service efficiency and customer experience



##### Employee responsibility

Provide a better working environment for employees through offering fair working opportunities, ensuring occupational health and safety, organising work-related trainings, listening to employees’ voices and enriching their lives

- **Diversity and Inclusion:** Promote diversity in the workplace and ensure that all employees are respected and treated fairly regardless of background
- **Employee development and promotion:** Provide career development opportunities for employees, encourage internal promotion, and build an environment conducive to employee retention and work efficiency
- **Employee benefits and training:** Provide fair wages and benefits, organise regular trainings and development programs for employees and ensure their health and safety at work



## SUSTAINABLE DEVELOPMENT MANAGEMENT

#### Practice of the six responsibilities

Corresponding United Nations Sustainable Development Goals (SDGs)

##### Supply chain responsibility

Optimise supplier selection, evaluation and assessment, promote transparent, green and responsible procurement under full-cycle supply chain management, and advocate close and sustainable partnerships with suppliers

- **Supplier selection and evaluation:** Establish a strict supplier selection process to ensure that suppliers meet necessary ESG standards
- **Supply chain sustainability:** Work with suppliers to promote sustainable practices and reduce environmental impact throughout the supply chain
- **Compliance and ethical standards:** Ensure that suppliers throughout the supply chain comply with laws and regulations, respect human rights, and uphold professional ethics



##### Environmental responsibility

Achieve environmental responsibility by promoting energy conservation and green operations and providing environmentally friendly services, contributing to green properties

- **Promoting green and low-carbon operation:** Invest in energy-saving technologies and facilities to improve energy efficiency and reduce carbon footprint
- **Water management:** Implement water conservation and recycling measures to reduce water wastage
- **Biodiversity protection:** Integrate biodiversity protection measures into property management, such as construction of green roofs, community gardens, and co-building farms
- **Waste management:** Manage waste through effective sorting, recycling and treatment practices to minimise waste generation



##### Social responsibility

Actively aim to achieve the “dual carbon” strategy, take actions to contribute to poverty eradication, support rural revitalisation and the development of culture, sports and education, and strive to become a trustworthy “corporate citizen”

- **Community engagement and construction:** Organise community activities, promote neighborhood relations, and improve residents’ quality of life
- **Social welfare activities:** Participate in or initiate social welfare activities, such as charitable donations and volunteer services, to give back to society



## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Sustainable Development Philosophy

The Group adheres to the sustainable development philosophy and embeds it in all aspect of business operations. The Group is also committed to achieving and balancing of its six responsibilities with the aim of creating a sustainable future.

#### Improving sustainable development policies and regulations

The Group continues to improve and strengthen its internal management and compliance systems, standards and controls, to ensure that the Group's operations not only comply with laws and regulations, but also stay ahead of market requirements and practices. The Group views a sound management system as a key cornerstone for achieving sustainable development goals.

#### Exploring sustainable business models

Based on its experiences with property, the Group is focused on understanding and meeting customers' demands, optimising its business model through innovation and technology application, and improving resource utilisation efficiency and reducing environmental impact while also improving the quality of its services.

#### Disclosing sustainable development information regularly

The Group regularly discloses sustainable development-related information through multiple channels – including ESG reports, company website and official social media accounts – to ensure transparency and address the concerns of stakeholders. Through regular review and assessment, the Group ensures consistency between its sustainable strategic goals, actions and practices with market expectations. During the Year, the Group established an ESG information management system, to further optimise the collection and analysis of ESG related indicators and to monitor and evaluate its ESG performance in a timely manner.

#### Constantly raising awareness of sustainable development

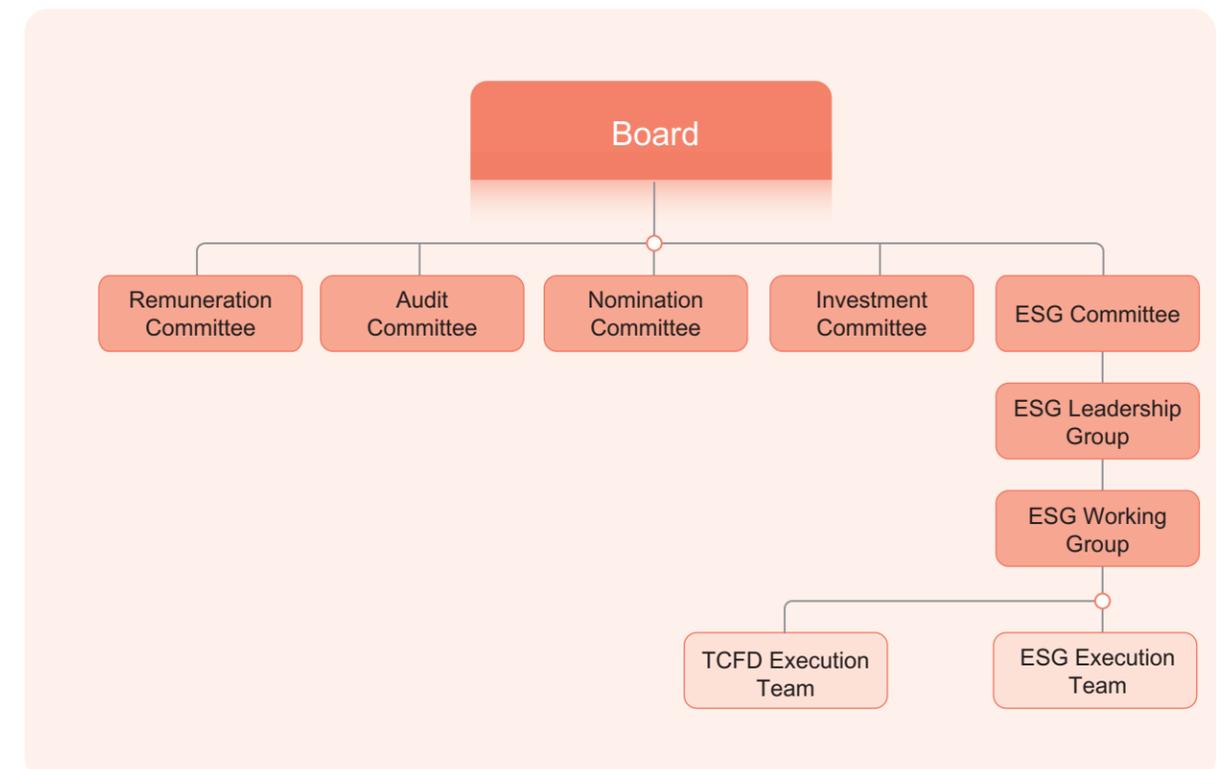
Raising awareness of sustainable development among management and employees is key to achieving the Group's long-term goals. The Group organises dedicated internal ESG training at least annually for learning about ESG regulatory trends and industry best practices, regularly analyses challenges to its ESG efforts, and implements detailed plans for improvement with respect to its ESG efforts.

## SUSTAINABLE DEVELOPMENT MANAGEMENT

### ESG Governance Structure

The Group has set up a vertical ESG governance structure, comprising of the ESG Committee, ESG leadership group and ESG working group (with a TCFD execution team then set up under the ESG working group). Such structure forms a coherent and efficient ESG risk management system and internal monitoring mechanism for the Group, covering strategic decision-making, supervision and coordination, and execution.

In order to maintain a forward-looking and adaptable ESG governance structure, the Group will continue to review and improve such structure to ensure that it is in line with its business development strategy and regulatory requirements. The Group will simultaneously strengthen the Board's supervision of ESG issues, to ensure that its ESG execution plan is integrated with its overall strategy and can be effectively implemented.



## SUSTAINABLE DEVELOPMENT MANAGEMENT

Responsibilities of each level of the ESG governance structure and the main annual work of the ESG Committee are as follows:

Structural level	Responsibilities
ESG Committee	<ul style="list-style-type: none"> <li>To review, formulate and approve the vision, goals, strategies and management policies on ESG and climate change-related issues</li> <li>To review and assess the adequacy and effectiveness of the management framework for ESG and climate change-related issues</li> <li>To review and assess ESG and climate change-related risks and opportunities that have an impact on the Group's operation</li> <li>To regularly check and review the ESG and climate change-related objectives and their achievement</li> <li>To review ESG reports and climate-related information disclosures</li> </ul>
ESG leadership group	<ul style="list-style-type: none"> <li>To establish and improve ESG and climate change-related policy systems, and define division of labour, responsibilities, communications and working mechanisms on ESG issues</li> <li>To coordinate ESG and climate change-related works and implement ESG management</li> <li>To monitor, review and report to the Board the latest ESG and climate change-related regulatory requirements and policies</li> <li>To review and assess ESG and climate change-related risks and opportunities that have an impact on the Group's operation</li> <li>To regularly monitor and review ESG and climate change-related work performance and goals</li> </ul>
ESG working group	<ul style="list-style-type: none"> <li>To carry out daily ESG (including climate change) operation management and performance management, and report indicators on a regular basis</li> <li>To coordinate the preparation of annual ESG reports and climate-related information disclosures, and verify the accuracy of information and data</li> <li>To organise ESG (including climate change) research, training, communication and promotion</li> <li>To make suggestions on improving daily management</li> </ul>
ESG execution group	<ul style="list-style-type: none"> <li>To perform daily ESG work assigned by the ESG working group</li> <li>To prepare annual ESG reports and collect relevant data and materials</li> <li>To perform related work to achieve ESG goals</li> </ul>
TCFD execution team	<ul style="list-style-type: none"> <li>To coordinate climate-related risk policy systems and working mechanisms</li> <li>To be responsible for the overall implementation of TCFD related strategies and goals</li> <li>To assess specific climate-related physical and transition risks and opportunities, and develop specific countermeasures</li> <li>To monitor the management of climate-related risks and opportunities</li> <li>To review the performance of climate risk management, and report to the ESG working group</li> </ul>

### Main annual work of the ESG Committee

Annual work	<ul style="list-style-type: none"> <li>Identified and managed climate-related risks and opportunities</li> <li>Reviewed ESG work performance (including climate change)</li> <li>Reviewed climate information disclosure plan</li> <li>Reviewed ESG goal setting and progress</li> <li>Reviewed the ESG Report and climate-related information disclosures</li> </ul>
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## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Stakeholder Communication

The Group attaches great importance to communication with stakeholders and regards it as a key way to promote sustainable development. In order to improve communication efficiency and quality, the Group uses diversified information release channels, including official website, social media and WeCom, to ensure that information is provided in a transparent and timely manner.

During the Year, the Group organised owner satisfaction surveys, employee forums, supplier conferences, industry exchange meetings and other activities, to actively collect opinions and suggestions from stakeholders and respond to their expectations and demands in a timely manner. The Group regards such feedback as an important basis for improving and enhancing the Group's sustainable development strategy and planning, to achieve the the Group's long-term goals.

Stakeholders	Key ESG issues	Main communication methods and responses
Property owners	<ul style="list-style-type: none"> <li>Service quality</li> <li>Customer information and privacy protection</li> <li>Customer safety and health</li> <li>Customer satisfaction</li> <li>Energy management</li> <li>Water management</li> <li>Waste management</li> <li>Advocacy of low-carbon lifestyle</li> <li>Smart property services</li> <li>Community communication and integration</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits</li> <li>Satisfaction survey</li> <li>Complaint channels</li> <li>Property management staff around the clock</li> <li>Owners' WeChat group</li> <li>The Group's mobile APP</li> <li>Community activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Service quality</li> <li>Customer information and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer complaint mechanism</li> </ul>

## SUSTAINABLE DEVELOPMENT MANAGEMENT

Stakeholders	Key ESG issues	Main communication methods and responses
Employees	<ul style="list-style-type: none"> <li>Service quality</li> <li>Employees' remuneration and benefits</li> <li>Employees training and development</li> <li>Occupational health and safety</li> <li>Employees' rights and interests and employee care</li> <li>Green office</li> <li>Diversity, equity and inclusion</li> <li>Intellectual property protection</li> </ul>	<ul style="list-style-type: none"> <li>Direct communication</li> <li>Employee mailbox/hotline</li> <li>Training programmes feedbacks</li> <li>Employee activities</li> <li>Employee forums</li> <li>Management survey</li> </ul>
Suppliers/partners	<ul style="list-style-type: none"> <li>Sustainable supply chain management</li> <li>Anti-corruption</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Supplier review, meeting and assessment</li> <li>Regular visits</li> <li>Project cooperation</li> </ul>
Government or regulators	<ul style="list-style-type: none"> <li>Service quality</li> <li>Energy management</li> <li>Water management</li> <li>Waste management</li> <li>Response to climate change</li> <li>Advocacy of low-carbon lifestyle</li> <li>Business ethics</li> <li>Prevention of child labour and forced labour</li> <li>Intellectual property protection</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits</li> <li>Policy communication</li> <li>Discussion/communication meetings</li> <li>Bidding and tendering cooperation</li> <li>Taxation information submission</li> </ul>
Investors/shareholders	<ul style="list-style-type: none"> <li>Service quality</li> <li>Business ethics</li> <li>Anti-corruption</li> <li>Sustainable development management</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Investor conferences and roadshows</li> <li>Investor hotline/mailbox</li> </ul>
Industry associations/chambers of commerce	<ul style="list-style-type: none"> <li>Industry exchange and development</li> </ul>	<ul style="list-style-type: none"> <li>External exchange and cooperation</li> <li>Attending industry seminars</li> <li>Participation in formulation of industry standards</li> </ul>
Social organisations/NGO	<ul style="list-style-type: none"> <li>Industry exchange and development</li> <li>Charity</li> </ul>	<ul style="list-style-type: none"> <li>Communicating with social organisations</li> <li>Jointly hosting and participating activities</li> </ul>
Media	<ul style="list-style-type: none"> <li>Service quality</li> <li>Anti-corruption</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Press conferences</li> <li>Media interviews</li> <li>Regular communications</li> <li>Public opinion feedback</li> </ul>

## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Identification and Analysis of the Materiality of ESG Issues

The Group identifies and analyses the materiality of various ESG issues. Such identification and analysis are important guidance for the Group to prepare its annual ESG report, set its long-term sustainable development goals, and maintain effective communication with its stakeholders.

Based on the ESG Reporting Guide and taking into account the Group's business model, industry trends, national policies, rating focuses of capital markets, and the results of material ESG issue analysis in previous years, the Group has identified and shortlisted various material ESG issues for the Year.

In order to enhance this Report's relevance and substance, the Group conducted an extensive stakeholder questionnaire survey, and conducted material ESG issue analysis based on their feedback. The Group has made targeted disclosures of key material issues in this Report and continues to improve its ESG management, so as to better meet the expectations of its stakeholders.

#### Materiality analysis process:

- Identification**

- Step 1: identification of stakeholders**

The key stakeholders identified by the Group were: property owners, tenants, consumers, employees, government or regulators, investors/shareholders and Industry associations/chambers of commerce.

- Step 2: identification and selection of issues**

Based on the results of its analysis of material ESG issues in 2021 and 2022, and taking into account its own business model, national policies, local and international ESG disclosure standards, ESG ratings and industry ESG disclosure trends, the Group identified 25 ESG issues for the Year as follows:

Governance issues	3	Environmental issues	6	Social issues	16
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## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Analysis

#### Step 3: Stakeholder research

The Board participated in the assessment of material ESG issues for the Year. The Group also conducted a one-month stakeholder questionnaire survey targeting stakeholders (including investors, suppliers, government and regulators, residential owners, tenants, employees, media, industry associations and social organisations). A total of 2,170 questionnaire responses were collected, enabling the Board to comprehensively understand the opinions of internal and external stakeholders about the Group's material ESG issue assessment in the Year.

#### Step 4: Materiality analysis

Based on the questionnaire responses received, the Group reviewed the materiality of stakeholders' concerns stakeholders. Taking into account the Group's blueprint for high-quality sustainable development, the Group prioritised ESG issues in two areas – i.e. "materiality to corporate development" and the "materiality to stakeholders" – and developed a matrix of material issues.

The Group also conducted more than 20 interviews with management and employees for an in-depth understanding of the interviewees' views, requests and management practices, to facilitate the Group's further assessment of the materiality of each issue to the Company's sustainable development.

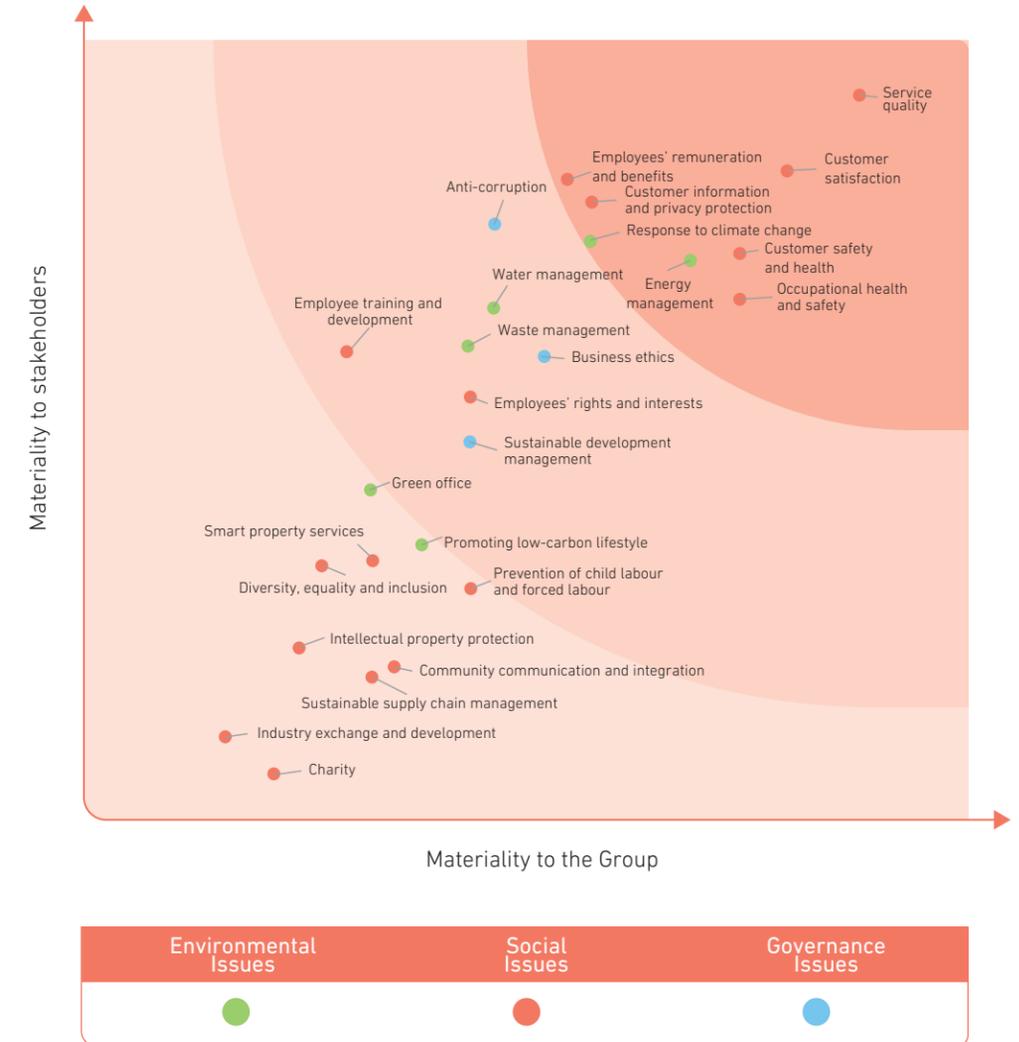
### Confirmation

#### Step 5: Management confirmation

The Board and the management of the Company reviewed the above assessment results of 2023 and confirmed the materiality matrix and rankings, so as to determine the areas of focus for enhancing ESG management and disclosure.

## SUSTAINABLE DEVELOPMENT MANAGEMENT

**Environmental, Social and Governance Materiality Matrix of Yuexiu Services for the Year**



## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Environmental dimension

Issue system	Description
<b>E.1 Resource consumption</b> Energy management Water management	<p>The Group emphasises energy conservation and consumption reduction in all aspects of daily operations. It pilots and promotes the use of new energy and utilises energy-saving equipment and technologies to improve energy efficiency</p> <p>The Group attaches importance to water conservation and water recycling in its operations, and takes measures such as daily inspections and installation of water-saving equipment to improve water efficiency</p>
<b>E.2 Pollution prevention and control</b> Waste management	<p>The Group implements measures such as waste management, waste classification, recycling and reuse to reduce waste-related environmental impacts</p>
<b>E.3 Climate change</b> Response to climate change	<p>The Group sets GHG emission targets, identifies climate risks and potential opportunities faced by different businesses of the Group, and improves its climate risk management capabilities</p>
<b>E.5 Resource and environmental management policies and measures</b> Promote low-carbon lifestyle Green office	<p>The Group actively advocates green and low-carbon lifestyle, mobilises stakeholders to participate in environmental activities, and enhances their environmental awareness</p> <p>The Group reduces energy and paper consumption in daily office activities and encourages recycling and reuse to reduce waste generation, thereby mitigating the negative impact of its operations on the environment</p>

## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Social dimension

Issue system	Description
<b>S.1 Employees' rights in interests</b> Employees' remuneration and benefits Employees' rights and interests and employee care Employee training and development Occupational health and safety Prevention of child labour and forced labour Diversity, equity and inclusion	<p>The Group provides competitive remuneration packages, improves its incentive-based performance appraisal system, and provides statutory and non-statutory benefits to all employees</p> <p>The Group adheres to equal employment, protects the legitimate rights and interests of employees, values well-being of employee, organises diversified employee care activities, and establishes multiple employee communication channels to effectively address their requests</p> <p>The Group continuously allocates resources in employee development, provides employees with knowledge and skills trainings that match their job responsibilities, and provides career development opportunities</p> <p>The Group optimises employee health and safety management systems, identifies and eliminates safety hazards, improves employee safety awareness through training and assessment, to ensure employee safety in an all-encompassing manner</p> <p>The Group complies with relevant laws and regulations and strictly prohibits any subsidiaries and partners from employing child labour and forced labour</p> <p>The Group continues to build a diversified employee team with different genders, races, ages, cultures and experiences, creates an equal, friendly and inclusive working environment for employees, and ensures that they enjoy equal opportunities and fair treatment</p>

## SUSTAINABLE DEVELOPMENT MANAGEMENT

Issue system	Description
<b>S.2 Product and service management</b>	
Service quality	The Group develops differentiated service standards based on property characteristics, improves the property management service system, strengthens quality supervision, and continuously improves service quality
Customer satisfaction	The Group values customer experience, conducts regular customer satisfaction surveys, and improves its service based on customer feedback
Customer safety and health	The Group assesses the impact of its products and services on customer safety and health, and develops safety management systems and emergency plans, to ensure customer safety and health
Customer information and privacy protection	The Group complies with relevant laws and regulations on information security and privacy protection, clarifies the compliance requirements for personal information at each stage, and formulates emergency plans to protect the security and privacy of customers' personal information
Smart property services	The Group provides safe, convenient, efficient and smart property services through the integrated application of new generation information technologies such as the Internet of Things, big data and mobile Internet
Industry exchange and development	The Group actively takes part in industry exchanges and the formulation of industry standards, contributing to the prosperity and development of the industry
Intellectual property protection	The Group complies with intellectual property laws and regulations, improves internal policies, ensures fair competition, prevents and strictly prohibits any form of infringement, to protect the legitimate rights and interests of the Group and other entities
<b>S.3 Supply chain security and management</b>	
Sustainable supply chain management	The Group is informed regarding its suppliers' full life cycle management process, in order to effectively identify supply chain risks, reduce environmental, social and safety risks, and to form a regulated, transparent and sustainable supplier management system
<b>S.4 Social Contribution</b>	
Community communication and integration	The Group takes seriously its role as a primary service provider in urban living, by strengthening interaction with communities, promoting harmonious neighbourhood relations, and facilitating community integration
Charity	The Group actively fulfils its corporate social responsibilities by organising public welfare and volunteer activities or through corporate donations

## SUSTAINABLE DEVELOPMENT MANAGEMENT

### Governance dimension

Issue system	Description
<b>G.1 Governance strategy and organisational structure</b>	
<b>G.5 Compliant Operations and Risk Management</b>	
Business ethics	The Group emphasises business ethics, values honest cooperation with partners, and prevents unfair competition, with the aim of creating a mutually beneficial, fair and transparent business environment
<b>G.2 Standardised governance</b>	
Anti-corruption	The Group promptly investigates integrity risks through regular audit and monitoring, supports reporting and handling of corruption cases, and organises trainings related to prevention of bribery and corruption
<b>G.5 Compliant Operations and Risk Management</b>	
Sustainable development management	The Group promotes the integration of sustainable development into its operations and management, establishes efficient ESG risk management and internal monitoring systems, and actively responds to stakeholders' requests and expectations

### ESG performance assessment

Based on the Group's existing organisational structure, and taking into account disclosure standards of regulators, evaluation systems of external agencies and other factors, the Group:

- compiled and identified ESG management improvement plans
- divided the overall task of sustainable development and allocated to each business department
- clarified the annual work focuses, goals and responsibilities
- required all departments to integrate sustainable development requirements into daily operations and management

By integrating ESG performance into senior management and employees' remuneration packages (including energy consumption management, health and safety, employee development and business ethics), the Group further strengthened its ESG strategy and action plans.

# 01 BUILDING ROBUST GOVERNANCE

## Our Philosophy

The Group is dedicated to achieving high-standard corporate governance. The Group strictly complies with applicable laws and regulations, and continuously improves its internal governance structure and the efficiency and effectiveness of governance. The Group attaches great importance to integrity and compliant operations, and is committed to creating a corporate culture with integrity. To this end, the Group has established a strict, standardised, comprehensive and efficient internal control mechanism centred around risk management, to ensure long-term development and maintenance of high quality.

### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material Issues	SDGs	HKEX ESG Indicators
Economic responsibility	Anti-corruption		B6.3
	Business ethics		B7
	Intellectual property protection		B7.2 B7.3



# 01/ BUILDING ROBUST GOVERNANCE

## Our Strategy



# 01/ BUILDING ROBUST GOVERNANCE

## 1.1 Compliant Operations

The Group regards compliance as the foundation for the Group's daily operations. The Group strictly abides by domestic and foreign laws and regulations, as well as its internal rules and regulations, to ensure its business activities comply with applicable laws and regulations and sound corporate governance. The Group continuously improves its compliance management system from three aspects – i.e. compliance policies improvement, compliance training arrangement and information disclosure enhancement - to enhance corporate governance.

During the Year, the Group conducted various audit supervision, legal review and compliance consultation, with a focus on the theme of "high-standard compliance, high-frequency risk control, high-level empowerment and high-quality rectification", to drive improvement of corporate compliant operations and risk management capabilities.

### (I) Governance

The Group attaches great importance to governance standards. The Group strictly abides by the Listing Rules, Companies Ordinance (Cap. 622 of the Laws of Hong Kong), and other applicable laws and regulations, and continuously optimises its governance framework in accordance with the articles of association of the Company ("Articles of Association"). The Group has established a corporate governance framework with clear structure and responsibilities, comprised of the Board, the audit committee, the remuneration committee, the nomination committee, the investment committee and the ESG Committee. Within the scope of its respective authorisation, each committee effectively performs its functions in compliance with applicable laws and regulations, to ensure the Group's transparent and efficient governance. Please refer to the Corporate Governance Report in the Company's 2023 Annual Report for further details in relation to the Group's corporate governance.

### (II) Management

#### • Improving compliance policies

The Group has formulated and implemented a series of compliance management systems, and constantly updates and supplements them according to applicable laws and regulations, strict management requirements and business development. During the Year, the Group revised its compliance policies and systems as follows:

- **Implementation Rules for the Management of Legal Disputes:** established and improved the legal risk management mechanism to regulate the management of legal disputes of the Group and its subsidiaries, and protect its legal rights and interests
- **Guidelines on Procedures of Fee Calls and Prosecution Cases:** formulated to regulate the Group's management of property management fee calls, improve the handling procedures for posting or sending notices of property management fees, sending letters of call and initiating civil prosecution, while appropriately using human and material resources to improve efficiency

## 01/ BUILDING ROBUST GOVERNANCE

### • *Strengthening compliance training*

During the Year, the Group actively carried out legal training activities based on the results of compliance audit and analysis of non-compliance cases in previous years to comprehensively strengthen compliance management, improve compliance and legal awareness among employees, and reduce operational risks.

- **Legal training:** organised special legal training for management trainees
- **Compliance culture promotion:** with reference to typical cases identified in the 2022-2023 annual audit, compliance culture promotion was organised in different regions to enhance compliance awareness, and achieve comprehensive extension of compliance management
- **“Front-line education” special training:** organised “front-line education” special training to promote legal professional knowledge among front-line employees, enhance their understanding of property-related law provisions, and strengthen their risk management awareness
- **Trainings on connected transaction:** organised trainings on connected transaction for major functional departments and regional companies, and explained the compliance requirements for connected transactions of listed companies, to raise their compliance awareness, ensure business development within the compliance framework, and protect shareholders’ rights and interests

### • *Enhancing compliance information disclosure*

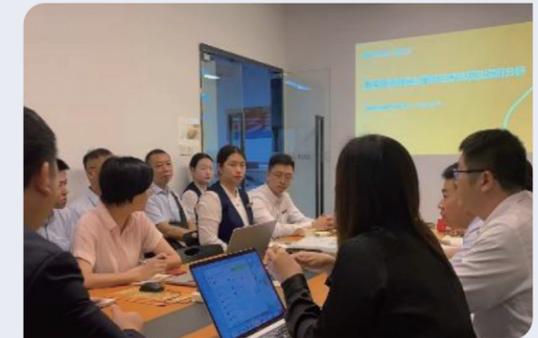
The Group is committed to information disclosure to all shareholders, investors and the public in accordance with the principles of truthfulness, compliance and timeliness, to provide transparency with respect to the Group’s financials, operations, ESG governance and other major issues. The Group has always adhered to the highest levels of integrity and responsibility and values investor relations. The Group has established various communication channels with investors and the public and continues to strengthen the management of investor relations, to protect investors’ rights and interests. Please refer to Corporate Governance Report in the Company’s 2023 Annual Report for further details in relation to the Group’s information disclosure.

## 01/ BUILDING ROBUST GOVERNANCE

### (III) Actions and practices

#### Organising trainings on legal knowledge

The Group actively arranged a “learning laws through case analysis (以案說法)” programme to improve employees’ compliance and legal awareness and reduce operational risks, through analysis of typical cases or promotion of legal knowledge from time to time.



Trainings on legal knowledge

### (IV) Indicators and targets

Conducted **8** compliance training sessions, with over **240+** participants recording **3,800** training hours

Conducted **9** training sessions on legal knowledge, with over **900+** participants recording **20,200** training hours

## 01/ BUILDING ROBUST GOVERNANCE

### 1.2 Risk Management and Internal Control

The Group places great emphasis on risk management and internal controls, and continues to build and enhance its comprehensive risk management system and internal control mechanism. The Group proactively identifies and manages potential risks in business operations by building three defence lines of risk management and implementing internal policies, including the Risk Management Measures.

The Group regularly assesses the effectiveness of risk management system and internal control. The Audit Committee and the Board review the development, implementation and monitoring of risk management and internal control systems by the management on a semi-annual basis, and review the effectiveness of the risk management and internal control systems on an annual basis. The Audit Committee, comprising members with extensive experience and professional skills in financial management and risk management, receives reports on the latest risk management-related requirements and best practices from the internal team, which are discussed and reviewed at semi-annual meetings, if necessary, to detect potential risks in a timely manner for further enhancement. In order to continuously improve its risk management and internal control, the Group regularly collects and consolidates risk information of its subsidiaries, reports risk events on a quarterly basis and supervises rectification of risk matters, so as to achieve appropriate risk management.

#### (I) Governance

The Group integrates various risk management requirements into its management system and business processes, and establishes three defence lines of risk management.

Level	Management Department	Management Duties
The first defence line	Business segments, functional departments of the headquarters	To manage risks related to respective businesses
The second defence line	Audit and Legal Center – internal control and risk management functions	To coordinate the organisation, guidance and inspection of internal control and risk management
The third defence line	Audit and Legal Center – internal audit function, and the audit committee of the Board	To conduct independent audit evaluation on the works of the first and second defence lines

## 01/

## BUILDING ROBUST GOVERNANCE

#### (II) Management

##### • Management process

The Group conducts risk management based on industry characteristics, corporate strategy and business objectives. By identifying risk factors that affect the achievement of these objectives, analysing the causes of each specific risk event, and assessing the likelihood and potential impact of specific risks, the Group reviews and records the specific measures for identified risks, continuously monitors and evaluates risk changes, and promptly adjusts risk management measures, so as to derive risk assessment results that are consistent with the Group's actual conditions.

The Group has implemented a risk management process that comprises of five stages – i.e. risk identification, risk analysis, risk response, risk evaluation and risk tracking.

Control stage	Control measures
1. Risk identification	<ul style="list-style-type: none"> <li>Subsidiaries identify risks according to business types and continuously collect internal and external risk information</li> <li>Subsidiaries manage risks in a dynamic manner and report to the Audit and Legal Center</li> </ul>
2. Risk analysis	<ul style="list-style-type: none"> <li>The Audit and Legal Center chooses appropriate qualitative and quantitative methods to analyse, select and consolidate risks based on their likelihood and impact, and determine management focus and priority</li> <li>Analyse the relationship between risks and their impact on operations</li> <li>Seek assistance from professional external agencies (if necessary)</li> </ul>
3. Risk response	<ul style="list-style-type: none"> <li>Subsidiaries propose risk management plans, which are implemented after assessment by the functional departments of the headquarters and the Audit and Legal Center, and with the responsible departments being identified</li> <li>The Audit and Legal Center establishes an early risk warning mechanism and sets major risk warning indicators, and develops plans for emergencies</li> <li>The Audit and Legal Center organises regular training to ensure that major risks and emergencies are handled in a timely and proper manner</li> </ul>
4. Risk evaluation	<ul style="list-style-type: none"> <li>The Audit and Legal Center independently evaluates the implementation and effectiveness of risk management, puts forward suggestions for improvement, and ensures that the assessment indicators for the responsible personnel are consistent with risk management objectives</li> </ul>
5. Risk tracking	<ul style="list-style-type: none"> <li>Continuously monitor identified risks and emerging risks to ensure the continuity and adaptability of risk management, promptly updates risk assessment and adjusts risk response strategies</li> </ul>

## 01/ BUILDING ROBUST GOVERNANCE

### • Embedding ESG factors into risk assessment

The Group has embedded ESG-related factors into business risk assessment and included commitments or clauses related to protection of employee interests, clean operations, environmental protection and operation safety in contracts with suppliers, contractors and service providers. In the future, the Group will continue to consider ESG risks within its comprehensive risk management process to enhance its capability in risk prevention, control and response.

- **Security Guard Service Contract:** service providers are required by law to sign labour contracts with its employees and pay required amounts such as social security contributions, wages, labour protection welfare, etc.
- **Daily Cleaning Service Contract:** service providers are required to purchase third-party liability insurance and employee insurance for its employees
- **Construction Contract:** contractors are required to sign labour contracts with its employees to ensure lawful employment, purchase relevant commercial insurance and social insurance including work-related injury insurance for all employees
- Suppliers are required to sign the Integrity Agreement, the Work Safety and Environmental Protection Responsibility Agreement, and the Waste and Other Pollutant Discharge Management Regulations, along with the Supplier Cooperation Agreement
- **Regular publicity regarding supplier safety responsibilities:**
  1. Suppliers must arrange safety education for all employees according to their type of work and ensure that they pass all tests before commencing on-site operation
  2. Suppliers must strictly comply with on-site safety regulations and safety management
  3. Suppliers must provide employees with qualified labour protection supplies and safety equipment in accordance with relevant national regulations, and ensure the safe use of work tools and equipment
  4. Suppliers should employ employees in accordance with the Labour Law of the People's Republic of China and other laws, regulations and rules, and employment of child labour and persons with occupational contraindications to perform operations is strictly prohibited

### • Management of internal control

The Group is committed to consistently improving the efficiency of its internal control by various measures, including improving its internal control guidelines, strengthening compliance review and implementing targeted audit. During the Year, the Group's Audit and Legal Center actively performed its internal audit function, conducted special audits on business management on a regular basis, including business ethics, which cover all locations where it operates at least once every three years, to promote the Group's development.

- Conduct targeted audit on high-risk areas to recover loss and increase efficiency
- Conduct performance audit and annual performance appraisal
- Follow up rectification to ensure the auditees' standardised operation

## 01/ BUILDING ROBUST GOVERNANCE

### (III) Actions and practices

#### Full life cycle risk management of third-party projects

In order to improve the management of third-party projects, the Group has proposed improvement suggestions on aspects such as delayed project decision-making, inadequate pre-investment safety assessments, and inconsistencies between business substance and contract terms, thus optimising project bidding and operation management.

- **Optimise pre-assessment mechanism:** establish a third-party project pre-assessment mechanism, to assess the risks of third-party expansion at early stages
- **Establish a regular inspection mechanism:** monitor payment collection and contract performance on a regular basis, and conduct an annual review, focusing on business layout and scale, project operation quality, management quality, performance assessment, etc.
- **Preliminary risk control research by the Audit and Legal Center:** compiled and issued the Risk Management Guidelines for Third-party Projects, involving a total of 83 risks in six major areas, to improve the capabilities of expansion staff in risk identification, analysis, prevention and response, thereby improving the quality of third-party projects

#### Risk training for employees in key positions

In order to improve the risk awareness of employees in key positions such as bidding and tendering, and to set standards for all aspects of the procurement process, the Group engaged external experts to provide employees in key positions with trainings on bidding compliance management and risks of key positions, focusing on risks at different stages such as developing procurement strategies, organising bidding activities, preparing bidding documents, signing contracts, and determining the winning bidder.



Training for the employees of the Tendering and Procurement Department

### (IV) Indicators and targets

Conducted **20** studies on high-risk areas and followed up with **14** rectification projects

Issued **4** guidelines for management and control of high-risk business, putting forward **42** management suggestions

**17** performance audits

## 01/ BUILDING ROBUST GOVERNANCE

### 1.3 Adherence to Business Ethics

The Group strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on the Prohibition of Commercial Bribery, the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region and other relevant laws and regulations. The Group has a zero tolerance approach towards corruption and bribery, resolutely combats corruption, bribery, extortion, fraud and money laundering in all forms. The Group continuously improves integrity rules and regulations, pursues the goal that "no one dares to be, can be or wants to be corrupted", actively promotes anti-corruption concepts, advocates honesty and integrity among its staff, continues to deepen the sense of integrity and self-discipline, organises integrity education and training, optimises internal accountability system and reporting channels in an effort to create a corporate atmosphere that promotes integrity and sound governance, thereby laying a solid foundation for the Group's high-quality and long-term development.

#### (I) Governance

Adhering to the principle of high standards of integrity and self-discipline, the Group has built a top-down governance structure. The Board assumes leadership responsibility for supervising the Group's anti-corruption works and business ethics.

Department	Responsibility
Board	As the supervisory body for anti-corruption works, the Board is responsible for maintaining and establishing a comprehensive anti-corruption management structure to ensure clean and efficient operation
Anti-corruption Task Force	The anti-corruption task force is responsible for following up the progress on issues reported in targeted audits, issues of key business lines found during inspection, and investigation results regarding various types of complaints on quarterly and targeted meetings
Office of the Commission for Discipline Inspection	As the executive department, the Office of the Commission for Discipline Inspection is responsible for coordinating various functional departments and subsidiaries of the Group in the management of anti-corruption work, and embedding anti-corruption and integrity concepts into daily operations

## 01/ BUILDING ROBUST GOVERNANCE

#### (II) Management

##### • System construction

The Group has been strictly implementing the measures of Guangzhou Yue Xiu Holdings Limited\* (廣州越秀集團股份有限公司) ("Yuexiu Group") - i.e. the Measures for the Administration of Discipline Inspection Work of Affiliated Enterprises of Yuexiu Group (Trial) and the Measures for Internal Supervision of the Discipline Inspection System of Yuexiu Group (Trial) and the Several Regulations on Integrity of State-owned Enterprises Leaders and other related regulations. The Group has set up a comprehensive supervision matrix of risk prevention and control mechanism by horizontally integrating three tiers of "business departments + functional departments + the Audit and Legal Center", and vertically integrating three tiers of "projects + regions + headquarters". Meanwhile, the Group reviews its anti-corruption policies and coordinates the preparation of the Guidelines for Preventing Integrity Risks at Positions to instil the concept of integrity practice in every position.

##### • External certification

The Group has applied the ISO 37001:2016 Anti-bribery Management System to prevent, identify and respond to corruption, and complies with applicable anti-corruption laws, regulations and voluntary commitments.

In addition, the Group has obtained the SA 8000 Social Responsibility Management System Certification. While providing a fair, safe and equal working environment, it also ensures that behaviors and activities in the workplace comply with relevant human rights policies and work procedures.

Certificate	Certified entity
ISO 37001 certification	Guangzhou Yuexiu Property Development Co., Ltd.
SA 8000 certification	Guangzhou Yuexiu Property Development Co., Ltd.

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## BUILDING ROBUST GOVERNANCE

- **Conflict of interest management**

- In accordance with the Several Regulations on Preventing Conflict of Interest among State-owned Enterprises Leaders in Guangzhou, the Group has defined 12 situations and 63 specific examples involving conflict of interest and provided policy guidelines for the Group's management on the prevention, supervision and enforcement of conflict-of-interest behaviours. Management involved in conflict-of-interest behaviours will be treated as breach of disciplines and violation of rules and regulations, and will be held accountable by the Office of the Commission for Discipline Inspection
- To effectively avoid ethical pitfalls and promptly address potential conflict of interest, the Group regularly conducts targeted self-inspection for its management personnel

- **Clean governance construction**

- Adhering to the approach of "zero tolerance" against corruption, the Group implements an annual accountability system of clean governance, and allowed "zero violation" against any regulations and disciplines in all subsidiaries of the Group throughout the Year, which was linked to relevant annual performance assessments for such member companies
- The Group promotes the implementation of a "5 in 1" comprehensive supervision framework encompassing five dimensions: headquarters, functional departments, regional companies, suppliers, and customers. By publicising integrity supervision hotline, email and address, the Group implemented the policy of "Cracking down on Corruption with Transparency (開門反腐)"

- **Enhancement of accountability for supervision**

- The Group establishes integrity files for management and reviews them on a periodic basis, strictly implements the integrity talk mechanism, and immediately reports any problem found for handling. The Group has implemented the supervision matrix mechanism to further enhance the supervision and accountability on integrity issues, including informal chats with management, peer supervision involving the Office of the Commission for Discipline Inspection, and targeted supervision in coordination with the Audit Department for inspection and rectification
- The Office of the Commission for Discipline Inspection proposes suggestions for integrity risk prevention and control through case reports and problem disclosures, organises relevant functional centres, subsidiaries to comprehensively review the risk status and main risk manifestations of key business process in the property management segment, studies and develops corresponding internal control mechanisms and prevention measures

## 01/

## BUILDING ROBUST GOVERNANCE

- **Promoting integrity of partners**

- The Group has detailed in the Rules on Further Standardising Fulfilment of Obligations to Promote the Integrity Practices of Employees, eight compliance matters (including in exchanges between employees and suppliers such as gifts, entertainment and other hospitality), to ensure that integrity is maintained
- The Group requires all its suppliers to sign the Integrity Agreement and incorporates integrity clauses into contracts. Such provisions prohibit bribery, fraud, and other unfair competition behaviours
- The Group has set up integrity reporting channels and reporting mailboxes to the Office of the Commission for Discipline Inspection in the tendering and procurement system, to mitigate any risks with respect to under-the-table deals and illegal transactions
- Integrity discussions and interviews with suppliers are regularly convened and non-compliant suppliers are removed in a timely manner

- **Integrity culture**

The Group has been carrying out discipline education and integrity education, and actively organises trainings on business ethics including integrity advocacy, with relevant activities covering 100% of Directors and all employees (including part-time and contractors). The Group embedded its integrity culture in employees and suppliers through diverse means of organising centralised integrity education, case sharing, etc.

- **Whistleblower protection policy and measures**

The Group has formulated policies (in strict accordance with relevant regulations on whistleblower protection) in relation to the scope of application, management department, investigation process, accountability and other contents, and published its whistleblowing policy on its official website. The Group's whistleblower protection management provides detailed guidelines on the investigation and handling of related incidents, clarifying requirements for record keeping, approval procedures, and investigative actions. Additionally, an independent system is utilised to manage whistleblower leads, overseeing and documenting the entire process of case handling.

- **Reporting channels:** advocate "Cracking down on Corruption with Transparency (開門反腐)" and encourage internal staff and third parties to report bribery through various reporting channels

Hotline: 020-87540002

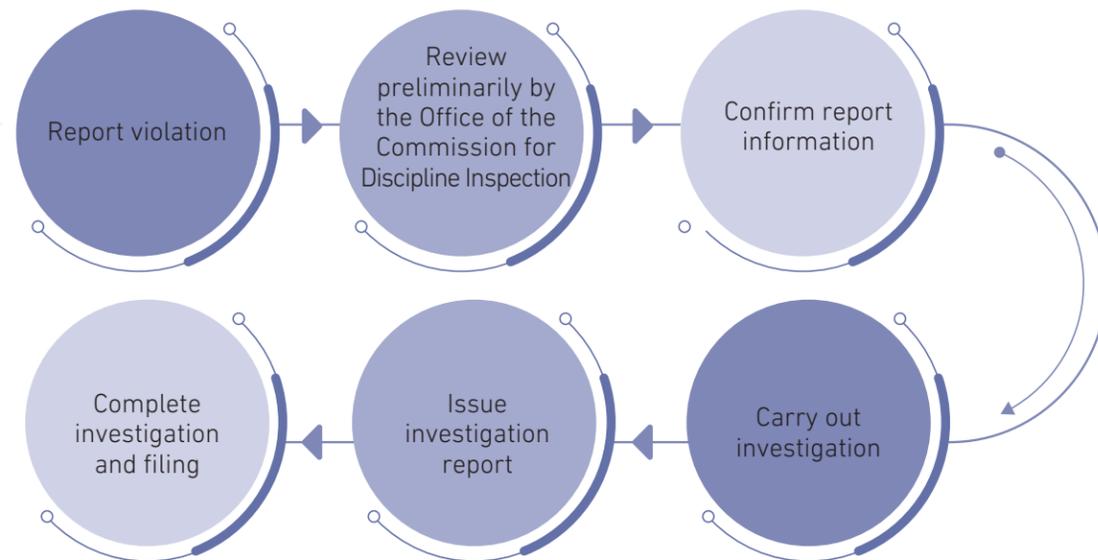
Email: yxwf\_jd@yuexiuproperty.com

Letters and Visits: Office of the Commission for Discipline Inspection, 5/F, No. 111, Tiyu Xiheng Street, Tianhe District, Guangzhou, Guangdong Province

- **Protection of whistleblower:** the Group commits to protect information of all whistleblowers including employees, suppliers and other third parties, standardise the procedures for handling reports, and designate staff to manage the information. Retaliation against whistleblowers is prohibited to effectively protect their interests

## 01/ BUILDING ROBUST GOVERNANCE

### ➤ Reports handling procedures:



All employees of the Group can also inquire about relevant ethical issues (including corruption, conflict of interest and others) through the above hotline, emails, WeCom and meetings, which will be handled in a timely manner by the relevant department in accordance with internal management procedures.

### (III) Actions and practices

During the Year, the Group has continued to carry out business ethics management actions on a regular basis, strengthening accountability management, training, and promotion.

- **Integrity interviews with newly-appointed management members:** Focused on reinforcing the integrity education and reminders for newly-appointed management members, and strengthened their risk awareness of integrity
- **Education and publicity:** Organised "Better Yue Integrity (悦廉越好)", "Case-based analysis and review (一案一剖析, 一件一覆盤)", and "Commitment of everyone to integrity (全員講廉潔, 人人有承諾)" campaigns, to promote "education with case analysis (以案促教)"
- **Short video promotion:** Launched the "Integrity Talks (青廉說)" short video promotion programme based on real cases handled in recent years

## 01/ BUILDING ROBUST GOVERNANCE

- **Quarterly supervision meeting:** Convened quarterly integrity supervision meetings to review internal efforts on integrity supervision in an all-encompassing manner from multiple perspectives
- **Supervision of key integrity issues:** Based on experience with respect to irrelevant issues, implemented a "multi-entity, multi-dimensional, multi-frequency" disciplinary inspection supervision and inspection mechanism, closely monitored pain points and difficulties, and proactively supervised fee management, supplier management, investment attraction, and procurement
- **Complaint handling:** During the Year, the Group received a total of 78 complaints, reports and problem clues, with no case being identified as a corruption lawsuit and transferred to judicial proceedings. The complaint handling rate and completion rate both reached 100%

### "Three Micros" Campaign for Parking Lots

During the Year, taking into account the issues discovered in recent years through the investigation of cases, the Office of the Commission for Discipline Inspection launched a campaign to address the "three micros: micro-resource, micro-power and micro-corruption" with a focus on rectifying integrity issues among front-line employees.

During the Year, the Group carried out two rectification and self-inspection actions on parking lots, and instructed relevant functional departments to rectify deficiencies found.



"Three Micros" Campaign for parking lots

## 01/ BUILDING ROBUST GOVERNANCE

### The “Sharing Culture and Principles” Integrity Theme Speech Event

During the Year, the Group organised the “Sharing Culture and Principles (我讲文化与理念)” speech event to further promote a culture of integrity and foster a corporate atmosphere that upholds integrity and prevents corruption. The integrity culture speech event attracted more than 21,000 viewers in total.



Poster of the integrity theme speech event

### (IV) Indicators and targets

Training hours for Directors and employees amounted to **25,945** hours with **100%** coverage

Arranged at least **1** integrity promotion in each subsidiary annually

Organised **22** integrity education and promotion activities

Found **14** cases of conflict-of-interest violations, a significant decrease compared to 2022

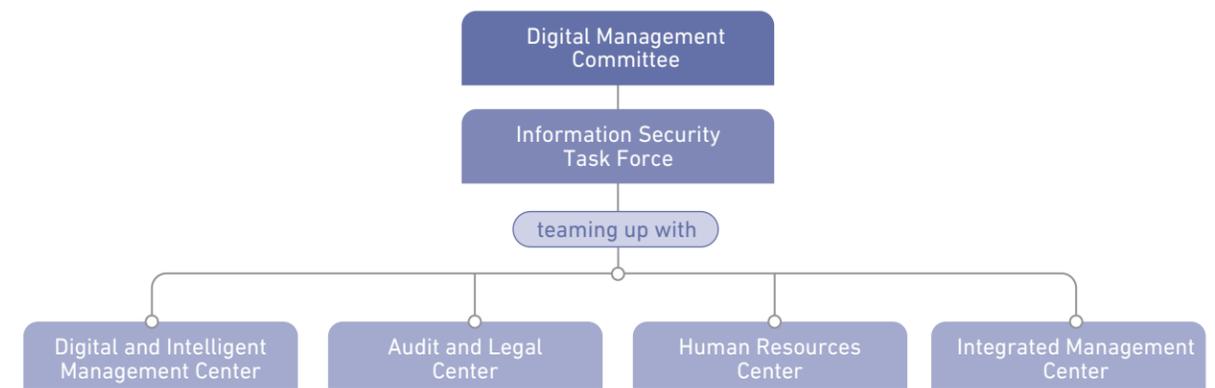
## 01/ BUILDING ROBUST GOVERNANCE

### 1.4 Information and Privacy Protection

In strict compliance with the Cyber Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Electronic Commerce Law of the People’s Republic of China and other relevant laws and regulations, the Group has formulated and implemented the Information Security Management Measures (Trial) and the Guidelines on Information Security Practices for Employees and other internal rules and regulations, and requires all employees who need to access private information in their operational work to sign the Customer Information Confidentiality Undertakings. In addition, the Group arranges dedicated persons to classify and manage customer information and security, conducts data security testing and assess information security on a regular basis to effectively protect customer privacy and information security.

#### (I) Governance

The Group has established the Smart Property Digital Management Committee led by the Chief Executive Officer, comprising the Information Security Task Force. It sets out the clear responsibilities to promote professional digital construction, review medium- and long-term digital strategic plans, and supervise the implementation of the strategy. The Information Security Task Force teamed up with the Digital and Intelligent Management Center, the Audit and Legal Center, the Human Resources Center and the Integrated Management Center to jointly take the responsibility of protecting information security and privacy.



#### (II) Management

##### • Information security management system

The Group manages customer information and corporate data using a five-level classification system, and takes differentiated measures according to the data’s sensitivity level. The Group conducts security tests on its information systems to ensure a secure physical and cyber environment.

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## BUILDING ROBUST GOVERNANCE

- Information security construction and assessment**

During the Year, the Group continued to further improve information security in all aspects of daily operations through the following key initiatives:

Dimension	Measures
Use of customer information	When handling operational information of commercial property tenants, the Group appointed dedicated persons to sort, categorise and file customer information in a timely manner. Any organisation or individual who has access to or acquires customer information due to work or job nature during the provision of customer service was required to sign customer information confidentiality undertakings. In addition, the Group centralised the tracking and management of customer files with a customer relation management system, which obtained Grade 2 certification for data security, and established an audit tracking mechanism for data recording, upgrading and elimination  For residential customers, the Group integrated customer information in the membership system, and updated the privacy agreement in relation to such information
Security terminal construction	Reinforced security terminals on a phase-by-phase basis, installed control system on computers, used an integrated security strategy to prevent crash of internal network arising from the spreading of infection
Software platform construction	Enabled customer information verification, conducted dual-factor verification, ad encrypted backend data during storage. The Group signed agreements with external parties to limit the scope of use of customer information collected and updated the privacy agreement on the Group's mobile APP for the knowledge of property owners
Vulnerability scanning and drills	Conducted early security scanning regularly and checked system vulnerability and error codes in the development process to prevent malicious use. Prevented business interruptions caused by malicious cyber-attacks through network protection and emergency plans
Facial information encryption	Facial information of property owners in communities was encrypted throughout the transmission, and such information was stored in an OSS secure manner. The management platform has obtained the grade protection certification, providing comprehensive protection for property owners' personal information
Information security assessment	Included information security in the performance appraisal of regional and platform companies of the Group. The relevant requirements were: <ul style="list-style-type: none"> <li>Organisational security: subsidiaries were required to sign security undertakings and included no occurrence of security cases in annual appraisal requirements</li> <li>Data security: subsidiaries were required to prevent data security accidents such as data leakage, commercial secret leakage, negative public opinion, key data loss or failure of servers and key network equipment</li> <li>Asset security: subsidiaries were required to establish a key information register list, check regularly and hold monthly security review meeting</li> <li>Cyber security: strengthened the management of wireless network in office area to avoid malicious attack on computer terminals</li> <li>Personnel security: organised regular training and assessment to raise information security awareness among employees</li> </ul>

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## BUILDING ROBUST GOVERNANCE

- External certifications**

Certificate	Certified entity
ISO 27001 certification	Guangzhou Yuexiu Property Development Co., Ltd.
	Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.
	Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.

- Information security training**

- **Compulsory training for new employees:** New employees are required to take compulsory courses on information security, complete the course hours and pass the exam before they become regular employees
- **Irregular training:** The Digital and Intelligent Management Center organises thematic trainings and uploads to the Yue Learning online training platform
- **Monthly exam:** All employees are required to take the monthly exam on confidentiality and information security matters
- **Monthly/quarterly special meeting:** Report on the progress of information security work during relevant period
- **Information security month:** Ensure the office environment and the handling of confidential events met the requirements through office inspection

## 01/ BUILDING ROBUST GOVERNANCE

### (III) Actions and practices

#### Strengthening cyber and information security construction through multiple channels

The Group continued to implement cyber security and information security construction through diversified and multi-channel training and publicity work, with an aim to raise the information security awareness among all employees.

- **Phishing prevention training:** Provide "How to Identify and Prevent Phishing Email" training and assessment for all employees through the "Yue Work Live (悦工作)" platform
- **Cyber security and information security publicity:** Place publicity materials on "Phishing Email Identification" and "Important Discussions on Cyber Security and Informatisation" at reception



"How to Identify and Prevent Phishing Email" live invitation

### (IV) Indicators and targets

Information security courses and trainings covered **1,531** person times

**0** information security accident

**100**% signing rate of "Customer Information Confidentiality Undertakings"

## 01/ BUILDING ROBUST GOVERNANCE

### 1.5 Intellectual Property Protection

#### (I) Management

The Group always prioritises intellectual property protection, and strictly complies with the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Civil Code of the People's Republic of China and other relevant laws and regulations. The Group acquires, maintains, applies and protects intellectual properties in accordance with all such laws and regulations

The Group complies with the principles of centralised management and standardised use. According to internal rules and regulations such as the Legal Affair Management Measures, the Audit and Legal Center is responsible for protecting and managing intellectual properties such as trademarks, patents and commercial secrets, handling relevant legal affairs, providing legal advice, and recording details on intellectual properties to reinforce prevention and response against legal disputes on intellectual property

While protecting its own intellectual property, the Group also respects the intellectual properties of its partners, including by using partners' intellectual properties within the scope of authorisation, strictly complies with relevant laws and regulations and avoids any infringement of others' intellectual properties. Through these measures, the Group aims to build a healthy business environment where intellectual properties are respected and protected

#### (II) Indicators and targets

**9** trademarks, **75** software patents and **13** patents

**0** intellectual property infringement case

## 02 BUILDING A BETTER LIFE

### Our Philosophy

The Group has always been dedicated to quality property services. Adhering to its mission of "Where good service starts (用心 • 成就美好生活)", the Group focuses on "residential buildings + commercial buildings + mass transportation + urban services", and strives to become an all-encompassing urban operation service provider, providing customers with standard, professional, intelligent and full cycle quality services. Furthermore, the Group listens to customers' feedback, actively responds to their requests, protects their safety and health, respects their information and privacy, and works with them on a journey toward a better quality of life.

### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material Issues	SDGs	HKEX ESG Indicators
Service responsibility	Service quality		B2.3
	Customer satisfaction		B6
	Customer safety and health		B6.2
	Customer information and privacy protection		B6.4
	Smart property services		B6.5



## 02/ BUILDING A BETTER LIFE

### Our Strategies

#### Refined management of service quality:

Seek to meet customers' sophisticated, diversified and personalised demands, with service standardisation and service quality improvement as its goals

#### Smart property services:

Promote living convenience and quality for property owners, by emphasizing the provision of high-quality smart services enabled by technology

#### Customer satisfaction:

Focus on improving the customer satisfaction management system, proactively identify deficiencies in services, and effectively address customer demands and problems

#### Customer health and safety:

Focus on customer health and safety to create a safe, healthy and clean living and working environment

## 02/ BUILDING A BETTER LIFE

### 2.1 Refined Management of Service Quality

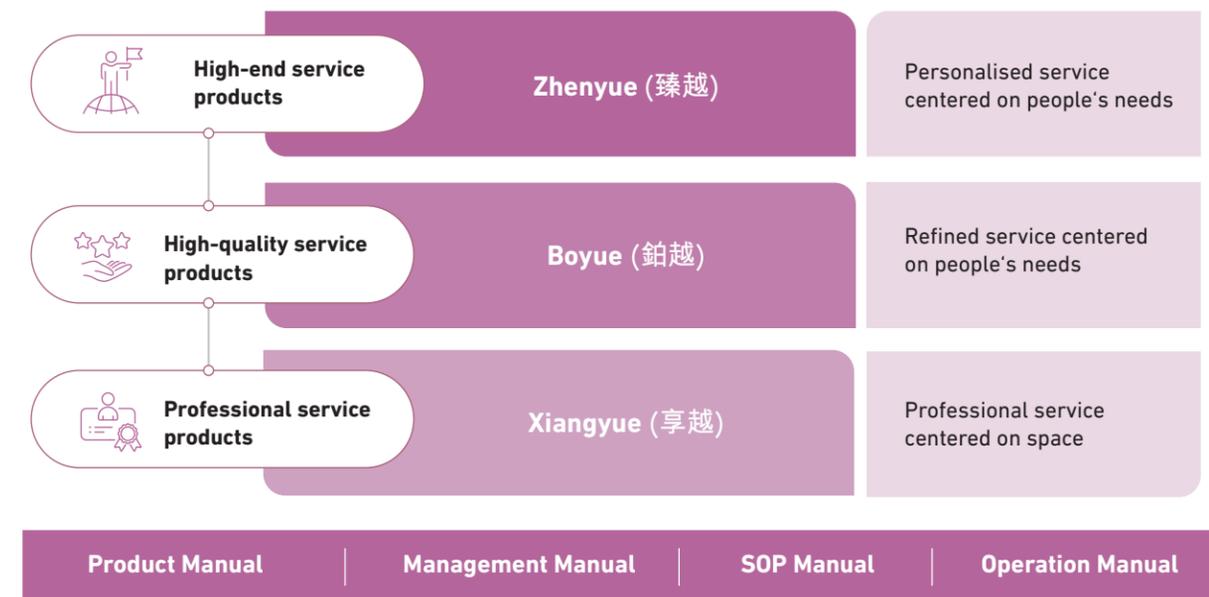
#### (I) Management

##### • Service standardisation

The Group is committed to implementing a standardised service system. Adhering to a customer-oriented approach, the Group has constantly studied, optimised and updated management standards and guidelines tailored to different property types with reference to industry trends, to satisfy customers' sophisticated, diversified, personalised and uncovered service demands.

##### ➤ Residential property management services

The Group differentiated its residential property management services and products based on pricing, service scope and service scenarios in response to different demands of its various customer groups, by launching three product lines - i.e. "Zhenyue (臻越)", "Boyue (铂越)" and "Xiangyue (享越)" - with respective manuals for products, management, operation and handling. Through strict application of these manuals, the Group provides professional, refined and personalised standard services based on various demands of residents. During the Year, the Group revised and issued 67 policies and operation guidelines related to service quality management.



During the Year and in response to customers' demand for improved housing and corresponding property management services, the Group established the "Zhenyue Line (臻越系)" high-end service line and launched its first benchmark project, Panyu Grand Mansion. Focusing on the entire life cycle of the relevant property, it provides "supreme, prestige and private" property management services to customers through professional property management, caring living services and the creation of a harmonious community atmosphere.

## 02/

## BUILDING A BETTER LIFE

## ➤ Commercial property management services

During the Year and focusing on core scenarios for customer services, the Group further refined its services through defining 278 simplified and visualised Standard Operation Procedure (SOP) rules based on different posts and scenarios, and compiled a Visualised SOP Manual for Customer Services. The Group also provides customers with more considerate and high-quality services from customer service experience scenarios, business scenarios, operation scenarios of employees in different position, and other aspects.

## ➤ TOD integrated property management services

During the Year, based on the existing standards Quality Management System, Detailed Rules on Individual Rewards and Punishments for Service Quality Management, White Paper on Metro Station and White Paper on Metro Depots, the Group formulated the "Service Quality Assessment Rules" for its TOD business segment to optimise quality control of services.

## • Service Quality Improvement

Based on customer demands, the Group strives to constantly optimise service scope, quality and efficiency. Through ongoing efforts to establish an intelligent platform, strengthen quality supervision, carry out targeted programmes on quality improvement, set internal benchmark projects and other practices, the Group aims to create the "Yue +" premium service system.

## ➤ Residential property management services

- Carried out special rectification actions focusing on four major professional services
- Organised 2,300 community activities, covering more than 100,000 people
- Set 98 new parking spots for non-motor vehicles and cleared 104 illegal parking spots
- Carried out elevator trapping drills in 78 projects and elevator safety publicity campaigns in 53 key projects
- Repaired 585 video intercoms
- Repaired 4,905 sq.m. of ground and cleaned 717 routes back home
- Cleaned 935 garbage collection spots per day
- Completed renovation of 65,280 sq.m. of bare soil

## 02/

## BUILDING A BETTER LIFE

## ➤ Commercial property management services

- Customised services: enrich service offerings and introduce customised services such as office environment management, equipment and facility maintenance, security management and administrative and logistics and other services according to different types and needs of customers
- Promotion of service quality: hold regular meetings on service quality improvement to share best practices and experience of benchmark projects and promote communications among different projects, and provide incentive for service quality improvement
- Service quality supervision: refine the supervision mechanism of service quality, strengthen supervision and inspection, and conduct daily inspection to ensure the settlement of problems
- Management of on-site environment: improve quality of on-site environment through enhanced communications with and supervision over subcontractors

## ➤ TOD integrated property management services

- Continued to improve service efficiency with the Yue-Quality (悦品质) and Yue-Butler (悦管家) online management platforms
- Organised 400 thematic trainings, on-site trainings on Yue-Butler, regular trainings on SOP manuals and other trainings related to service quality improvement
- Organised regular quality inspections, and set up a dedicated team which comprises employees with high technical capabilities and service quality, to carry out targeted rectification for improvement of on-site quality
- Continue to improve quality management system, and periodically engaged third parties to conduct quality reviews to ensure its effective operation

Certificate	Certified entity
ISO 9001 certification	Guangzhou Yuexiu Property Development Co., Ltd.
	Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.
	Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.
	Guangzhou Metro Environmental Engineering Co., Ltd.
	Guangzhou Metro Property Management Co., Ltd.
	Guangzhou Baima Business Operation Management Co., Ltd.
	Yuexiu Property Management Co., Ltd.
	Yue Xiu APT Parking Limited

## 02/

## BUILDING A BETTER LIFE

## • Awards and Honours

Award	Project
High-Quality Environmental Sanitation Service Project	Xiajiao Metro Depot (地鐵慶滄車輛段)
High-Quality Environmental Sanitation Service Project	Metro Line 1 station (地鐵一號線車站)
Benchmark Project in the Property Management Industry in Nansha District 2023	Yuexiu Coastal Palace (濱海御城)
Demonstration Project of Residential Property Management in Wuhan 2023	Hankou Starry Winking (星匯雲錦)
Demonstration Project of Property Management in Shenyang 2023	Shenyang Starry Winking Phase I (星匯雲錦一期)
Outstanding Demonstration Project of Residential Property Service of Guangdong 2023	Guangzhou Starry Garden (星匯園)
Outstanding Residential Property Management Projects of Lin'an District 2023	Hangzhou Shuiyue Garden (水悅花園)

## (II) Actions and practices

## Service Design Competition

In order to motivate front-line employees to innovate and create better service experience, the Group organised the first "Service Design Competition" in August 2023, covering ten regional companies across the country. With 167 service designs admitted in the competition, the Property Management Center evaluated and selected 14 outstanding finalist portfolios and promoted their service standards to its projects nationwide.



The design competition

## 02/

## BUILDING A BETTER LIFE

## "Red Vest" mobile service

The Group carried out "Red Vest" mobile services, which focused on cleaning customers' routes home and leisure routes, with the aim of creating a comfortable, clean and quality living environment for its residents. In 2023, the Group assigned a total of 748 tasks and achieved a completion rate of 100%.

- **Service team:** established a rapid response mechanism for emergency management in the communities, so as to respond to urgent requests from residents as soon as possible, and carried out targeted cleaning and rectification of key areas in the communities
- **Patrol team:** implemented two patrols a day, promptly recorded problems, and either rectified the issue on the spot if possible or promptly escalate to relevant departments for handling



The "Red Vest" team cleaning a garage

## (III) Indicators and targets

Added **8** new benchmark projects

Generated **11,791** supervision tasks, with a completion rate of **94.66%**

Generated **8.876** million inspection tasks, with a completion rate of **96.83%**

Generated **441,000** working orders, with a completion rate of **98.1%**

Arranged **204** actions for commercial property service quality improvement, with a completion rate of **100%**

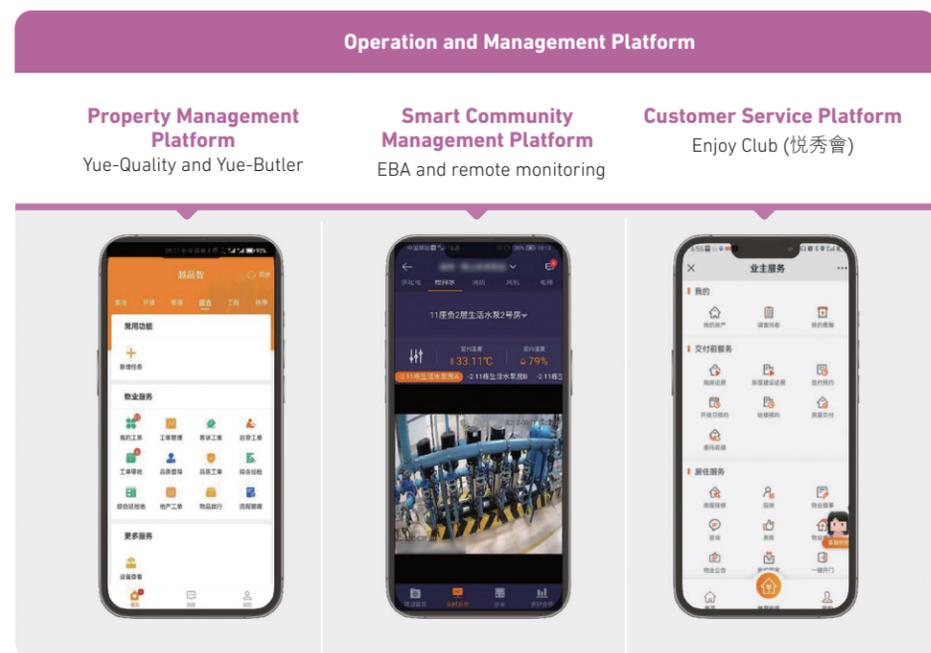
## 02/

## BUILDING A BETTER LIFE

## 2.2 Smart Property Services

## (I) Management

The Group is focused on digital management, people-oriented service and intelligent operation. The Group has built an operation and management platform to integrate and connect three functions – i.e. customer service, employee management and equipment management – creating a digital value chain that is interconnected, efficient, robust and agile.



## 02/

## BUILDING A BETTER LIFE

## • Smart community operation

During the Year, through the "Enjoy Club (悦秀會)" App and WeChat official account, the Group introduced six smart community service scenarios, helping to build a smart property service system that is time, effort and cost efficient.

Scenario	Application Scenarios	Performance Highlights
Smart fee payment	<ul style="list-style-type: none"> <li>Bill notification</li> <li>Withholding contract</li> <li>Self-service invoicing</li> <li>Exchange for property management fees</li> </ul>	Launched in 183 projects across the country, saving 10 minutes of processing time on average
Convenience services	<ul style="list-style-type: none"> <li>Community information</li> <li>Government hotlines</li> <li>Convenience tools</li> <li>Service scope</li> </ul>	Convenience tools to date launched in 185 projects across the country, saving 10 minutes for each borrowing and return
Smart community announcement	<ul style="list-style-type: none"> <li>Announcement</li> <li>Emergency notice</li> <li>Information disclosure</li> </ul>	Saved owners 3 minutes of offline processing time on average, and saved 1,134 working days for front-line employees within two months of launch
Smart information changes	<ul style="list-style-type: none"> <li>Customer information</li> <li>Visitor relationship</li> <li>Information modification</li> </ul>	Launched and promoted in all projects, saving 10 minutes of phone communication for property owners and 15 minutes of processing time for offline service centres on average
Smart decoration management	<ul style="list-style-type: none"> <li>Renovation application</li> <li>Online approval</li> <li>Electronic signature</li> <li>Deposit payment and refund</li> </ul>	Saved 3 hours of offline application for property owners and 4 minutes of inspection time on average
Smart accessibility	<ul style="list-style-type: none"> <li>Facial recognition</li> <li>Application for access cards</li> <li>Visitor management</li> </ul>	Launched on a pilot basis in 10 projects in Guangzhou

Six smart community service scenarios

## 02/

## BUILDING A BETTER LIFE

## (II) Actions and practices

## Minor renovation of smart parking space

In order to improve the parking efficiency and convenient payment experience of residents, in December 2023, the Group launched a trial of online minor renovation of parking space in Guangzhou Tongyiyuan (同逸苑) and Guangzhou Starry Bay Garden (星匯灣花園) projects. The functions initially launched include online payment for temporary occupation, online payment and registration of monthly lease, online payment of parking space management fees, and self-service issuance of electronic invoices.

- **Online subscription of monthly lease:** reduced processing time by about 10 minutes/person/time
- **Online fee payment connected to the backend core business charging system:** expected to save employees 2 minutes of recording spent on property management related service for each payment

## (III) Indicators and targets

Saved residents a total of **8.5** hours per year in handling property-related business

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## BUILDING A BETTER LIFE

## 2.3 Customer Satisfaction

## (I) Management

The Group strictly abides by, among other laws and regulations, the Law of the People's Republic of China on the Protection of Customer Rights and Interests, the Advertising Law of the People's Republic of China, and the Law of the People's Republic of China on Product Quality. During the Year, the Group formulated and refined internal policies such as the Detailed Rules for Management of 400 Work Orders, the Property Operation and Maintenance Management System and the Visualised SOP Manual for Customer Services, with a view to continuing to improve its customer satisfaction management system.

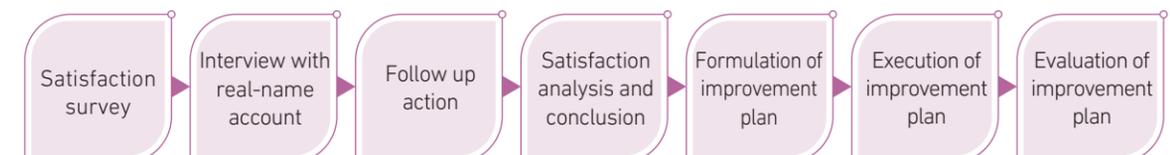
The Group conducts comprehensive customer satisfaction surveys and has designated dedicated personnel to handle customer complaints on a 24-hour basis, proactively identifying deficiencies in services for effective rectification. The Group recognises its responsibility to respect and protect the legitimate rights and interests of its customers, and constantly strengthens customer service awareness through standardised and refined guidance, aiming at enhancing service quality and improving customer experience.

- *Listening to customer's voices through multiple channels*

The Group is committed to maintaining a sound relationship with its customers. It actively opens diversified customer communication channels and carefully listens to customers' opinions. It maintains close communication with its customers by door-to-door visits, third-party anonymous visitor surveys at sales offices and customer reception activities and other measures.

The Group regularly conducts customer satisfaction surveys for all projects under management and comprehensively reviews opinions and feedback from customers, to better understand and identify customer demands and integrate such feedback into internal management.

The process for customer satisfaction surveys are as follows:



## 02/

## BUILDING A BETTER LIFE

## ➤ Residential property management service

A third-party agency is engaged to conduct satisfaction surveys annually on delivery time-point and regular bases. The forms of satisfaction surveys include door-to-door communication, hotline communication and questionnaires:

- Delivery time-point survey: for projects that are more than two years old (Based on delivery date), diversified surveys are carried out on a semi-annual basis, including centralised distribution of questionnaires, online and offline communication; for projects that are less than two years old (based on delivery date), questionnaire surveys are conducted at three points in time: within 90 days, 180 days and 360 days of delivery
- Regular survey: questionnaires are sent through the Enjoy Club system monthly. The surveys cover overall property services and safety management, cleaning and sanitation, greening maintenance, maintenance and repair of public facilities, parking lot management, pest control, community activity organisation and cultural atmosphere, overall performance of property management staff, home decoration management, paid maintenance services and other aspects

## ➤ Commercial property management services

Satisfaction surveys are conducted by third party agencies annually and cover 100% of commercial tenants, with 70% in the form of online questionnaires and 30% through face-to-face interviews. In addition, surveys for tenants, employees, visitors, customers and suppliers are conducted through offline interviews. The survey results are used as reference for improving service quality.

In order to continuously improve customer satisfaction and understand customer demands, follow-up measures for the survey include:

- Based on customer suggestions, renovations of the parking space, maternal and child room, and building facade were carried out during the Year
- Regularly arranged community cultural activities such as flower arrangements, special festival events and sports games to enrich customers' cultural life after work

During the Year, the Group recorded customer satisfaction of 91 for residential properties and 99.9 for commercial properties, both remaining at high levels.

Customer satisfaction has been included in the annual assessment of projects under management and regional companies, which will affect each employee's annual performance.



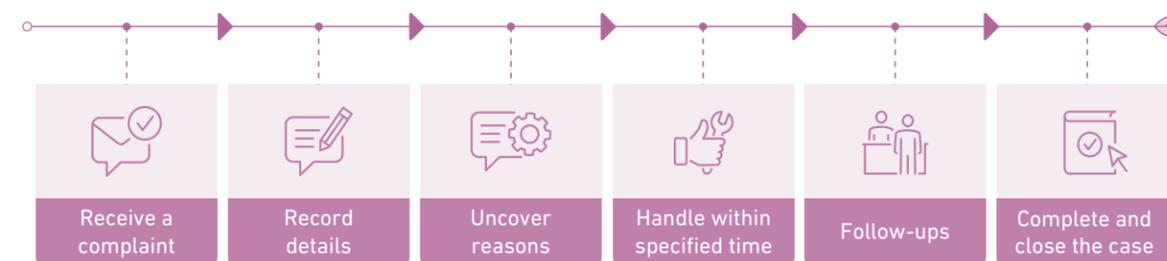
## 02/

## BUILDING A BETTER LIFE

## • Timely response to customer complaints

The Group actively responds to customer complaints and provides unimpeded customer complaint channels. The Group has formulated and implemented the National 400 Integrated Command Centre Management Standards, Customer Complaint Handling Guidelines, Unqualified Service Management Procedures, Corrective and Preventive Measures Procedures and other internal policy guidelines, to ensure full-process management of complaints starting from prevention, to identification and handling, and ending with the formulation of an improvement plan. Furthermore, the Group categorises complaints by types and tiers and sets out clear handling process, time requirements and follow-up actions to effectively improve the efficiency of complaint handling, with the aim of providing customers with satisfactory solutions

The complaint handling process and channels are as follows:



Business segment	Complaint channels
Residential property management	Project butler, service counter, 24-hour 400 complaint hotline, and the Enjoy Club (悦秀會) app
Commercial property management	Customer service hotline, headquarters service supervision hotline and official account on social media

## ➤ Residential property management service

The Group categorised complaints into general complaints, high-alert issues and major issues and implemented graded management. It issues monthly complaint handling reports and revisits the cases on a sampling basis.

During the Year, the Group revised and released the Notice on Deactivating Butler Personal on WeChat and Applying WeCom and the Notice on Adjustments and Regulation of Work Related to Yue Butler Personal on WeCom to regulate the use of intelligent Butler Personal tools focus on one-to-one service on WeCom, promptly and effectively respond to customer demands, and enhance stickiness with customers.

## ➤ Commercial property management service

The Group handles customer complaints according to the Customer Complaint Handling Guidelines. The Group evaluates the handling process based on the filing details, importance and the complexity of the case. The Group also follows up with each customer within three working days by phone calls, WeChat or face-to-face communication if appropriate, to close the case.

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**BUILDING A BETTER LIFE**

**(II) Actions and practices**

**Clean Community Special Action**

The Group launched a 3-month "Clean Community" special action covering 249 projects across the country, with different themes of cleaning for each region every week.

During the Year, the Group cleaned approximately 350,000 sq.m. of garages, approximately 280 garbage collection spots, approximately 420 corners, approximately 2,300 community facilities (with disinfection), and 45 water bodies and water features, striving to create a better environment.

After launch of the action, complaints regarding cleaning decreased significantly.



Tennis court of Guangzhou Huachengyuan (花城苑)



After renovation



After renovation

Glasses in Hangzhou Starry Garden (星匯花園)



Before renovation

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**BUILDING A BETTER LIFE**

**Meetings with Residents**

The Group continued to exert efforts in maintaining customer relationships. It clarified the standards for holding residents' meetings and arranged such meetings on a large scale during the Year, focusing on residents' requests to pursue shared development.

The property service centers of various projects across the country invited key customers and customers with requests to attend residents' meetings held on a quarterly basis, reported major work performed in the quarter and listened to their requests. All requests are followed up and processed in the online work order system on the same day.



Residents' meeting

**(III) Indicators and targets**

	Target	Progress
Satisfaction survey coverage	100%	Achieved
Customer satisfaction	Not less than 90	Achieved

Business segment	Total complaints addressed (cases)	Average response time (hours)	Complaint handling rate (%)	Complaint closing rate (%)	Customer satisfaction (points)
Residential property management	28,668	2	100	100	91
Commercial property management	43	2	100	100	99.9

Received **104** commendatory letters and **268** pennants

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## BUILDING A BETTER LIFE

## 2.4 Customer Health and Safety

The Group always attaches great importance to work safety and strictly abides by laws and regulations, standards and norms, including the Work Safety Law of the People's Republic of China, the Fire Control Law of the People's Republic of China and the Basic Norms for Standardisation of Enterprise Work Safety. The Group has formulated and implemented a variety of rules and regulations, including the Management Measures for Work Safety Responsibility, the Management System for Work Safety Education and Training and the Management System for Investigation and Management of Production Safety Hazards, with a continuous focus on the health and safety of its customers, striving to create a safe, healthy and clean living and working environment.

## (I) Governance

The Group has practically established a standardised work safety management system that is "broadened and deepened to cover all segments and levels, with each department performing its own duties in a fully coordinated manner". The Group has also established a work safety responsibility system, that sets out the compositions and responsibilities for work safety at different levels, specifies that the Chairman and the General Manager shall be the primary persons responsible for the Group's work safety and occupational health, and designated a person directly responsible for work safety, with an "one- vote veto" mechanism. Health and safety performance is linked to the remuneration of the Chairman, the General Manager and senior executives.

All major subsidiaries of the Group have established independent safety supervision departments, and all subsidiaries have designated dedicated safety management staff. During the Year, the Group further reviewed the work safety management structure and made adjustments to the Work Safety Committee and its members.

Safety management level	Composition	Safety management responsibilities
Board	Executive Directors	Receive work reports from the Work Safety Committee, supervise the improvement and implementation of the work safety management system, and approve major decisions related to safety management
Work Safety Committee	Comprising management, and the heads of functional departments and subsidiaries	Formulate safety management systems and policies, hold regular safety meetings, review work safety reports of different levels, supervise the implementation of work safety mechanisms and execution
Work Safety Office	The Safety Supervision Department, persons responsible for work safety and for work safety departments of subsidiaries	Supervise work safety of all departments and units, implement graded management of safety risks and identification of hidden hazards, organise safety education and training, organise emergency drills and submit reports on work safety to the Work Safety Committee

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## BUILDING A BETTER LIFE

## (II) Management

- Improving management system

During the Year, the Group compiled and released the Compilation of Work Safety Management Systems as a unified standard for centralised management across the Group, and reviewed safety-related systems on an annual basis. This system covers the full life cycle management of work safety, introducing standardised safety management regulations by process and type, laying down strict requirements for all employees and relevant parties, so as to effectively fulfil the primary responsibility for work safety. In case of any safety issues, prompt supervision and rectification will be conducted.

Additionally, the Group has developed and distributed the Visualised Standard Manual for Lean Safety Management to all employees, establishing multi-scenario standards for labelling, infrastructure, dangerous sites and other aspects involved in business operations, including a manual of visualization standards for 10 major scenarios, a list of safety visualization standards for facilities and equipment at 12 sites, and the creation of 15 safety benchmarking projects.

## Full life cycle management of work safety specified in Compilation of Work Safety Management Systems

Management of safety responsibility	Management Measures for Work Safety Responsibility Work Safety Rewards and Punishments Management System Work Safety Accident Accountability System Work Safety Accident Reporting, Investigation and Handling System Work Safety Performance Assessment Management System
Management of safety practices	Management System for Work Safety Education and Training Management System for Investigation and Management of Work Safety Hazards Training Standards for Firefighting Skills of Firefighters Emergency Management System for Work Safety Guidelines on Office Area Safety Management Facility and Equipment Safety Management System Fire Safety Management Regulations Safety Management System for Related Parties High-risk Operation Management System Management Regulations on Suspended Platforms for Work-at-Height Management System for Protective Equipment
Management of safety risks	Detailed Rules for the Implementation of Graded Management of Safety Risks Safety Risk Control Guidelines for Third-party Projects
Management of safety targets	Detailed Rules for Management of Work Safety Targets Management System for Work Safety Investment

## 02/ BUILDING A BETTER LIFE

### Establishment of management targets

In order to achieve the work safety targets of "Four Ensures and Five Zeros", the Group has established a framework for work safety management with respect to ten aspects – i.e. culture, organisation, regulations, safety standards, training, capabilities, prevention, emergency response, and assessment. The Group has also established and continuously deepened the "1441" work safety mechanism, to ensure work safety and orderly operations.

#### "Four Ensures" Work Safety Incidents

- Ensure no major or above work safety liability accidents
- Ensure no major or above food safety accidents
- Ensure no major or above unexpected environmental incidents
- Ensure no severe internal security and safety liability incidents

#### "Five Zeros" Work Safety Management Targets

- Zero fatal work safety liability accidents involving employees (including outsourced staff)
- Zero fatal work safety liability accidents involving personnel from related parties
- Zero severe food safety liability accidents
- Zero severe internal security accidents
- Zero severe environmental pollution accidents

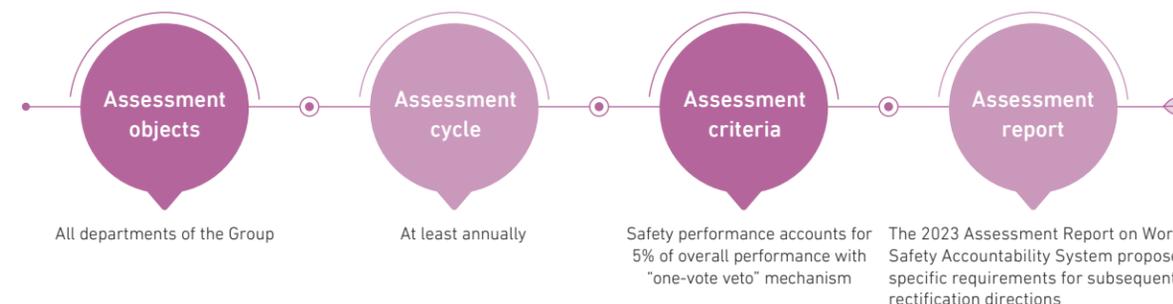


"1441" Work Safety Mechanism

## 02/ BUILDING A BETTER LIFE

### Inclusion in performance assessment

The Group continues to include the achievement of work safety targets within performance assessments for personnel from the regional head level to the project manager level, with comprehensive assessments from three aspects: indicator assessment, management assessment, and on-site assessment. The Group's Management System for Work Safety Performance Assessment establishes the basic principle of strictly implementing the "one-vote veto" mechanism. Depending on the nature and severity of work safety accidents, the performance assessment of the person in charge of the relevant subsidiary, the work safety department, and the relevant region may be affected.

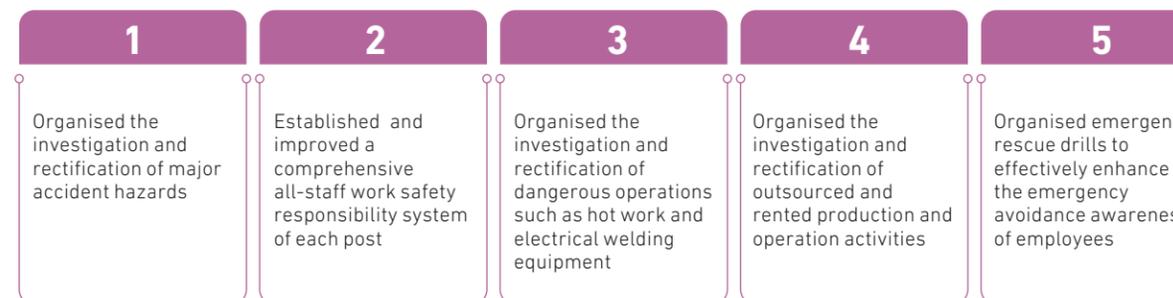


### Health and safety management of related parties

The Group engages a third-party professional institution to conduct regular review and issue assessment reports on the safety operation of projects under management. The assessment results are included in annual appraisal of project managers who are required to follow up with rectification and report based on the major hazards found for commercial property projects. Commercial projects are audited quarterly on a sampling basis.

The Group applies the same health and safety management standards for its suppliers, contractors and other related parties as it does for internal employees, and assesses the safety performance of all such parties according to the same standards. When signing property management contracts, suppliers are required to sign the Work Safety and Environmental Protection Agreement, urge their staff members to strictly comply with on-site safety regulations and management, and take guidance and accept supervision from the Group's Safety Supervision Department.

#### The Special Campaign for Investigation and Rectification of Major Accident Hazards in the Year



## 02/

## BUILDING A BETTER LIFE

## (III) Actions and practices

- **Building a work safety management team**

During the Year, the Group continued to promote the building of a work safety management team, including:

- Established a work safety expert pool with 31 well-chosen work safety management experts
- Newly employed 5 certified safety engineers
- Required safety management personnel to take certified engineer examinations and trainings

- **Work safety training and capability building**

The Group prioritises customer safety, keeps strengthening its capabilities in four aspects, namely professional safety management, standardised safety training courses, digital smart safety and efficient emergency response, and continuously enhances the safety awareness of property management personnel, to improve its safety management capability and protect the safety of residents.

During the Year, the Group continued to enhance safety management through multiple channels:

Dimension	Measures
Safety training plan	<ul style="list-style-type: none"> <li>• Standardised safety education and training in employee orientation</li> <li>• Organised thematic safety trainings on Enhancing Corporate Safety Leadership and Implementing the Primary Responsibility for Work Safety, Safety Assessment for Project Managers, and Lean Safety Management, etc.</li> <li>• Safety trainings for all employees no less than twice a year and for employees in key operating positions no less than once a month</li> <li>• Targeted safety training for project managers involving 219 person times, with the test pass rate of 100%</li> </ul>
"Work safety month" activity	<ul style="list-style-type: none"> <li>• Practice the important national thesis on work safety with a focus on the theme of "Everyone is concerned about safety and knows how to respond to emergencies"</li> <li>• Safety publicity activities of "Five Ones"<sup>1</sup></li> <li>• Safety courses presented by top leaders</li> </ul>
Enhanced customers' safety awareness	<ul style="list-style-type: none"> <li>• Appointed safety ambassadors for commercial properties, organised safety training to enhance customers awareness on safety and fire control</li> </ul>
Strengthened training for related parties	<ul style="list-style-type: none"> <li>• Require related parties to carry out safety training for their employees and special type operators and ensured proper shift handover on work safety</li> <li>• Include relevant managers of key related parties in the scope of the Group's safety training</li> </ul>
Equipped AED facilities	<ul style="list-style-type: none"> <li>• High-end projects: the customer service center is equipped with AED facilities, covering seven high-end service communities nationwide, and butlers and security staff are provided with CPR training</li> <li>• High-end office buildings: the customer service center is equipped with AED facilities and an emergency rescue team. Meanwhile, the emergency rescue Saas (Software as a service) system connected with the Yuexianghui (悦享會) mini-programme and WeChat app is used to enable accurate indoor positioning of the person calling for help</li> </ul>

<sup>1</sup> Activities of "Five Ones": organise one home safety inspection, one community fire safety training, one self-inspection on electric vehicle charging safety, one escape route map to be drawn by employees, and one safety emergency book to be read by employees.

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## BUILDING A BETTER LIFE

- **Identification and control of safety hazards**

The Group has developed various contingency plans, targeted plans and on-site handling plans in compliance with its regulations. It also carries out a variety of regular emergency rescue drills in order to improve its capability in handling emergency and rescue.

During the Year, the Group reviewed emergency plans applicable in different scenarios, formulated annual emergency drill plans, and carried out emergency drills and supervision. The highlights of such work included:

Dimension	Measures
Established and improved control standards	Refined Graded Control Standards for Safety Risks and Hazards and established a graded control mechanism for safety risks to clarify the risk control responsibilities at the office and project management levels
Established the Safety Risk Control Check List at all levels	Updated on a monthly basis, facilitated reporting channels and implemented a supervision mechanism based on risk nature
Launched targeted safety improvement activities	Constantly conducted in-depth front-line research and inspection, focused on key locations and areas, such as fire safety in high-rise buildings, management of old public utility rooms, and dangerous operations. It prioritised the rectification of prominent safety hazards such as illegal fire operations, illegal use of electricity, flammable and combustible materials, damaged fire equipment and facilities, inadequate safe evacuation conditions, blocked safety exits and escape routes, and illegal parking of electric bicycles
Promoted the rectification of major safety hazards	Coordinated the rectification of major safety hazards in newly delivered projects, third-party projects and aging projects as well as for projects scheduled for delivery; activated the exit mechanism for third-party projects with significant safety hazards

- **Red line safety requirements for third-party projects**

For third-party projects, a safety assessment and mandatory control red line judgement must be completed before the project is approved for bidding. Confirmation of project safety by a safety assessor or regional head is required before bidding.

## Conference on Work Safety

During the Year, the Group organised the Conference on Work Safety through both online and offline channels with the participation of management, functional departments, subsidiaries as well as project managers, who watched an educational film on fire accident. The Safety Supervision Department also shared best practice of internal safety management.

In 2024, the Group will focus on "Five Major Measures and 13 Actions", including improving the safety responsibility system, improving employees' qualifications and capabilities, promoting a lean safety culture, strictly controlling facility risks, and improving emergency response capabilities, to comprehensively enhance work safety works, strengthen responsibility for work safety, and firmly adhere to the red line and bottom line of work safety, thus creating a core competitiveness in work safety.



Conference on work safety

### Intensive Training on Work Safety for the Year

During the Year, the Group organised the Intensive Training on Work Safety, with more than a thousand participants, including persons in charge of safety from the headquarters, subsidiaries and projects. The training consists of three main parts:

- **External experts to conduct courses on work safety:** Invited external professional teachers to deliver courses on topics such as Comprehensive Onsite Safety, Inspection and Safety Assessment of Third-party Projects, Hazard Identification and Evaluation, and Emergency Response Plan Development and Management. These courses provided clear direction for the implementation of safety management
- **Benchmark projects site visits:** In order to achieve the strategic safety target of setting "One benchmark, One City", the Group organised participants to visit benchmark projects such as Guangzhou Fortune Century Square (廣州財富世紀廣場) and Haizhu Bay project, which is intended to inspire project managers to develop plans, schemes, and standards for creating their own benchmarks
- **Fire safety training:** a practical training on fire safety was carried out at the Guangzhou Anzhuo Fire Safety Practical Training Base (廣州安卓消防实操培訓基地). Through the study of the classification, composition and operating principles of automatic fire alarm systems, automatic sprinkler systems, and smoke prevention and exhaust systems, safety management personnel effectively enhanced their professional knowledge and capability about fire safety



Benchmark projects site visits



Intensive training on work safety

### Targeted fire monitoring system upgrade

In order to safeguard community safety, promptly handle incidents of water leaks and fires, and avoid risks such as accidents caused by inadequate monitoring, the Group carried out targeted system upgrade for comprehensive safety improvement during the Year, covering a total of 98 projects.

By leveraging Internet of Things (IoT) technology, the system upgrade realised systematic, remote and real-time detection of key indicators including the water pressure in the fire pipe network, water pressure at vulnerable positions, water level of the fire pools and roof pools. It replaced the traditional inefficient management that relies on manual inspections and achieved full coverage of blind spots in fire safety. Once an abnormality is detected, the system will immediately notify the person responsible for fire safety in the form of a work order, enabling him to investigate the abnormality as soon as possible, thus accurately managing fire safety risks to minimize the occurrence of accidents and losses.

### The Group and Otis Elevator formed a joint venture for elevator safety

In March 2023, the Group and Otis Elevator formed a joint venture, Guangzhou Yueao Elevator Technology Co., Ltd., for an in-depth cooperation in residential elevator services in the Greater Bay Area, aiming to introduce Otis' professional technology and digital capabilities in the elevator field, and provide leading elevator and escalator maintenance services to ensure elevator safety for its residents.

In the future, the two parties will closely collaborate and with reference to each party's respective strengths, upgrade the elevator maintenance business, jointly create a professional equipment management platform of "smart interconnection of things" tailored to property service, and spread elevator safety knowledge to residents to the utmost extent.

### (IV) Indicators and targets

Invested RMB **93,473** thousand in work safety

**1,976** work safety inspections with **100%** rectification rate

**3,624** emergency drills with **67,459** person times participated

Third-party safety assessment arranged for **154** projects

**0** major work safety accident

# 03 BUILDING A SUSTAINABLE FUTURE

## Our Philosophy

The Group actively assumes its responsibility for protecting the natural environment. It is committed to integrating green and sustainable concepts into the entire property operation and management process and continuously taking measures to reduce potential negative impact of its operations on the environment. The Group identifies and abides by the requirements of national laws and regulations related to environmental protection, has formulated and implemented standardised operating procedures and environment policy guidelines, strengthened management of emissions and resources in property operations and daily works, set up and achieved environmental targets to improve environment-related performance and cultivated a green culture within the Group and with its stakeholders including property owners, tenants and partners.



### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material Issues	SDGs	HKEX ESG Indicators
Environmental responsibility	Energy management	 	A1
	Water management		A1.5
	Waste management	A1.6	
	Green office	A2	
	Promoting low-carbon lifestyle	A2.3 A2.4 A3 A3.1	

## 03/ BUILDING A SUSTAINABLE FUTURE

### Our Strategies



#### Green property management and operation

Guided by the green low-carbon concept, continue to take actions to mitigate potential negative impacts of business operations on the environment



#### Green office

Advocate for the green office concept, formulate and implement green office policies and regulations, to create a green and low-carbon workplace



#### Green leasing

Promote "Green Pacts" and paperless leasing for the area under management

## 03/

## BUILDING A SUSTAINABLE FUTURE

### 3.1 Green Property Management and Operation

#### (I) Management

The Group strictly abides by the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Interim Measures for the Supervision and Administration of Energy Conservation and Emission Reduction of State-owned Enterprises and other relevant laws and regulations. It closely follows the national green development strategy and implements the green concept in its property management and daily operation, striving to develop a high-quality and sustainable property management system. During the operation and management process, the Group promotes green operation by reducing waste gas emissions, wastewater discharge and GHG emissions, energy conservation, utilising water resources efficiently, and disposing of waste properly.

The Group has obtained environment management system certification and energy management system certification. Multiple projects under the Group's management have been certified as green buildings.

Certificate	Certified entity
ISO 14001 certification	Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd., Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd., Guangzhou Metro Environmental Engineering Co., Ltd., Guangzhou Metro Property Management Co., Ltd., Yue Xiu Property Management Limited and Yue Xiu APT Parking Limited
ISO 50001 certification	Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd., Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.
Green building certifications for projects under management	Projects with Sustainable Building Index: Guangzhou IFC, Yuexiu Financial Tower, Guangzhou ICC, Victory Plaza, Fortune Plaza, City Development Plaza BOMA: Guangzhou IFC LEED: Guangzhou IFC, Yuexiu Financial Tower, Wuhan Yuexiu Fortune Centre WELL: Guangzhou Yuexiu Financial Tower, Guangzhou ICC One Star Green Building Label: Guangzhou IFC

## 03/

## BUILDING A SUSTAINABLE FUTURE

- Emissions management**

In addition to strictly complying with the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and other relevant laws and regulations, the Group has formulated and implemented internal policy guidelines such as the Pollutant Control and Management Measures Table and the Waste and Other Pollutant Discharge Management Regulations, to regulate the management of GHG, waste gas, wastewater, noise and other emissions and reduce the potential negative impact of daily operation on the environment.

Dimension	Measures
GHG emissions	GHG emissions arising from energy consumption in the public areas of projects under management and office areas is the main source of GHG emissions from the Group's operations. In order to minimise these emissions, the Group continues to promote equipment upgrade for energy conservation, including the purchase and use environmentally friendly air-conditioning refrigerants with low global warming potential.
Waste gas management	The Group has installed fume extractors in employees' canteens and air purifiers in certain sites, and used unleaded gasoline for corporate vehicles, to reduce waste gas emissions and improve indoor air quality in operating sites.
Wastewater management	The Group has set up a rain & sewage diversion system and supervises wastewater discharge to ensure compliance with the relevant standards. Domestic sewage and fecal sewage are discharged into municipal pipeline networks after biochemical treatment with sewage treatment equipment. Oily sewage in the community is filtered through the grease traps before biochemical treatment, with regular inspection of the grease traps once every two weeks for timely cleaning. The Group requires that cleaning agents used for the cleaning of special equipment for depots and stations should meet environmental protection requirements and the emissions standards to reduce water pollution.
Noise management	The Group specifies reasonable periods for property owners to renovate their apartments in accordance with the relevant decoration management agreements, encourages environmentally friendly materials and processes, and uses noise-reducing materials for the pumps of manhole covers of water collection wells. In addition, the Group controls noise levels through public announcements regarding noise control, patrols and other measures, and responding to property owners' feedback regarding noise control.

- Energy management**

The Group abides by the Energy Conservation Law of the People's Republic of China, and has formulated and implemented internal policy guidelines such as Guidelines for Energy Consumption Management and Control, Energy Management Measures, and Business Guidelines for the Compilation of Energy Management Implementation Rules. The Group has refined its management of major energy equipment, which mainly arises from power consumption by elevators, lighting, central air-conditioning systems, water pumps and other equipment in the public areas of projects under management. It provides guidance on standardised operations from measurement, raw data processing, meter reading, and energy equipment analysis so as to reduce the energy consumption of the whole process. In addition and to improve energy efficiency, the Group has also strengthened its control and assessment of water usage and energy consumption in public areas for targeted projects under management, established an incentive mechanism, actively applied intelligent management facilities and other new techniques to further optimise energy management.

During the Year, the Group continued to refine energy conservation and consumption reduction through the use of clean energy, upgrade of equipment for energy conservation, and advocating for green practices. In addition, the Group already has 5 projects under management that use an energy management platform covering the entire business process for management of energy consumption targets, processes and results, enabling rapid and accurate energy consumption monitoring and diagnosis and management of irregularities.

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## BUILDING A SUSTAINABLE FUTURE

- Water management**

The Group strictly abides by the Law of the People's Republic of China on the Prevention and Control of Water Pollution, Urban Drainage and Sewage Treatment Regulations and other relevant laws and regulations. The majority of the water used by the Group is sourced from the public water supply system, with a limited amount from rainwater recycling. The Group's water consumption mainly involves daily services, property management services, greening and office use. The Group has improved water resources management through three stages of water use reduction at source, water consumption and water recycling, and avoided water wastage due to leakage and broken pipes caused by aging equipment.

During the Year, the Group focused on the upgrade of lawn watering facilities within projects under management. The Group is not aware of and has not identified any difficulties in accessing suitable water resources. If water stress or risk of water shortages is identified later, it will be incorporated into the Group's risk assessment system and reported to the ESG Committee or the Board of Directors as appropriate.

Stage	Measures
Water use reduction	<ul style="list-style-type: none"> <li>Plant drought-tolerant local plants to reduce water usage</li> <li>Control the water used for greening within a reasonable level, according to climate and seasonal changes</li> <li>Use sensor faucets in toilets in public areas</li> <li>Upgrade water conservation equipment to reduce water wastage at source</li> <li>Put up slogans to improve employees' and residents' awareness for water conservation</li> <li>For newly built communities, integrate automatic sprinkler irrigation facilities to replace manual irrigation; for aging projects, use mobile pipe nozzles to reduce water waste and avoid uneven irrigation</li> </ul>
Water usage control	<ul style="list-style-type: none"> <li>Monitor water usage at all times</li> <li>Use variable frequency water pumps, sensor faucets, cooling towers with low rate of water loss, and sensors for use of water for sanitary purposes</li> <li>Sub-meters installed at main points of water supply to provide usage data for water usage management</li> <li>Targeted water-saving measures are activated on a timely basis in case of abnormal water consumption</li> </ul>
Water recycling	<ul style="list-style-type: none"> <li>Collect and use rainwater for toilet flushing, garage washing, landscape water replenishment</li> <li>Install air-conditioning condensate recovery devices to collect condensate, which is reused to supply cooling towers</li> <li>Collect and use the reclaimed water for cleaning the cooling tower after device upgrade</li> </ul>

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## BUILDING A SUSTAINABLE FUTURE

- Waste management

The Group complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and strictly implements the Notice on the Comprehensive Implementation of Domestic Waste Sorting in Prefecture Level and Above Cities in China issued by the Ministry of Housing and Urban-Rural Development. It has formulated and implemented internal policy guidelines such as Solid Waste Management Regulations, Hazardous Chemicals List, Solid Waste List, and Hazardous Solid Waste Disposal Registration Form, and adhering to the 3R principle of "Reduce - Reuse - Recycle", to standardise waste handling and disposal in its property management and operation, to reduce the impact of waste on the environment.

The main non-hazardous wastes generated during the Group's daily operations are domestic waste, garden waste, waste furniture and kitchen waste. To properly handle and dispose of such non-hazardous wastes, the Group has set up regular and overtime dumping stations in the projects under management to centralise waste collection and has engaged qualified third-party agencies to dispose of the waste.

The hazardous solid waste generated during the Group's daily operations are mainly waste light tubes, waste batteries, waste ink boxes, waste toner cartridges and waste electronic equipment. For proper disposal, the Group has set up designated recycling stations for hazardous wastes such as waste batteries, waste light tubes and waste ink boxes in multiple projects under management and strengthened waste management through waste classification for collection, labeling, storage and management, in order to reduce and avoid environmental pollution caused by hazardous waste during collection and transportation.

The Group classifies and manages solid waste in three categories – i.e. recyclable solid waste, non-recyclable solid waste, and hazardous waste.

Types of wastes	Treatment practices
Recyclable solid waste	Regularly sort out recyclable solid waste, fill in the Approval Form for Disposal of Waste and Used Articles and Equipment, and dispose of them in accordance with the Measures for the Disposal of Waste and Used Articles and Equipment.
Non-recyclable solid waste	Dispose of such waste in accordance with the regulations of local environmental protection authorities.
Hazardous waste	Adopt more comprehensive management measures, and engage professional third parties with hazardous waste business licenses to dispose of hazardous solid waste in accordance with relevant national and local laws and regulations. Record the disposal method, quantity and type of hazardous waste in the Hazardous Solid Waste Disposal Registration Form and archive for future management.

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## BUILDING A SUSTAINABLE FUTURE

- Promoting the sustainable development of residents and tenants

While improving its internal green operation and management, the Group also actively promotes diversified green and low-carbon initiatives to residents and tenants.

Dimension	Measures
Advocating low-carbon transportation	The Group has reserved some parking spaces for installing charging equipment for electronic vehicles and new energy vehicles to enhance the preference of owners and tenants for clean energy vehicles, and earmarked bicycle parking spaces to encourage green and low-carbon commute.
Promoting green leasing	The Group has put forward the Green Environmental Protection Proposals to be signed by the tenants of multiple office buildings under its management, to encourage the use of eco-friendly decoration materials and energy saving lamps. This is then followed by monitoring and inspection.
Encouraging low-carbon lifestyle	The Group has encouraged property owners to sort waste and recycle materials, and organised activities such as eco-friendly markets and urban farms to cultivate low-carbon concepts and environmental awareness.
Strengthening environmental protection publicity	Environmental initiatives such as World No Tobacco Day and used clothing donation will be promoted through various channels, including multimedia platforms, tenant handbooks, company websites, and public accounts. In public areas, the Group has set up no smoking signs and assigned public smoking areas to create a smoke free office building, and placed reminder signages to protect the lawns.

In terms of residential property management, during the Year, in order to motivate residents to sort waste, the Group leverages technologies such as the Internet of Things and big data to set up convenient recycle bins. After residents drop their recyclables in a smart recycle bin, the system will automatically weigh and generate corresponding incentives as a reward. 62 recycle bins have been set up for residents in certain projects.

In terms of commercial property management, the Group has established the Green and Health Committee organisation ("Green & Health Committee") in its landmark project, Guangzhou IFC. The Green & Health Committee is the first green health organisation for office buildings in China. To promote waste sorting in office buildings and reduce waste generation, the Group organised waste sorting training and arranged publicity events regularly among members of the Green & Health Committee. The Group also conducted

audits on clients' electricity consumption in office areas on a regular basis. Through on-site investigation, document check, and necessary tests implemented during property management operations, the Group analysed energy use, identified problems and areas for improvement, and proposed feasible energy-saving measures.



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## BUILDING A SUSTAINABLE FUTURE

## (II) Actions and practices

## • Energy management

Category	Type of upgrade	Achievement
Energy-consuming equipment upgrade	Replacement with 8,229 dual-luminance LED lamps	Expected to save approximately 648,000 kWh of electricity per year
	Upgrade of time-controlled switch for street lamps in 8 projects	Achieve the goal of turning off lights at dawn and turning them on at dusk, implementing precise "time control + light control"
	Installation of energy conservation feeder devices in elevators of commercial projects, which can automatically generate electricity under certain conditions and supply electricity to the building's power grid	Five projects equipped with such devices have an annual power generation capacity of over 700,000 kWh in aggregate
Energy-consuming equipment management optimisation	Central air-conditioning main room renovation commenced in Zhonggang Leatherware Mall	Expected to save 300,000 kWh of electricity per year
	Energy-saving controls for 20 primary and backup transformers	Expected to save approximately 180,000 kWh of electricity per year
New energy application	Upgrade of 67 solar street lamps for 7 projects	Expected to save 13,000 kWh of electricity per year

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## BUILDING A SUSTAINABLE FUTURE

## • Water management

Category	Type of upgrade	Achievement
Automated irrigation	Pilot upgrade of automated sprinkler irrigation systems for 5 projects	Expected to save 1,500 cubic meters of water per year
Recycle and reuse of condensed water	Upgrade of air conditioning condensate pump at Lisheng Plaza (荔勝廣場) to enable recycling condensed water to be reused as cooling water for the central air-conditioning system through the rooftop cooling tower	Water conservation rate of 44.33%, saving 14,817 tons of water
Recycle and reuse of rainwater	Guangzhou Lingnan Hillside and Foshan Lingnan Junting adopted rainwater recycling and reuse measures	Save a total of 593 cubic meters of water per year

## • Waste Management

Category	Type of upgrade	Achievement
Waste recycling	Guangzhou Lingnan Wood launched a four-dimensional integrated greening maintenance project, through the principle of aerobic fermentation of microorganisms, the greening waste was processed and reused in the greening maintenance	Turned greening waste into resource

### 03/ BUILDING A SUSTAINABLE FUTURE

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Accredited unit	Energy saving and consumption reduction highlights	Certifications awarded
Wuhan Yuexiu Fortune Centre	<p>Energy consumption has decreased by approximately 9%</p> <ul style="list-style-type: none"> <li>Adoption of a building energy management platform</li> <li>High energy sub-metering</li> <li>Intelligent lighting upgrade in the underground parking garage</li> <li>Off-peak electricity usage patterns on weekdays and weekends</li> </ul>	 <p>LEED Green Building Platinum Certification</p>  <p>First super high-rise project in China to obtain "Net Zero Carbon Building Excellence Certification"</p>
Guangzhou IFC	<p>Expected to save 200,000 kWh of electricity per year</p> <ul style="list-style-type: none"> <li>Upgraded the cold source group control system, and conducted intelligent control in consideration of weather changes</li> </ul> <p>Building heating and air-conditioning load reduced by 10.7%</p> <ul style="list-style-type: none"> <li>Adopted the technology of thermal performance of the building envelope</li> </ul> <p>Achieved 100% water efficiency rating of 2 for water-saving appliances</p> <p>Purchased 50,000 kWh of green electricity</p> <p>Independently applied for the "Energy Saving and Carbon Reduction Assessment of Zero Carbon Digital Intelligence Office Building"</p>	 <p>One-Star Green Building Certification</p>  <p>Green Electricity Certificate</p>

#### Energy-conservation renovations



Before renovation



After renovation



Before renovation



Newly added solar lamps

## 03/ BUILDING A SUSTAINABLE FUTURE

### Entering into a collaboration agreement with the Guangzhou Institute of Energy Conversion, Chinese Academy of Sciences

During the Year, the Group entered into a collaboration agreement with the Guangzhou Institute of Energy Conversion, Chinese Academy of Sciences, to cooperate in key areas such as the development and utilisation of new and renewable energy, low-carbon development and operation, and to jointly strengthen the development and service models of "dual carbon" products, expand the scope of property management by introducing high-end value-added services such as energy management, environmental governance and intelligent upgrades, and invest in scenarios such as greening maintenance, water body management, energy consumption upgrade, and waste disposal.

- **Greening maintenance:** convert greening waste into organic fertilizer. Conghua Glade Village in Guangzhou is selected as a pilot project for one-year greening maintenance, covering more than 600,000 sq.m. of greening area



- **Waste treatment:** explore the application of anaerobic treatment of manure in the pasture to convert waste generated from livestock and poultry breeding into resources



- **Water body management:** explore the use of biological treatment methods, such as water body landscaping, underwater ecosystem construction and aquatic bacteria placement, to replace the previous chemical treatment

## 03/ BUILDING A SUSTAINABLE FUTURE

### Energy Management System

The Group engaged a professional consultation company to develop an energy management system based on big data and AI algorithms, which adopts a model of IoT access + online intelligent cloud platform, covering the entire business process for management of energy consumption targets, processes and results, and providing the projects with tools for collection, management and analysis of energy data.

During the Year, 5 projects under management have utilised the energy management platform. The platform helped save approximately 79 working hours per month, and is expected to reduce the annual energy consumption by 1,382,000 million kWh as it has detected 27 major abnormalities in energy consumption through diagnosis and analysis.

During the Year, the Group issued the Guidelines for the Energy Management Platform to regulate the use and operation of the energy management platform.

- **Annual:** energy consumption estimates, budget review, energy consumption analysis reexamines
- **Quarterly:** energy consumption analysis and data monitoring
- **Monthly:** energy consumption analysis, data quality management, environmental quality review
- **Daily:** energy consumption analysis, environmental quality monitoring



Energy management platform - data board

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## BUILDING A SUSTAINABLE FUTURE

## (III) Indicators and targets

• *Targets and Progress*

During the Year, the targets set by the Group for the management of emissions, energy, water, and waste were all achieved.

Target area	Targets for 2023	Achievements in 2023
Emissions management	<ul style="list-style-type: none"> <li>Gradually reduce the intensity of GHG emission</li> <li>Reduce the use of corporate vehicles and encourage the use of public transportation to lower waste gas emissions</li> <li>Enhance equipment maintenance and improve fuel use efficiency</li> </ul>	<ul style="list-style-type: none"> <li>The intensity of GHG emission decreased by 12% year-on-year</li> <li>Mileage of corporate vehicle decreased by 14% year-on-year</li> <li>Gasoline usage density decreased by 39% year-on-year</li> <li>NOx density decreased by 22% year-on-year</li> </ul>
Energy management	<ul style="list-style-type: none"> <li>Promote energy-saving equipment and upgrade high-energy-consuming appliances to improve energy use efficiency</li> <li>Promote green travel and online meetings to reduce the frequency of travel</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption intensity decreased by 12% year-on-year</li> <li>Mileage of corporate vehicle decreased by 14% year-on-year</li> </ul>
Water management	<ul style="list-style-type: none"> <li>Strengthen water management and reduce water consumption risks such as running, dripping, leaking and seeping</li> <li>Raise awareness of water conservation among employees/stakeholders and improve utilisation rate of water</li> </ul>	<ul style="list-style-type: none"> <li>Water consumption decreased by 5% year-on-year</li> <li>Water consumption intensity decreased by 25% year-on-year</li> <li>Collected 13,841 cubic meters of rainwater</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>Promote sorting, recovery and recycling of wastes</li> <li>Set up new waste sorting stations in residential projects</li> </ul>	<ul style="list-style-type: none"> <li>Hazardous waste intensity decreased by 41% year-on-year</li> <li>Non-hazardous waste intensity decreased by 81% year-on-year</li> <li>Set up 113 new waste sorting stations</li> <li>Set up 62 smart community recycle bins, which automatically recognises the weight of recyclables delivered and generates corresponding rewards</li> </ul>

Based on the environmental targets for 2023, the Group has set forth the following environmental targets for 2024. In the future, the Group will further extend the scope of coverage, aim to set achievable quantitative targets, and explore the feasibility of formulating medium- and long-term plans.

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## BUILDING A SUSTAINABLE FUTURE

Target area	Targets for 2024
Emissions Management	<ul style="list-style-type: none"> <li>Encourage the use of public transportation and reduce the use of corporate vehicles to lower waste gas emissions</li> <li>Enhance equipment maintenance and improve fuel efficiency</li> <li>Gradually reduce the intensity of GHG emissions through intelligent and refined management as well as use of clean energy, etc.</li> </ul>
Energy management	<ul style="list-style-type: none"> <li>Energy consumption intensity reduce by 5% year-on-year</li> <li>Promote energy-saving equipment and upgrade high-energy-consuming appliances to improve energy efficiency</li> <li>Develop renewable energy such as photovoltaic power, explore zero carbon emissions in certain scenarios, and create low-carbon neighbourhoods</li> <li>Promote green travel and online meetings to reduce the frequency of travel</li> </ul>
Water management	<ul style="list-style-type: none"> <li>Water consumption intensity reduce by 5% year-on-year</li> <li>Strengthen water management in energy consumption platform and reduce water consumption risks of running, dripping, leaking and seeping via real-time monitoring</li> <li>Raise awareness of water conservation among employees/stakeholders and improve utilisation rate of water</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>Set up 100 new waste sorting stations</li> <li>Promote waste sorting, recovery and recycling</li> <li>Promote paperless office and reduce office waste</li> </ul>

## 3.2 Biodiversity Protection

Biodiversity is crucial to maintaining ecological balance, while biodiversity protection and ecological environment preservation are inevitable requirements for the Group to implement its sustainable development strategy. The Group strictly adheres to the laws and regulations such as the Environmental Impact Assessment Law of the People's Republic of China, and the Outline for the Protection of Nature of the People's Republic of China in carrying out daily operational management. Moreover, the Group commits to the following principles:

**Selection of Plant Species:** When choosing plant species, their adaptability to the local environment and their impact on the ecosystem should be considered. For instance, efforts should be made to avoid the introduction of alien species to prevent damage to the local ecosystem.

**Soil Protection:** Soil testing should be conducted regularly to understand the nutritional status and pollution levels. If soil quality is found to be declining, measures should be taken to improve it, such as applying organic fertilizers or altering planting patterns.

**Pesticide Use:** Pesticide use should be minimized, especially those that are harmful to the environment and human health. When pesticides are used, they should be applied according to proper methods, such as avoiding spraying when the wind is strong or it is raining to prevent pesticide drift or water pollution.

**Water Body Protection:** Water quality should be checked regularly, and if pollution is detected, immediate measures should be taken for cleaning. Additionally, the use of pesticides or fertilizers should be avoided near water bodies to prevent water pollution.

**Microbial Environment Protection:** The microbial environment should be protected, as microbes are crucial for soil fertility and ecosystem health. For instance, chemicals that kill microbes should be avoided.

**Protection of Ancient Trees:** Ancient trees should be particularly protected, as they not only have ecological value but also historical and cultural significance. For example, protected areas can be established, prohibiting the felling of ancient trees, and regular maintenance and treatment can be conducted.

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## BUILDING A SUSTAINABLE FUTURE

## 3.3 Green Office

## (I) Management

The Group actively advocates green office concept, and has formulated and implemented the Office Power Conservation Management System and other policies and practices. It encourages employees to save water, electricity, and paper in daily office activities, recycle office supplies where possible, reduce the use of disposable products and advocates for green commuting, thereby creating a green and low-carbon workplace.

Green office action	Measures
Paperless office	<ul style="list-style-type: none"> <li>Encourage employees to obtain senior approval and communicate with each other through the office automation (OA) system</li> <li>Encourage the use of digital office tools such as smart contracting, electronic signature, Yue-Butler, Yue-Quality, etc., and replace traditional clerical jobs with online solutions for administrative matters such as task assignments</li> <li>Install smart office equipment, such as smart lighting control system, smart file management system, and cloud office system</li> </ul>
Resource saving	<ul style="list-style-type: none"> <li>Install LED lamps or energy-saving lamps in almost all office areas</li> <li>Put up signs to remind employees to switch off the lights when leaving the office</li> <li>Keep office air-conditioning temperature not lower than 26 Celsius degrees in summer</li> <li>Supply power for air conditioners at limited periods in restaurants and office areas</li> <li>Use sensor LED lights in parking lots and dim the lights when not in use</li> <li>Strengthen the maintenance and management of water supply equipment in the office area, maintain and upgrade the drainage system on a regular basis, and avoid running, dripping, leaking and seeping of gas and water due to poor management and improper handling</li> </ul>
Reduce carbon footprint	<ul style="list-style-type: none"> <li>Arrange a resource sharing area in the office and encourage employees to share books, stationery, and other supplies that are idle</li> <li>Place recycling trash bins for sorted collection and disposal of office waste</li> <li>Implement real-name printing and photocopying, encourage printing on both sides, and the electronic display of meeting materials</li> <li>Set preference for telephone or video conferences. Provide no bottled water for regular meetings</li> <li>Reduce business trips and the use of corporate vehicles</li> <li>Encourage employees to use their own tableware in the canteen and take food as needed</li> </ul>

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## BUILDING A SUSTAINABLE FUTURE

## (II) Actions and practices



Posting of "Turn off your lights to save energy and reduce consumption" sign



Smoke-free office signage at reception

## (III) Indicators and targets

The total electricity consumption of office areas was **1,945,791** kWh

The total water consumption of office areas was **509,481** cubic meters

# 04 BUILDING A HARMONIOUS WORKPLACE

## Our Philosophy

The Group views talent as the most valuable asset for corporate development and the fundamental driving force for its sustainable growth. The Group will safeguard the legal rights and interests of each employee, strives to create an equal, fair, safe, and healthy working environment, and is committed to fostering a harmonious and inclusive workplace culture. To attract and nurture talents, the Group adheres to a diversified talent development philosophy and maintains a scientific and effective talent cultivation and incentive mechanism, enabling employees to achieve their full potential and value.



### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material issues	SDGs	HKEX ESG Indicators
Employee responsibility	Employees' rights and interests and employee care	 	B1
			B1.1
	Diversity and inclusion	 	B2
			B2.3
	Prevention of child labour and forced labour		B3
			B3.1
	Employees' remuneration and benefits		B3.2
			B4
Occupational health and safety		B4.1	
		B4.2	
Employee Development			

## 04/ BUILDING A HARMONIOUS WORKPLACE

### Our Strategies



#### Protection of employees' rights and interests

Respect and fully protect employees' rights and interests, and provide comprehensive employee



#### Diversity, equality and inclusion

Create a workplace that is diverse, equal and inclusive, ensuring that employees of different backgrounds, genders, ages, cultures, and capabilities are respected and given equal opportunities



#### Occupational health and safety

Strictly adhere to health and safety related regulations. Arrange regular safety training, health examinations and emergency drills to fully protect each employee's health and well-being



#### Employee development

Build up employees' multi-faceted capabilities through a comprehensive training mechanism and provide tailored career development plans



#### Employees' remuneration and benefits

Offer competitive remuneration packages and a full range of benefits to attract and retain high-caliber talents

## 04/ BUILDING A HARMONIOUS WORKPLACE

### 4.1 Protection of Employees' Rights and Interests

#### (I) Management

##### • Respecting employees' labour rights and interests

The Group respects and supports international covenants, regulations or principles on human rights, such as the Convention concerning Discrimination in Respect of Employment and Occupation, the Abolition of Forced Labour Convention, the International Labour Organisation (ILO) Constitution, and the Ten Principles of the UN Global Compact. The Group strictly follows laws and regulations related to employment and labour management, such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and the Employment Ordinance of Hong Kong SAR. The Group is committed to upholding the core conventions of the International Labour Organisation, and has developed and implemented internal policies and guidelines such as the Detailed Rules for the Management of Talent Allocation, the Management Measures for Recruitment, the Management Measures for Recruitment Channels, and the Management Measures for Labour Contracts. The Group is committed to creating an equal and fair employment environment and development platform for employees and comprehensively protecting their legal rights and interests.

##### • Equal employment

The Group has always adhered to the principles of "equity, fairness, and openness", striving to provide equal employment and career development opportunities. In each employment decision, including recruitment, appointment, transfer, training, promotion and so on, the Group treats all candidates equally, selects the right persons in strict accordance with the job requirements, ensures objective, rational, and consistent recruitment process and selection standards, and strives to match employees with job requirements and enable them to realise their full potential, thus generating continuous momentum for the Group's development.

##### • Anti-discrimination and anti-harassment

The Group respects individual difference of each employee and recognises their contribution to the Group. The Group undertakes not to discriminate against anyone on the basis of their race, skin colour, gender, age, nationality, region, cultural background, religious belief, political affiliation, marital status, citizenship, disability, veteran status or any other factors protected by law. The Group strives to create a harmonious and inclusive environment where its employees work together efficiently and will not tolerate illegal discrimination or harassment in any form.

In addition, the Group encourages employees to report workplace discrimination and harassment and undertakes to provide necessary protective measures for whistleblowers to prevent any form of retaliation. For cases of discrimination or harassment that are confirmed through investigation, the Group will impose severe disciplinary punishment, including termination of employment.

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## BUILDING A HARMONIOUS WORKPLACE

- *Respecting the freedom of association and collective bargaining*

The Group places high importance on employees' freedom of association and collective bargaining rights and firmly protects their freedom of speech and expression, ensuring that employees can exercise their right to organise, join, or refrain from joining the labour union, employee representative councils, and other employee organisations in accordance with laws and regulations where they locate without worrying about any form of retaliation, intimidation, or other harassment.

The signing of the Group's collective agreement shows full respect to the views of the employees and collective contracts have been signed by certain subsidiaries based on the trade union organisation. Prior to the signing of the collective agreement, an employee congress will be convened, where representatives of the Group and employee representatives will discuss the main terms and conditions of the collective agreement clause by clause. After mutual agreement is reached, the collective agreement will be publicised for 15 days, during which any comments or feedback can be raised. If no objections are received, the agreement will become effective upon signing after the end of such publication period. In case of expiry of the signed agreement or significant changes in the content of the agreement, the procedure for signing the collective agreement will be reactivated.

- *Democratic communication*

The Group values the feedback of employees and keeps communication channels open for employees to protect their rights to information and participation. The Group has set up diverse communication mechanisms and arranges informal chats, monthly meetings, management meetings, performance meetings, employee talks, new employee orientation, and employee representative meetings to promote direct communication between the management and general employees, and enable management to understand requests, give timely feedback and help solve difficulties, so as to constantly improve employees' satisfaction and sense of belonging.

In addition, employees can report their opinions through channels such as the "Yue Work Live (悦工作)" platform and hotline, or engage in face-to-face communication with the Human Resources Department or indirect superiors across different hierarchical levels. The Human Resources Department has developed relevant management guidelines and provided the contact information of the persons in charge. Employees' opinions or feedback will be followed up and handled by dedicated personnel, and if necessary, will be reported to the superiors to ensure accurate delivery of information and the security of employees' privacy.

- *Prohibition of child labour and forced labour*

The Group strictly prohibits any form of child labour and forced labour, and follows the Provisions on the Prohibition of Using Child Labour, the Employment Ordinance of Hong Kong SAR, and the requirements of other laws and regulations. The Group has signed employment contracts with all regular employees and signed service contracts with interns and temporary workers to safeguard their legal rights and interests. Additionally, the Group has strengthened human rights training, to equip its employees with a better understanding of their rights and enable them to identify behaviours that may infringe on the human rights of other employees.

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## BUILDING A HARMONIOUS WORKPLACE

The Group focuses on the prevention of such behaviours. In case any relevant cases are noted, the Group will promptly investigate and take remedial measures, including suspending the relevant person, arranging for them to undergo physical examination to assess their health status, and notifying the local labour bureau. With the consent of the individual involved (in the case of child labour), the Group will send the child to their original place of residence or school and contact their parents or guardians. During the Year, the Group had no event of child labour or forced labour.

The Group also adopts a zero-tolerance approach towards the use of child labour and forced labour by its suppliers. The Group strictly assesses suppliers' protection of human rights. If a supplier is found to have committed a violation involving using child labour or forced labour, the Group will immediately take corrective measures, including giving warnings or punishment or terminate the cooperation if necessary. By doing so, the Group ensures that labour practices within its supply chain adhere to the Group's ethical standards and legal requirements, and it collaborates with its partners to uphold responsible business practices.

- *Care for employees*

The Group values employees' physical and mental health and wellbeing and is committed to creating "a home for employees" filled with warmth and care. Through organising various employee care activities, the Group helps employees to balance work and life, thereby enhancing their happiness and sense of belonging, strengthening team cohesiveness and providing solid talent support for the long-term development of the Group.

Dimension	Measures
Physical examinations	Organise yearly health examinations for all employees
Recreational and sports activities	Carry out recreational and sports activities, such as badminton, football, basketball, and yoga
Welfare on festivals	Organise celebration activities and distribute gifts during festivals
Care for females	Give special gifts on and organise activities for International Women's Day, organise special physical examinations for female employees, and make available nursing rooms
Welfare in the summer	Enhance labour protection in high temperature days and provide cooling items to front-line workers
Care for health	Organise representatives to visit employees when a child is born, a family member passes away or is hospitalised
Mental health	Pay attention to employees' mental health, and provide special psychological development counselling for companies with high business pressure, relatively new teams, etc.

# 04/ BUILDING A HARMONIOUS WORKPLACE

## (II) Actions and practices

### Take warm care for employees

The Group provided financial assistance to each employee in difficulties during the Spring Festival, and granted a targeted relief fund of RMB10,000 to a seriously ill employee, to help them tide over the difficulties as soon as possible.

In addition, labour unions at different levels of the Group visited 210 projects to extend new year greetings, covering 4,720 front-line employees. Based on their needs, the labour unions offered energy supplement foods such as instant noodles, ham sausages and milk, as well as cold-proof items such as gloves, scarves and thermos cups for front-line workers.



New year greetings from the labour unions

# 04/ BUILDING A HARMONIOUS WORKPLACE

### Mental health training for employees

In order to meet the multi-level needs of employees for high-quality mental health and enhance the harmonious relationship between the Group and its employees, in June 2023, the Group organised a mental health training for employees with the theme of "Play Your Ace - Emotion and Stress Management", with more than 1,200 participants joining through on-site and online means. The training guided employees to learn about the importance of emotion and stress management and coping methods, with the aim of improving employees' capabilities in emotion regulation and stress relief.



On-site mental health training

### External recognition

#### Award

Guangzhou AAAA Enterprise with Harmonious Labour Relations

#### Accredited unit

Guangzhou Yuexiu Property Development Co., Ltd.

### (III) Indicators and targets

0 strikes/lockouts in the past three years

0 major layoff

## 04/

## BUILDING A HARMONIOUS WORKPLACE

## 4.2 Diversity, Equality and Inclusion

## (I) Management

## • Board diversity

The Group firmly believes that board diversity is crucial for realising its strategic goals and achieving sustainable development. To ensure the balanced and diversified development of board members, the Group has formulated and implemented the Board Member Diversity Policy. In the selection of board members, the Group takes into account various diversity factors, including professional expertise, skill sets, knowledge, gender, age, cultural and educational background, race, and service tenure. A diversified board structure helps improve corporate governance, ensures compliance of governance practices, and enables more balanced decision-making of the Board. Through these efforts, the Group aims to create a more inclusive and efficient decision-making mechanism to support its long-term success and sustainable development. For detailed information on diversity of the Board, please refer to the Corporate Governance Report in the Company's 2023 Annual Report.

## • Employment Diversity

High-calibre talents are the key driving force of corporate development. The Group is committed to building a team with diverse talents and continuously improves its employee structure to ensure a balanced distribution among team members in terms of gender, age, region, and other dimensions. The Group prohibits any form of illegal employment and adheres to the principle of equal pay for equal work regardless of gender. During the Year, all male and female employees at the same level receive equal pay. As of 31 December 2023, female accounted for 40.62% (2022: 38.77%) of the Group's employees, and accounted for 35.93% in management.

To attract and select outstanding talents, the Group has established a recruitment management system and standardised recruitment processes. Through diversified channels such as social recruitment, campus recruitment and internal referral, the Group sources talents to strengthen its talent pool. In addition, the Group has launched talent training programmes such as "Yuxiu Sheng (毓秀生)" and "Management Trainee" to attract capable potential graduates.

## • Integration of Diversity, Equality and Inclusion into Management

The Group emphasizes the integration of the concepts of diversity, equality and inclusion into the workplace culture, and promotes gender equality, prevention of sexual harassment in the workplace, respects employees of different cultures and fosters cross-cultural integration through training and publicity.

The Group also gives full consideration to the diversified needs of employees in the design of office space and facilities. For example, the Group sets up baby care rooms for female employees, provides parental leave, etc., and installs additional accessibility facilities (such as wheelchair ramps) where necessary.

## 04/

## BUILDING A HARMONIOUS WORKPLACE

## (II) Actions and practices

## Recruitment Sessions for Veterans

During the Year, in order to support the high-quality employment of veterans, the Group, in collaboration with Guangzhou Municipal Veterans Affairs Bureau and Guangzhou Talent Group, organised multiple recruitment sessions for veterans under the theme of "Veterans Return to Guangzhou (戎歸羊城)", allowing them to gain a comprehensive understanding of corporate operations and working environment. Resume collection, interviews and discussions were conducted on site in an efficient manner.



Recruitment session for veterans

## Campus Recruitment Sessions

During the Year, the Group organised the 2024 Campus Recruitment Sessions at Zhongnan University of Economics and Law in Wuhan, collected 183 resumes through online and on-site means, and finally signed contracts with 4 management trainees after four rounds of screening. The Group developed a one-year rotation plan for management trainees under the "2024 Hummingbird Programme".

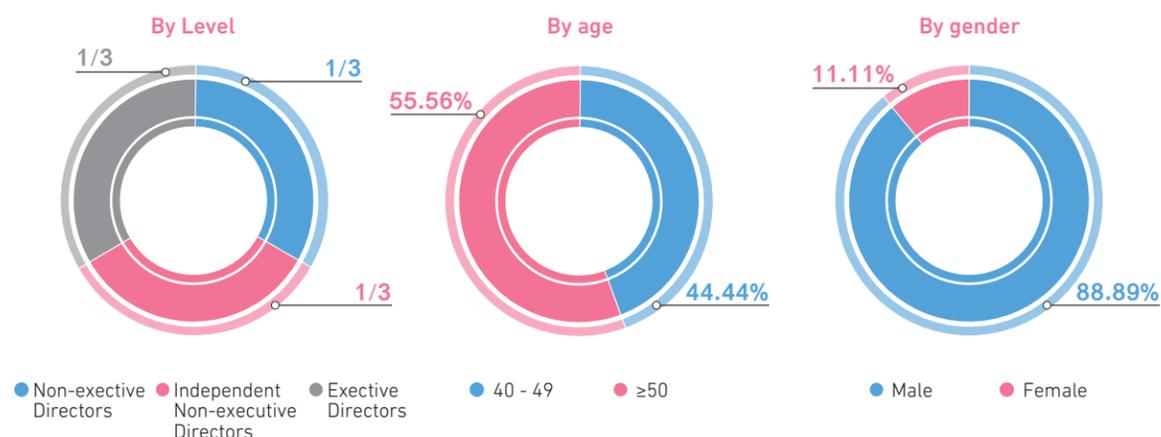


Campus recruitment

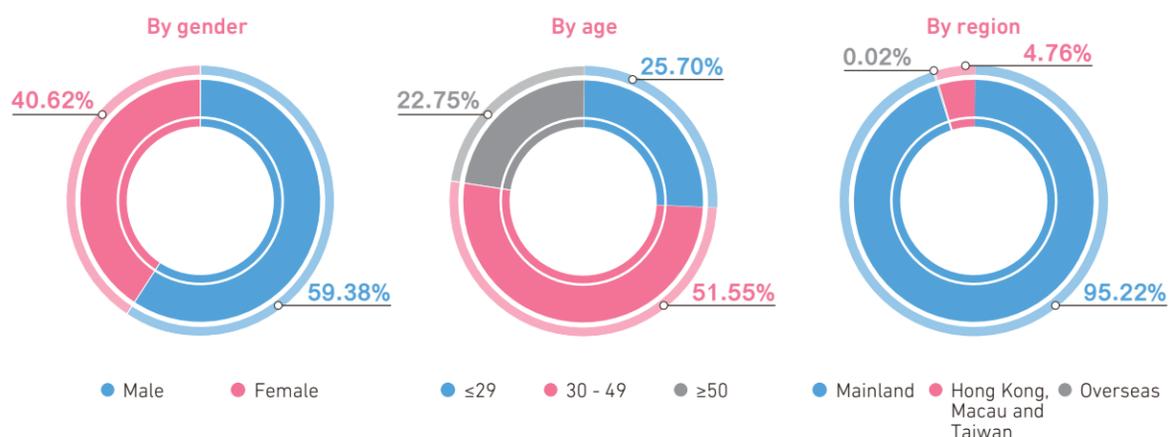
## 04/ BUILDING A HARMONIOUS WORKPLACE

### (III) Indicators and targets

As at 31 December 2023, the Group had 9 Directors. The composition of such Directors by level, age and gender is shown below:



As at 31 December 2023, the Group had 13,743 employees. The composition of such employees by gender, age group and region is shown below:



The number of new employees recruited during the Year was 7,359.

## 04/ BUILDING A HARMONIOUS WORKPLACE

### 4.3 Occupational Health and Safety

#### (I) Management

##### • Improvement of the system

The Group has strictly followed the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, formulated and implemented internal policies and guidelines, such as the Management Guidelines for Prevention and Control of Occupational Diseases, Detailed Rules for Management of Employees' Occupational Health and Hygiene, Guidelines on Occupational Health Management for Related Parties, Safety Manual for Employees, which are applicable to all employees of the Group and related parties, to regulate the Group's health and safety management. For employees of related parties, the Group has formulated and issued the Notification to Related Parties to set forth specific requirements on the management of employees' work safety.

The Group has incorporated work safety into performance assessments in the form of weighted indicators, and deducts points from subsidiaries that experienced major work safety or quality accidents. In the event of a material work safety incident as stipulated in the "Regulations on Reporting, Investigating and Handling Work Safety Accident" (Decree of the State Council [2007] No. 493), variable compensation will be deducted from the remuneration package.

## 04/

## BUILDING A HARMONIOUS WORKPLACE

## • External certification

Certificate	Certified entity
ISO 45001 certification	Guangzhou Yuexiu Property Development Co., Ltd.
	Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.
	Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.
	Guangzhou Metro Environmental Engineering Co., Ltd.
	Guangzhou Metro Property Management Co., Ltd.
	Yue Xiu Property Management Limited
	Yue Xiu APT Parking Limited

## • Regular review

The Group is committed to establishing and improving its internal occupational health and safety management system, and engages professional external third-parties to conduct health and safety evaluation every three years to ensure the effective operation of the system.

Dimension	Measures
Regulating operation requirements	Employees are required to strictly abide by labour discipline, work safety rules and regulations, work safety operation guidelines, etc.
Creating a safe environment	Regular inspection of the working environment in the office area by the safety management department, which covers all the employees, to eliminate potential risks to occupational health and safety
Providing safety equipment	Employees are provided with protection equipment needed for work
Organising safety training	Health and safety training for all employees (including part-time and contractors) and suppliers adopting consistent safety standards, safety awareness promotion in themed meetings, internal notifications, regular bulletins, and safety education and training for new employees
Improving welfare protection	Commercial medical insurance enrolled for all employees

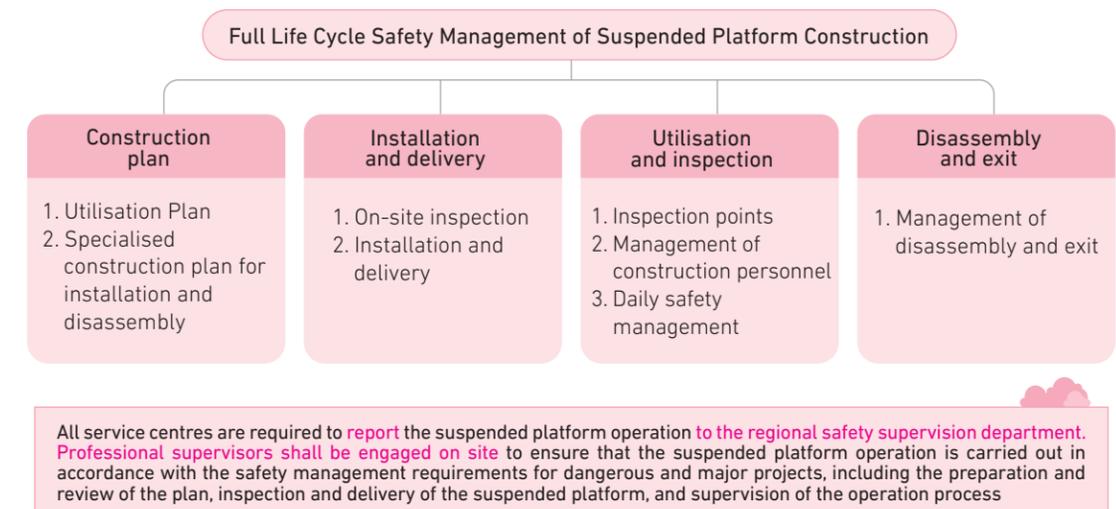
## 04/

## BUILDING A HARMONIOUS WORKPLACE

## (II) Actions and practices

During the Year, the Group attaches great importance to and continuously conducts various safety-related thematic training sessions (including monthly safety tests), organises safety drills, and strengthens safety promotion, aiming to comprehensively promote and implement standardised operating procedures for all employees, raise safety awareness, and reduce the occurrence of accidents.

- **Training on dangerous operations:** In May 2023, the Safety Supervision Department organised a training on the Full Life Cycle Safety Management of Suspended Platforms, to draw employers' attention on the importance of safety of suspended platforms, explained the full life cycle safety management measures of suspended platforms, and explained required standardised reporting procedures for dangerous operations. After the training, an online knowledge assessment of suspended platform operations was conducted to strengthen employees' safety awareness regarding dangerous operations. A total of 517 participants completed the test, with an average score of 97 points



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**BUILDING A HARMONIOUS WORKPLACE**

- **Safety leadership training:** In September 2023, a third-party safety trainer was engaged to conduct a course on Enhancing Safety Leadership for Enterprise and Undertaking the Main Responsibility for Work Safety. The course began with a review of safety accident cases to illustrate the significance of establishing safety leadership; emphasised the importance of safety awareness by interpreting the labour safety provisions of the Criminal Law; and adopted a safety leadership building mechanism to establish a six-dimensional safety leadership mindset among managers of the Company, thereby continuing to reinforce the sense of safety responsibility at the leadership levels

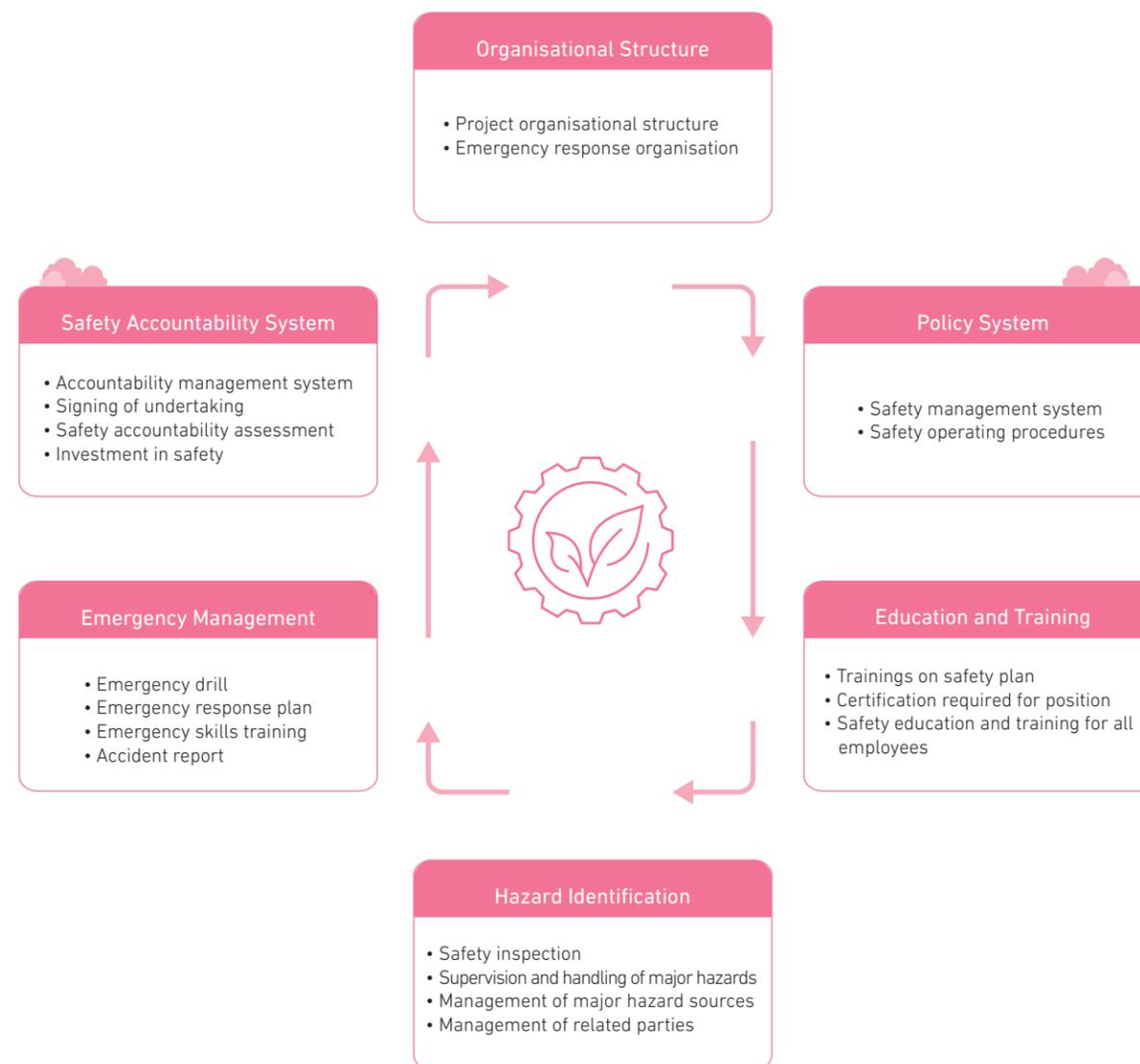
**Building Exceptional Safety Leadership**



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**BUILDING A HARMONIOUS WORKPLACE**

- **Safety assessment training for project managers:** the Group made clear the safety management duties and boundaries of responsibility of project managers; regulated the safety management measures of project managers in six aspects, namely organisational structure, policy system, education and training, hazard identification, emergency management and implementation of accountability system; and demonstrated the key points of on-site management in areas such as redecoration and fire fighting through case study



**(III) Indicators and targets**

Safety training covered **13,765** person times with **100%** coverage

## 04/

## BUILDING A HARMONIOUS WORKPLACE

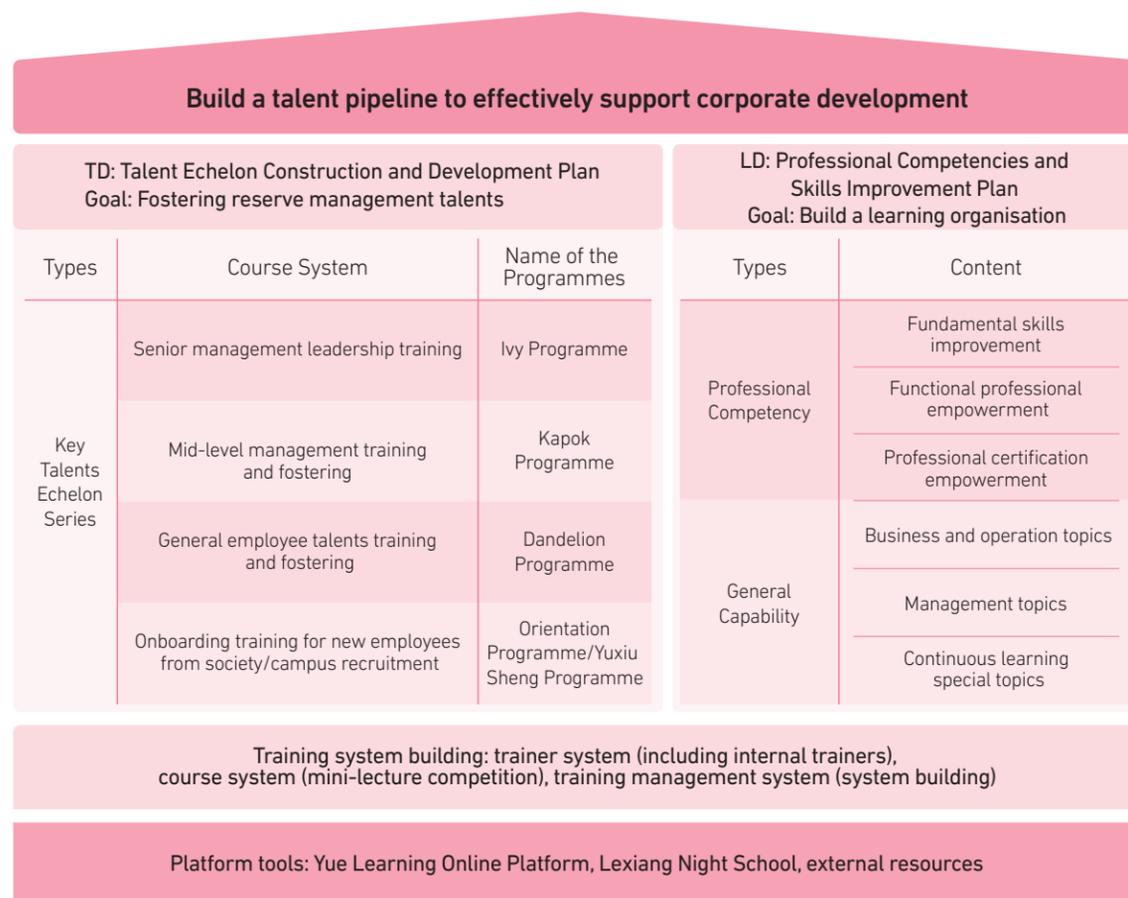
## 4.4 Employee Development

## (I) Management

The Group has built a training system covering the entire life cycle of talent development, and provided suitable training programmes and customised diversified career development planning and path for all employees including fresh graduates, junior employees, employees of business lines and management, to improve employees' professional skills, broaden their career development paths, and further attract and retain professional talents, thereby building a talent pipeline to effectively support the Company's development.

The Group has formulated policies such as the Annual Training Guide, the Employee Orientation/Transfer Training Guide, the Management Measures for Internal Trainers, the Management System of the Training Academy, and the Management Measures for Talent Appraisal and Allocation. During the Year, the Group formulated the Detailed Rules for Management of Talent Cultivation and Training to stipulate the management of training plans, internal trainers and course system, clarify the training operation process and duties and responsibilities of trainers, and encourage employees to actively improve themselves. The Group has set up special rewards for internal talent cultivation, including by introducing a reward mechanism for course development and the Bole Award (伯樂獎) for project managers to foster new project leaders, to encourage the construction of the training system and further education of talents.

- Training Management System



## 04/

## BUILDING A HARMONIOUS WORKPLACE

- Key Talents Echelon Series

Training Programme	Annual Progress
"Ivy Programme (常青藤計劃)"	Nearly 20 training courses arranged during the Year, including leadership, business operation and development with the participation of 36 mid to high-level management
"Kapok Programme (紅棉計劃)"	For mid-level management: over 30 training sessions through leadership model courses, peer benchmark and exchange, management tutoring, covering over 300 participants, to open up internal promotion channels
	For project managers: over 20 courses were rolled out with the participation of nearly 300 persons, and the internal promotion rate of project managers has reached 41.6%
"Dandelion programme (蒲公英計劃)"	20 trainees got promoted/rise hike. 150 enrolled for the new program, up by 58.7% year-on-year, with 64 admitted after interview
Yuxiu Sheng Training	49 management trainees recruited during the Year, who attended a 10-day intensive training with a passing rate of 100%

- Special training for the commercial property management segment

Training Programme	Training content
"Petrel Programme (海燕計劃)"	<p><b>Address the pain points of business lines</b></p> <p>Focusing on the improvement of professional capabilities in retail, office, human resources, property services and other business lines, the Group organised 6 types of specialised training in terms of project quality, safety, engineering, BOMA, recruitment, and comprehensive operation, through knowledge sharing, practical exercise and comprehensive assessment</p> <p>During the Year, a total of 25 specialised courses were developed and certified, and a total of 1,320 on-site intensive trainings were organised</p>
"Hummingbird Programme (蜂鳥計劃)"	<p><b>Improve the comprehensive quality of fresh graduates</b></p> <p>The Group customised an on-site intensive training programme for management trainees to develop their corporate culture identity, facilitate their transition to the role of an employee and improve their professional capability based on practical exercise</p> <p>During the Year, through the model of "job rotation + online system training", a total of 5 trainings were organised, covering 60 person times</p>
"Kunpeng Programme (鯤鵬計劃)"	<p><b>Practical Training Project</b></p> <p>The Group engaged external agencies to provide management empowerment courses targeting first-level managers, tap into potentials of different business types, focus on key issues, unify the perception of asset management, so as to facilitate synergy and maximise asset value</p> <p>During the Year, 10 theme trainings were organised, covering 310 participants</p>

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## BUILDING A HARMONIOUS WORKPLACE

## • Training modes

Online learning platform	Annual progress
"Yue Learning Platform (悦學習平台)"	218 courses added during the Year, including courses in professional property management and other topics open for all employees
"Lexiang Night School (樂享夜校)"	28 courses rolled out during the Year, covering the latest business knowledge, policy interpretation, industry trends and professional skills, with the participation of over 3,500 participants

In addition, the Group's training development academy also provided special courses in terms of amoeba function, performance management etc. for frontline staff and first, mid to high-level management. 36,829 training sessions in total were arranged during the Year.

## • Working with external professional organisations to develop trainings

The Group is committed to developing effective and comprehensive training courses through both internal and external trainings. During the Year, the Group organised professional trainings with multiple external professional organisations, mainly focusing on property services, asset management, team development and other related topics, covering key executives and core personnel at the first to mid-level, involving a total of 350 participants.

## • Apprenticeship programme

The Group has customised a dedicated apprenticeship programme to continuously facilitate the rapid and targeted growth of fresh graduates. The Group adopts a "dual mentor" coaching mechanism, designating a business mentor to help fresh graduates improve their job-related skills and a human resources mentor to help fresh graduates learn about corporate culture and develop career plans and to provide psychological counselling. During their job rotation period, the Human Resources Department organises apprentice meetings to resolve job-related issues and promote experience, sharing and interaction.

## • Optimisation of the talent pool

The Group supports and encourages on-the-job continuing education of all employees (including outsourced staff) based on their professional backgrounds, enabling them to pursue higher academic degrees, obtain qualification certifications, advance skillset, and broaden the direction of career development. Moreover, in accordance with policies such as the Employee Certificate Management Measures (Trial) and Employee Self-improvement Management Measures, the Group provides reimbursement and financial support based on the employee's learning progress and qualification attainment.

During the Year, the Group provided supports for 34 types of skills certification and certificate, including reimbursement for examination costs, one-off/long-term subsidies, and bonus score in performance appraisals. 31 employees completed professional certification and reimbursement for obtaining qualification certificates on engineering operation, fire safety, first aid, etc.

## 04/

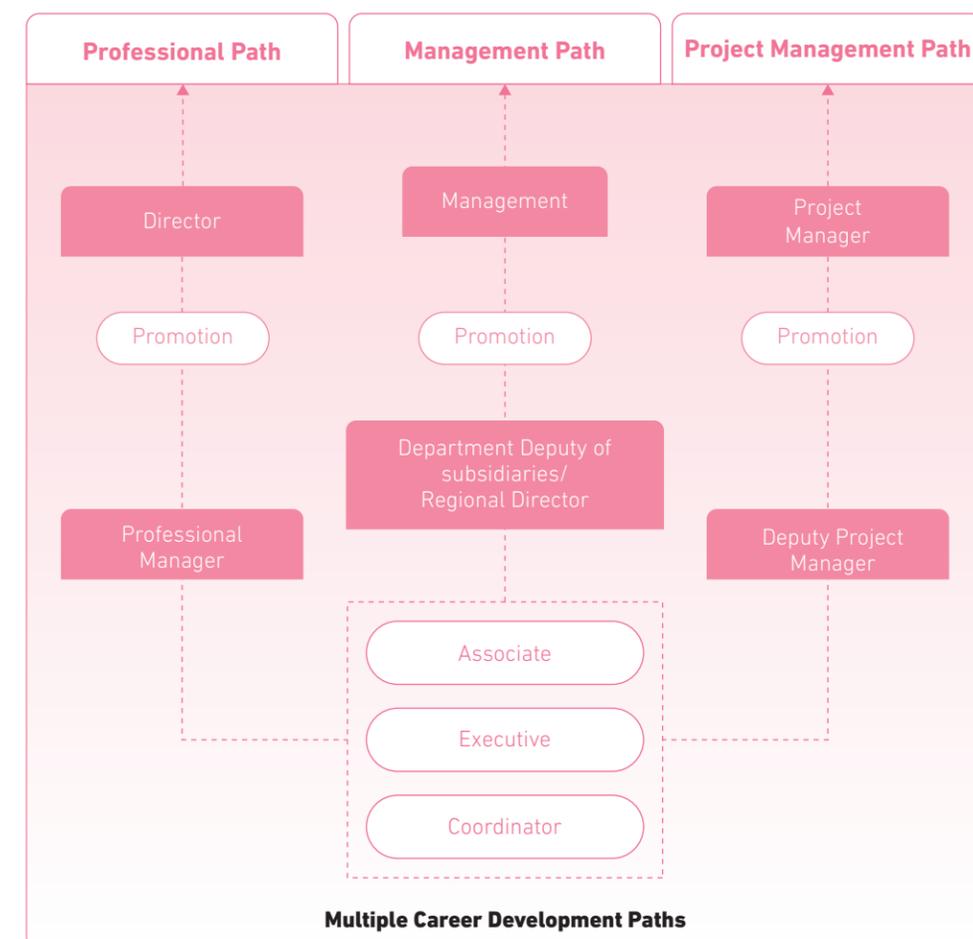
## BUILDING A HARMONIOUS WORKPLACE

## • Unblocked promotion channels

Under the principle of "fair, impartial and merit-based selection", talents recognising the Group's corporate culture and meeting development needs will be promoted. The Group has formulated the Position Management Measures, the Employee Promotion Management Measures, and the Management Promotion Measures and other rules to regulate and guide promotion management. In addition, the Group regularly reviews its talent structure and introduces internal competition to maintain a healthy competition environment.

The Group is committed to implementing an appointment, dismissal, and promotion mechanism with clearly defined requirements and baseline, keeping promotion channels open to capable employees with outstanding performance. The Group provides multiple career development paths, including management path and professional path, and enables the free flow between the two paths according to corporate development needs, so as to ensure fair promotion and stable development of employees.

To stimulate corporate vitality and improve employees' overall quality, the Group launched five phases of the "flowing water plan (活水計劃)" during the Year to provide an internal job switch platform in the form of "preliminary publicity - application - two-way selection - registration". The Group offered 230 positions at associate and above levels, with a total of 15 employees switching their jobs internally, thereby opening up internal development channels for employees, and allowing them to choose the development direction that meets their own expectations.



## 04/ BUILDING A HARMONIOUS WORKPLACE

### (II) Actions and practices

#### Intensive training for the 2023 management trainees

In order to help fresh graduate employees adapt to the team, gain an in-depth understanding of corporate culture and business skills, and cultivate good professional qualities, the Group organised a 10-day intensive training for the 2023 management trainees with an upgraded talent cultivation system from various aspects including cultural identity, business empowerment, professional awareness, and site visits.



Intensive training for management trainees

### (III) Indicators and targets

**15** employees switched their jobs through the "flowing water plan (活水計劃)"

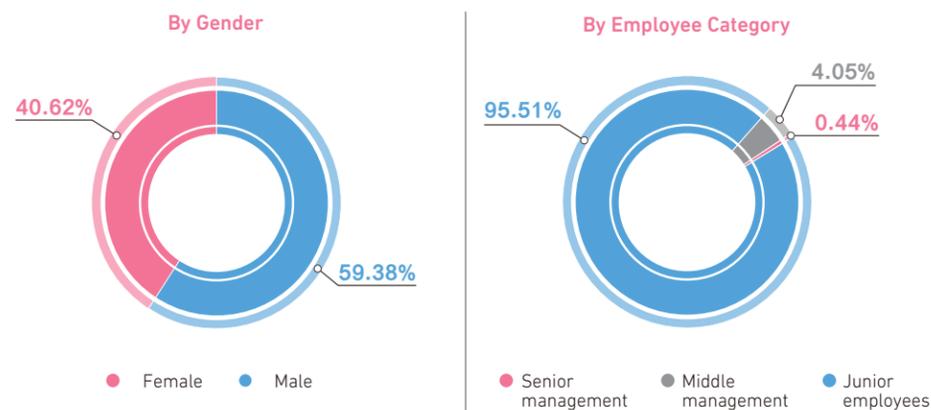
Internal promotion rate of project managers reached **41.6%**

Over **50** training projects organised for Directors and employees, recording around **600,000** training hours

The total number of employees trained amounted to **253,622** person times

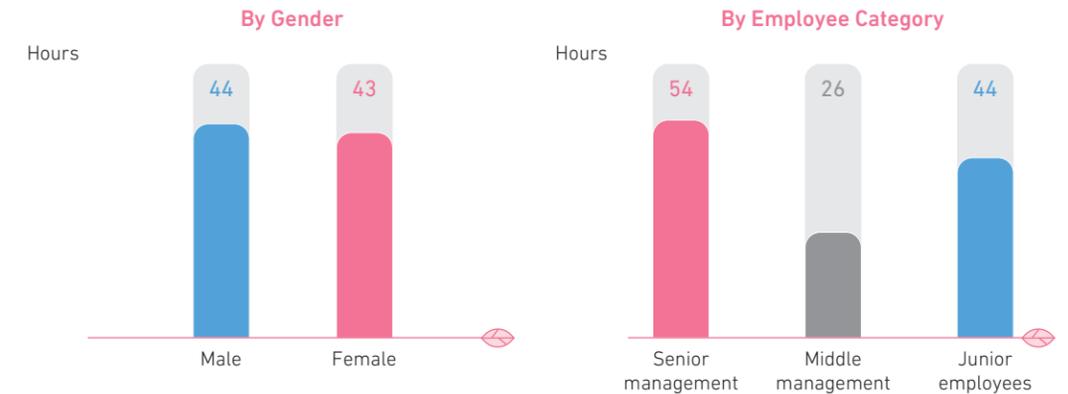
Management capability training for leaders at all levels, with a coverage rate of **100%**

The percentage of employees trained by gender and employee category is shown below:



## 04/ BUILDING A HARMONIOUS WORKPLACE

The average training hours completed per employee by gender and employee category is shown below:



## 4.5 Employees' Remuneration and Benefits

### (I) Management

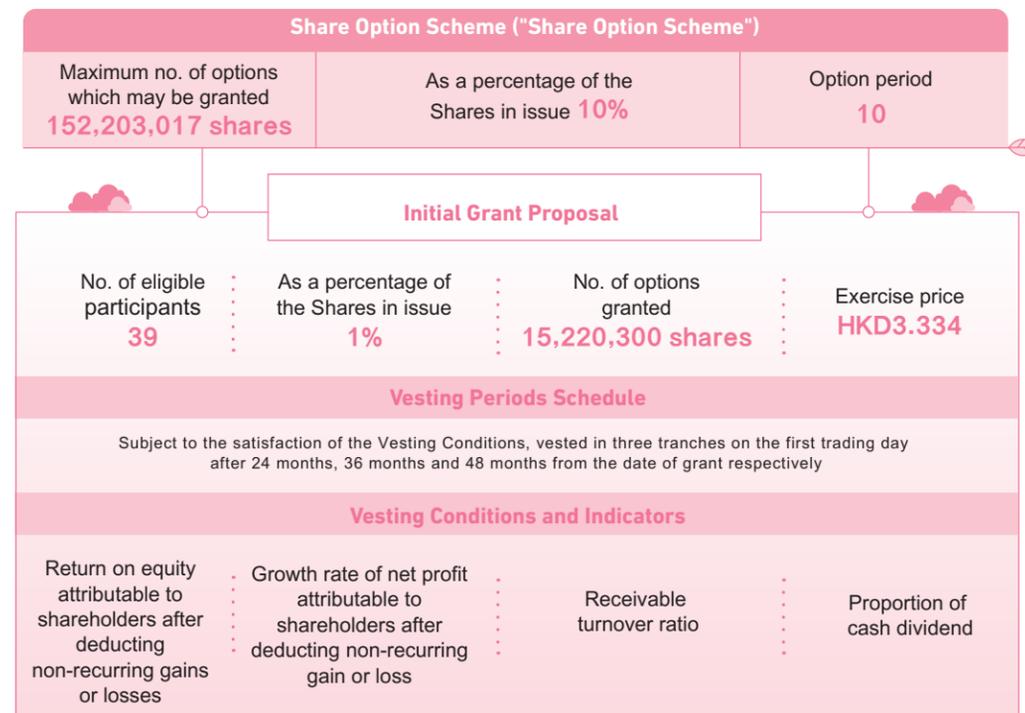
By actively monitoring the internal fairness and external market trend, the Group continuously optimises the remuneration and benefit system and a sound incentive mechanism for employees. It is committed to providing employees with competitive remuneration packages to attract and retain high-calibre talents, and encourages employees to keep improving themselves and fully realise their value.

- Share option scheme**

To further optimise its governance structure, improve the medium to long-term incentive mechanism and fully motivate the core management, the Group has adopted a share option scheme and formulated relevant appraisal and management measures during the Year. Share options in aggregate representing 1% of the Shares in issue were conditionally granted to 39 members of the senior management and key business personnel. Upon achievement of vesting condition, the first batch will be vested at the end of 2024 and become exercisable share options. For details of the share option scheme, please refer to the announcement and circular of the Company dated 30 December 2022 and 26 January 2023, respectively, and the 2023 Annual Report.

## 04/

## BUILDING A HARMONIOUS WORKPLACE



- Compensation system and performance appraisal**

Focusing on high performance, the Group has formulated policies such as the Management Measures for Headquarters Performance, the Management Measures for Employees' Remuneration and Benefits, Management Measures for Performance Appraisal of the Management of Member Companies, Management Measures for Performance Appraisal of Functional Departments and Employees, and Management Measures for Performance Appraisal of Project Leaders. It has established a compensation structure of "basic salary + performance bonus + variable income" for all employees to mobilise their enthusiasm and initiative.

According to the Management Measures for the Appraisal System of Project-level Employees (Trial), the Group gives comprehensive consideration to employees' performance, behaviour, growth, and creativity. The results will be directly linked to their performance bonus and serve as an important basis for talent review, backup management selection, promotion and salary adjustment, and merit rating.

In order to fully motivate the inner drive of the team, the Group implements the amoeba model at the project, regional and headquarters levels, encouraging all employees to participate in operations and profit sharing, so as to maximise corporate and personal value. This model has successfully led to revenue growth and cost reduction at the project level will be further promoted.

In addition, to fully motivate its employees through performance appraisal, the Group incorporated non-financial indicators such as work safety, energy consumption, customer satisfaction, risk management and integrity red lines, with each criteria weighted or put as pluses/minuses, in the performance appraisal of employees and functional departments.

During the performance appraisal process, employees who believes that they have been treated unfairly or are dissatisfied with the appraisal results may directly appeal to the Human Resources Centre and complete the Performance Appraisal Appeal Form during the appraisal period or within 3 working days after being notified of the appraisal results. The performance appraisal team will then verify and adjust data, and submit for approval before providing feedback or making adjustment, as applicable.

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## BUILDING A HARMONIOUS WORKPLACE

Benefits	
Statutory benefits	In accordance with applicable national or local regulations, all employees enjoy: <ul style="list-style-type: none"> <li>Statutory holidays</li> <li>Social insurance, including basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, etc.</li> <li>Housing provident fund</li> <li>Other statutory benefits</li> </ul>
Basic benefits	All employees enjoy: <ul style="list-style-type: none"> <li>Leaves entitlement, including sick leave, work-related injury leave, personal leave, leave for public affairs, marriage leave, condolence leave, prenatal checkup leave, maternity leave, paternity leave, nursing leave and annual leave (in addition to statutory holidays)</li> <li>Cash gift or present for the Chinese New Year, Mid-autumn Festival, and other traditional festivals</li> <li>Employees' birthday cash gift or present</li> <li>Meal allowance</li> <li>Communication allowance</li> <li>Subsidies for weddings and funerals</li> <li>Commercial medical insurance</li> </ul> <p>Approximately 94% of employees enjoy:</p> <ul style="list-style-type: none"> <li>Employee group commercial insurance</li> </ul>
Special benefits	Employees who meet applicable conditions enjoy: <ul style="list-style-type: none"> <li>Work-related injury insurance</li> <li>Supplementary commercial insurance</li> <li>Accident insurance</li> <li>Employee dormitory</li> <li>Housing allowance</li> <li>High-temperature/low-temperature allowance</li> <li>Reimbursement for training and examination fees and subsidies for obtaining professional certificates</li> </ul>

## (II) Indicators and targets

Coverage of work-related injury insurance for employees reached **100%**

# 05 BUILDING A PROSPEROUS ECO-SYSTEM

## Our Philosophy

The Group believes that openness and cooperation are the keys to achieving win-win results. The Group values environmental and social risk management for its supply chain and partners with suppliers to fulfil social responsibilities. The Group acknowledges its strategic advantages and influence in the value chain by actively taking part in developing industry standards, promoting the integration of resources with its suppliers, partners and peers. In this way, the Group not only drives its business development, but also continues to promote the formation of new industry development practices.

### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material issues	SDGs	HKEX ESG Indicators
Supply chain responsibility	Sustainable supply chain management Industry exchange and development	 	B5 B5.1 B5.2 B5.3 B5.4



## 05/ BUILDING A PROSPEROUS ECO-SYSTEM

### Our Strategies



#### Sustainable supply chain management

Actively promote the sustainable transformation of the supply chain, identify and manage environmental and social risks in the supply chain at an early stage, and advocate green and transparent procurement.



#### Industry exchange and development

Participate in the formulation of industry standards, and contribute to the prosperity and development of the industry.

## 05/

## BUILDING A PROSPEROUS ECO-SYSTEM

### 5.1 Sustainable Supply Chain Management

#### (I) Management

The Group continuously strengthens its supplier management through establishing a standardised management system under the consistent principle of open, fair, and impartial bidding and procurement. Meanwhile, the Group actively promotes the sustainable transformation of the supply chain, identifies and manages environmental and social risks in the supply chain at an early stage and advocates green and transparent procurement, to promote the sustainable development of its value chain.

- *Improving the supply chain management mechanism*

The Group continues to improve the Supplier Management Implementation Rules, the Compilation of Work Safety Management Systems and other internal policies, which applies to all admitted suppliers. The Group continuously optimises the tendering process, review its supplier pool and manages suppliers by category, and clarifies the supplier inspection and performance evaluation standards, in an effort to monitor supply, manage suppliers category chain risks and improve the quality of supplier management on an ongoing basis.

Dimension	Measures
Admission approval	In order to accurately adapt to project needs, the supplier pool is divided into two classes: regular pool and high-end project pool, each applying different selection criteria. Suppliers are required to present complete enterprise credentials, as well as professional qualifications and proved service quality, financial strength and historical performance matching the tendering requirements upon admission. The Group ensures the authenticity of information provided by suppliers through site visits, on-the-spot inspections, and professional assessments. All of these are taken into account for evaluation and record keeping
Contract fulfilment evaluation	The Group regularly evaluates suppliers' contract fulfilment in terms of product quality, on-site service, cooperation history, safety management, response speed, after-sales service, and pricing, so as to ensure the high quality of its supplier pool
Update and adjustment	The Group will collect the results of supplier performance evaluation, and make adjustments to the supplier pool. For suppliers who do not meet the requirements or record two consecutive significant downgrades in performance evaluation, the Group will require improvement, suspend current or future cooperation and/or take other actions, depending on the specific circumstances

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## BUILDING A PROSPEROUS ECO-SYSTEM

- Managing ESG risks for the supply chain

The Group strives to build a sustainable supply chain and attaches great importance to ESG risk management in the supply chain. To this end, the Group has publicly disclosed the Supplier Code of Conduct on its official website, which emphasises the relevant policies on business compliance, business ethics, labour management, employee health and safety, and environmental protection that suppliers should abide by.

The Group has set up Cooperation Development Centre which, in collaboration with the Tendering and Procurement Department, implements full life-cycle management of suppliers to further enhance the performance fulfilment of the supply chain. The Cooperation Development Centre is responsible for handling issues reported by suppliers during the contract performance process and monitoring whether they strictly comply with relevant industry regulations and business ethics standards, in a joint effort to maintaining long-term strategic partnership with them, and partner together to fulfil corporate social responsibilities.

Dimension	Measures
Green procurement	In the Notification to Related Parties, the Group encourages material and service providers, project contractors and other related parties to give preference to pollution-free, safe and effective manufacturing techniques, production and construction equipment, and advanced construction methods in their production and construction. It is strictly prohibited to use manufacturing techniques, production and construction equipment that have been banned by the state or local governments. During the construction, necessary measures should be taken to reduce pollution from noise, dust, wastewater and hazardous waste, and waste at the construction site shall be properly disposed of. In addition, measures must be taken to ensure employee safety and prevent occupational diseases
Transparent procurement	The Group incorporates the Integrity Agreement into the terms of service contracts, clearly defines various types of violations, and prohibits bribery, fraud, and other unfair business practices. The Group has provided integrity reporting channels and disciplinary reporting mailboxes in the procurement system to further eliminate the possibility of fraud, underhanded operations and illegal transactions. During the Year, the signing rate of Integrity Agreement by suppliers is 100%
Review of environmental and social performance	As appendix to the relevant cooperation agreement, the Group requires its suppliers to sign the Integrity Agreement, the Work Safety and Environmental Protection Responsibility Agreement, the Notification to Related Parties, and the Waste and Other Pollutant Discharge Management Regulations, which clarify the social and environmental responsibilities of suppliers, to minimise ESG risks in the supply chain. Furthermore, the Group conducts performance review and evaluation of all suppliers on a semi-annual basis, covering non-compliant use of equipment, safety risk events, credit issues, labour disputes, and employee rights and interests protection. Based on the review result, the suppliers will be treated as qualified, restricted, unqualified, or removed from the supplier pool

- Supplier communication and training

The Group regards the solid partnership with suppliers as an important component of its sustainable development. The Group adheres to the principle of open and transparent communication and maintain efficient daily dialogue with its supplier partners. The Group sets up the Cooperation Development Centre to maintain regular and in-depth exchanges with suppliers, and organises annual supplier conferences, aiming to strengthen cooperation, trust and mutual benefit between both parties.

In order to achieve common growth and continuous improvement, the Group also provides regular training for its suppliers, emphasising contract performance requirements, integrity requirements, employee safety protection, etc., thereby enhancing the professional and safety standards along the supply chain.

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## BUILDING A PROSPEROUS ECO-SYSTEM

## (II) Actions and practices

During the Year, the Group further clarified risk management and control, strengthened the management of supplier performance evaluation, and removed more than 3,000 unqualified suppliers, thereby improving the quality of its supply chain.

## Annual Supplier Conference

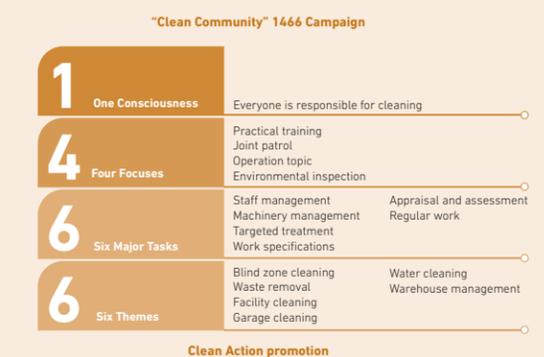
In April 2023, the Group held a supplier conference with the theme of "Mutual Trust and Common Development", aiming to comprehensively strengthen supply chain management, ensure the implementation of supplier integrity policies, and improve the contract fulfilment capabilities of suppliers in a compliant manner. A total of 138 suppliers attended the conference through online and on-site means.



The supplier conference

## "Clean Action" supplier communication meeting

In November 2023, the Group organised a safety responsibility promotion and "Clean Action" supplier communication meeting, aiming to emphasise project safety management and strengthen suppliers' on-site safety operation awareness, as well as to improve the quality of living environment for residents. A total of 25 cleaning service providers attended the meeting through "online and on-site" means.



## (III) Indicators and targets

3,540 suppliers

Signing rate of Integrity Agreement by suppliers reached 100%

## 05/ BUILDING A PROSPEROUS ECO-SYSTEM

### 5.2 Industry Exchange and Development

#### (I) Management

While focusing on its own development, the Group also actively takes part in industry exchanges and strengthen corporate cooperation to promote the prosperity and development of the industry.

- **Promoting industry exchange:** The Group actively takes part in peer exchanges with leading property management companies for experience sharing and in-depth discussions around quality management, investment and expansion, organisational management, financial control and other aspects, through which it identifies gaps for further improvement and aims to seek breakthroughs in business management, thereby jointly contributing to the high-quality development of the property management industry
- **Deepening strategic cooperation:** During the Year, the Group took part in more than 80 industry exchanges with local government authorities, industry associations and peers to jointly create cooperation opportunities. The Group also fully leveraged its advantages as a state-owned enterprise and its industry resources to establish a diversified strategic cooperation model with partners based on resource sharing and mutual benefit

#### (II) Actions and practices

##### Peer exchange meetings

During the Year, the Group organised multiple peer exchange meetings with leading property service companies, aiming to further improve service quality and promote the sustainable development of the industry by sharing practices, discussing industry trends and challenges, and jointly developing innovative solutions.



## 05/ BUILDING A PROSPEROUS ECO-SYSTEM

#### A joint venture with Guangzhou Nansha Public Resources to seek common development

In February 2023, the Group and Guangzhou Nansha Public Resources Holding Group had an in-depth exchange to seek strategic cooperation in public service fields such as urban operations and smart communities. In August 2023, Guangzhou Future City Services Co., Ltd. (廣州未來城市服務有限公司), a joint venture between the two parties, was officially unveiled, a vivid demonstration of collaboration and integrated development of state-owned enterprises at municipal and district levels.



Unveiling ceremony of Guangzhou Future City Services Co., Ltd.

#### In-depth cooperation with Zhaoqing Yuezhong Property Management

In April 2023, the Group took part in an exchange meeting with Zhaoqing municipal state-owned enterprises, at which the participants had in-depth exchanges on comprehensive project development and construction, integrated urban services, integrated community management and other areas.



Exchange meeting with Zhaoqing municipal state-owned enterprises

# 06

## CREATING VALUE FOR THE COMMUNITY

### Our Philosophy

The Group actively fulfils its corporate social responsibilities, takes practical actions to promote community communication and integration and to meet people’s expectations for a better life. The Group strictly complies with the Charity Law of the People’s Republic of China, Law of the People’s Republic of China on Donations for Public Welfare and relevant internal management systems, fulfilling its social responsibilities while pursuing corporate development. By organising various public welfare activities and community care programmes, the Group is committed to delivering community care and promoting positive interactions with the wider society.



### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material issues	SDGs	HKEX ESG Indicators
Social responsibility	Community communication and integration	 	B8 B8.1
	Charity	 	
		 	

## 06/ CREATING VALUE FOR THE COMMUNITY

### Our Strategies



06/

## CREATING VALUE FOR THE COMMUNITY

### 6.1 Community Communication and Integration

#### (I) Management

In order to meet the demand of community residents, the Group regularly organises diverse community cultural activities, aiming at creating a harmonious and friendly community atmosphere for property owners and promoting the sustainable development of the community.

#### (II) Actions and practices

##### Community animal protection

Being committed to promoting the harmonious coexistence between the community and nature, the Group actively takes part in the protection of animals, especially providing care and support for birds and stray cats living in the community.

To provide a safe and livable habitat for the birds living in the community, the property service team customised 10 bird nests to support bird protection, and called on residents to pay attention to natural protection and ecosystem construction.

In addition, the Group launched a stray cat rescue programme in certain projects, setting up designated stray cat feeding spots around the community and encouraging adoption instead of purchasing. So far, nearly 80 residents have actively responded and participated in the rescue of stray cats, and 6 of which were adopted.



Customised bird nest



Cat feeding spot

06/

## CREATING VALUE FOR THE COMMUNITY

## Community renewal - Spring Breeze Action

The Group has continued to monitor the renewal and renovation of damaged or aging public facilities and equipment in old communities. During the Year, the Group launched the "Spring Breeze Action" community renewal programme for 106 projects across the country, investing more than RMB20 million of maintenance funds in 335 renovation projects, covering greening and land reclamation, seedling replanting, repair of aging public facilities, equipment circuit maintenance, electric vehicle management, and garage ramp renovation, with the rectification completion rate of 100%. By doing so, the Group aims to upgrade the living experience of residents, helping to renew communities and improve the city.



## Creating the "Yue Neighborhood (越友邻)" community cultural system

During the Year, the Group launched the "Yue Neighborhood (越友邻)" community cultural system, organising a total of 177 projects across the country, with more than 2,300 activities held throughout the Year, covering more than 100,000 people. In particular, major events held nationwide, such as the Owners' Photography Contest, Residents' Sports Games and the Mid-Autumn Festival Fete have emerged as the most popular and highly recognised large-scale events.

The Second Owners' Photography Contest recorded 389 applicants, with a total of 85,506 visits to the event. The Second Residents' Sports Games completed a total of 6 opening ceremonies and 45 preliminary contests, which were held simultaneously across the country, covering a total of over 100,000 property owners.



Residents' Sport Games



Mid-Autumn Festival Fete

06/

## CREATING VALUE FOR THE COMMUNITY

## "The First Duck Neck Living Festival of Wuhan (武汉首届鸭脖生活节)" at Wuhan Yuexiu Life Plaza

In October 2023, Wuhan Yuexiu Life Plaza worked with the local communities to organise the 8-day "The First Duck Neck Living Festival of Wuhan (武汉首届鸭脖生活节)", which showcased diversified bazaar form including designer toys, creative cultural products, pet-friendly products, and floral aesthetics, exhibiting the vitality of local communities that resonates with the urban characteristics of Wuhan.



## (III) Indicators and targets

Total investment in charity and community activities was RMB **26.85** million

## 06/ CREATING VALUE FOR THE COMMUNITY

### 6.2 Charity

#### (I) Management

The Group actively assumes its social responsibilities, and is committed to giving back to society with practical actions. To this end, the Group continues to expand its employee volunteer team, organise a series of voluntary services and public welfare activities such as caring for disadvantaged groups, the elderly and children, and encourage employees to actively take part in social welfare and continuously contribute to people's livelihood and well-being.

The Group actively implements the national strategic guidelines on poverty alleviation, agricultural support and rural revitalisation, demonstrating its commitment to assume its social responsibilities, and leverages its own resources, technology and service strengths to and support rural revitalisation with practical actions.

#### (II) Actions and practices

##### Yue+Affability (越+親) Volunteer Service Team

During the Year, the Yue+Affability (越+親) Volunteer Service Team established by the Group carried out more than 20 volunteer service activities including emergency rescue, visiting left-behind children, promoting community culture and scientific knowledge, with 690 volunteers participating and a total of 2,520 service hours.



Yue+Affability (越+親) Volunteer Service Team

## 06/ CREATING VALUE FOR THE COMMUNITY

## CREATING VALUE FOR THE COMMUNITY

#### Charity activities on health

The Group worked closely with the community hospitals to provide the elderly with free medical examinations and healthcare services on a regular basis, including but not limited to free blood pressure and blood sugar measurement, as well as professional shoulder, neck and back massage, aiming to help the elderly prevent and alleviate common age-related diseases. In addition, doctors also provided one-on-one professional health consultation to provide the elderly with personalised medical advice. Through a series of caring actions, the Group is committed to improving the health and well-being of the elderly in the community.



Free massage



Free medical services

#### (III) Indicators and targets

**899** participants in public welfare activities and volunteer services

# 07 DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Our Philosophy

Climate change is a major global challenge that poses a serious threat to the sustainable development of human beings, and significantly impacts the operational risks and growth opportunities of enterprises. The Group attaches great importance to and continuously promotes the comprehensive assessment and analysis of climate risks and strengthens its response capacity to climate change, so as to promote its sustainable development process.

### Material issues, guidelines and indicators addressed in this chapter

Responsibility of sustainable development	Material Issues	SDGs	HKEX ESG Indicators
Environmental responsibility	Response to climate change		A4 A4.1



## 07. DISCLOSURE OF CLIMATE-RELATED INFORMATION

Climate change is one of the major risks that affect the long-term well-being of mankind, and the importance and urgency of addressing climate change has become a global consensus. The risks posed by climate change include not only the temporary impacts of extreme weather disasters, but also the risk management for transition to a low-carbon society, and their complexity and uncertainty may threaten the long-term operations of businesses. There are also opportunities in the fight against climate change, which drives new breakthroughs and developments for enterprises' efforts to transform into green and sustainable companies.

The Group is deeply aware of the importance of climate issues, and takes active measures to assess and discuss related issues in order to mitigate the potential negative impact of climate risks on business operations, strategic planning and financial conditions. At the same time, the Group is also actively exploring and practicing green development strategies to promote its low-carbon transformation. In order to improve the transparency of its climate-related disclosures, the Group adopted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) during the Year to disclose climate-related information regarding governance, strategy, risk management, and indicators and targets, and carried out further quantitative and qualitative assessments of physical risks, transition risks and opportunities, as well as heat map analysis, so as to better respond to climate-related risks and opportunities.

### 7.1 Governance

The Board is responsible for monitoring climate-related risks and opportunities and takes full responsibility for the Group's climate-related matters. The ESG committee, the ESG leadership group, the ESG working group and the TCFD execution team serve as the governance level, the supervision level, the coordination level and the execution level respectively in the monitoring, assessment and management of climate-related risks and opportunities. Their roles and responsibilities in climate governance are described in the section headed "ESG Governance Structure" in this Report.

### 7.2 Strategy

The Group recognises its responsibility for carbon management and low-carbon operations of buildings and acknowledges the potential risks climate changes pose to its operational strategies and financial performance. The increasingly frequent extreme weather events, such as floods, hurricanes and droughts, along with changes in long-term climate trends like rising sea levels and temperature fluctuations, may expose the Group to business interruptions and operational difficulties. Moreover, climate change also presents transition risks, including policies, legal and market risks. However, climate change also brings new opportunities. With the establishment of carbon emission trading markets, and shifts in market structures and customer demands triggered by climate change, the Group is well positioned to enhance resource efficiency through innovation and thereby seizing the substantial developmental opportunities brought by the transition to a low-carbon economy.

## 07. DISCLOSURE OF CLIMATE-RELATED INFORMATION

To effectively address the complex risks and opportunities brought by climate change, the Group actively identifies and assesses climate-related risks, and prioritises them accordingly. Meanwhile, the Group has implemented a range of physical and tangible risk management measures, including energy conservation, emissions reduction, energy management, and extreme weather response, with an aim to enhance its overall operational resilience and mitigate the potential impacts of climate risks on its operations. The Group will continue to improve its climate risk response strategies to ensure that it can flexibly address the challenges of climate change and achieve long-term sustainable development.

### Risk identification and assessment

In accordance with the recommendations of the TCFD Guidelines, the Group identifies climate risks and opportunities that may arise in the short-term and medium-to-long-term business development. During the Year, the Group engaged a third-party professional agency to select suitable climate scenarios and parameters based on the Group's business characteristics and development trends, and further identified and assessed the Group's climate-related risks through qualitative and quantitative analysis methods.

- *Scenario analysis*

During the Year, the Group conducted a systematic review of its business and assets, selected the Network for Greening the Financial System (NGFS) Scenarios<sup>1</sup>, and adopted qualitative and quantitative approaches for detailed assessments of the risks and opportunities faced by the Group's business operations under the two warming scenarios of 1.5°C and 3°C.

Scenario setting	Scenario	Temperature increase	Scenario description
NGFS	Orderly	Limit temperature increase to 1.5°C by 2100	To limit global warming to 1.5°C through stringent climate policies and innovations, reaching net zero Co <sub>2</sub> emissions around 2050
	Hot house world	Global warning of 3°C or more by 2100	Assuming the current policies are implemented without executing the target plan of the "Nationally Determined Contributions (NDCs)"

<sup>1</sup> The NGFS climate scenarios integrate the Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) scenarios set by the Intergovernmental Panel on Climate Change (IPCC), with the characteristics of scientific rationality, wide availability, and data availability. They are widely used in climate risk assessment. In the process of risk assessment, the Group selected two NGFS reference scenarios of "Orderly" and "Hot house world" for analysis.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Introduction to scenario models

In the scenario analysis, the main parameters/assumptions considered include:

- **Macroeconomics:** the driving force of economic growth and energy demand, capital accumulation and investment, international trade, consumption and welfare effects
- **Energy system:** primary energy, energy conversion technology, technological change and learning, energy demand of buildings, industry and transportation, GHG emissions, carbon sequestration
- **Climate system:** GHG concentration, radiative forcing, change in global average temperature
- **Land use:** agriculture and forestry, bioenergy supply, GHG emissions, carbon sequestration

- **Physical risk assessment**

Since most of the Group's business operations are located in the buildings of residents and tenants, these physical buildings will have a direct or indirect impact on its property management business if they are affected by physical risks. Therefore, the Group analyses not only the physical risks of the Group's own assets, but also that of the physical assets in the location of its property management business.

Based on scenario analysis, the Group adopted the REMIND<sup>2</sup> (REgional Model of Investment and Development) for quantitative analysis, taking into account various factors such as the geographical location of the physical assets held and climate change, to assess the impact of physical risks on the Group's assets under different scenarios, and determine the risk level of the assets when they face each key physical risk.

<sup>2</sup> The REgional Model of Investment and Development (REMIND) is a numerical model developed by the Potsdam Institute for Climate Impact Research (PIK) to analyze the future effects of the interactions between energy, land use, economy and climate systems, representing the future evolution of the world economies with a special focus on the development of the energy sector and the implications for our world climate. REMIND is a general equilibrium model with perfect foresight, i.e. the model can predict changes that occur within the time span of modeling, to simulate the interaction between various systems in a closed economy. It also takes into account the regional trade characteristics of goods, energy fuels and emissions allowances.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

Possible physical risks identified are shown in the table below:

Risk type	Key risk drivers	Potential risks	Potential financial impact
Extreme heat	<ul style="list-style-type: none"> <li>• As global temperatures rise, the frequency and intensity of hot days and scorching heat may increase</li> </ul>	<ul style="list-style-type: none"> <li>• Extreme heat can damage the human body's own thermoregulation system through factors such as temperature and humidity, leading to serious diseases and even death, thereby reducing labour productivity and availability, or affecting the efficiency of production processes</li> <li>• Need more water and electricity for refrigeration, and at the same time reduce the efficiency of the cooling system</li> <li>• Extreme heat increases the demand for water and energy, which may put more pressure on water pipes, resulting in water pipe bending and water supply problems</li> <li>• Increase expenditures for high temperature subsidy, environmental improvement and procurement of protective equipment, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in production, operation capacity and revenue</li> <li>• Increased consumption of resources and energy in property operations, the replacement or maintenance of water supply equipment, and high temperature subsidies, could lead to an increase in operating costs</li> </ul>
Extreme cold	<ul style="list-style-type: none"> <li>• The frequency and intensity of cold air and extreme cold weather may increase</li> </ul>	<ul style="list-style-type: none"> <li>• The human body dissipates a lot of heat in a cold environment. Improper protection will lead to a drop in local or whole body temperature, a decrease in working ability, and even cold injury, resulting in a decrease in labour productivity and availability</li> <li>• Operational efficiency of assets and equipment could decrease</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in production and operation capacity (per capita production capacity) could lead to reduction in income or increase in costs</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

Risk type	Key risk drivers	Potential risks	Potential financial impact
Extreme rainfall	<ul style="list-style-type: none"> <li>As the climate warms, the atmosphere can accommodate more water vapor before saturation, increasing the possibility of extremely heavy precipitation</li> <li>The combined effect of typhoon, topography, atmospheric circulation and other factors could lead to extreme rainfall</li> </ul>	<ul style="list-style-type: none"> <li>Extreme rainfall often leads to flash floods, collapsed reservoirs, overflowing rivers, collapsed houses, and interrupted transportation and telecommunications, resulting in delays or interruptions of production</li> <li>The water sourced is turbid and contains a large amount of sediment, which affects the water use for operation</li> <li>Disruption of roads, flooding or damage to facilities in low-lying areas and open spaces</li> </ul>	<ul style="list-style-type: none"> <li>Interruption of property operations and decline in revenue</li> <li>Increase in equipment repair and maintenance costs</li> </ul>
Tropical cyclone	<ul style="list-style-type: none"> <li>Regions where assets are located may be exposed to more frequent and severe tropical cyclones</li> </ul>	<ul style="list-style-type: none"> <li>Assets located in regions vulnerable to tropical cyclones have higher probability of damage</li> <li>Business disruption due to tropical cyclones</li> </ul>	<ul style="list-style-type: none"> <li>Impairment of damaged assets</li> <li>Business interruption and increased operating costs</li> </ul>
Coastal flooding	<ul style="list-style-type: none"> <li>Assets in coastal areas may be affected by continued sea level rise</li> </ul>	<ul style="list-style-type: none"> <li>Increased number of assets affected by coastal flooding</li> <li>The need to construct flood prevention and control facilities</li> <li>Damage to machinery and facilities, resulting in increased maintenance costs and reduced operational capabilities of related assets</li> <li>Assets damaged by floods require repairs and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Impairment of damaged assets</li> <li>Increased operating costs resulting from the construction of facilities</li> <li>Decrease in revenue due to decline in asset operational capabilities</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

Risk type	Key risk drivers	Potential risks	Potential financial impact
Fluvial flooding	<ul style="list-style-type: none"> <li>Excessive rainfall or melting snow could cause river water levels to rise</li> </ul>	<ul style="list-style-type: none"> <li>Mechanical damage caused by flooding requires additional maintenance costs and reduces operational capabilities of the asset</li> <li>More assets damaged by floods and need to suspend operations</li> <li>Water resources polluted by floods may cause freshwater shortages, resulting in a decline in productivity</li> <li>Extreme precipitation may increase the pressure of wastewater treatment and increase the amount of water discharged</li> <li>Fluvial flooding may cause landslides and jeopardize work safety</li> </ul>	<ul style="list-style-type: none"> <li>Impairment of damaged assets</li> <li>Increased operating costs resulting from the construction of facilities</li> <li>Decrease in revenue due to reduced production efficiency</li> </ul>
River low flow	<ul style="list-style-type: none"> <li>Global warming may lead to changes in precipitation patterns, resulting in reduced river flows</li> <li>Human activities such as over-pumping groundwater, irrigating farmland, and urban water use could cause water tables to fall, which in turn affects river flow</li> </ul>	<ul style="list-style-type: none"> <li>Low discharge of river leads to lower water tables, backflow of seawater and aggravation of soil salinization, which affects the normal growth of raw materials and results in decrease of production</li> <li>River low flow may lead to water shortage, thus affecting the production process and causing financial losses</li> </ul>	<ul style="list-style-type: none"> <li>Business interruption and increased operating costs</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

After identifying physical risks, the Group conducted risk impact hotspot analysis, covering the buildings involved in its property operations. With reference to climate scenarios publicly released by authoritative international organisations, the Group conducted analysis on an individual asset basis. Based on the current scenario and the hypothetical scenarios of 1.5 °C and 3 °C warming by the end of the 21st century, the Group adopted the NGFS and REMIND models to assess the levels of physical risks that the Group may be exposed to under these three scenarios.

Based on the location of its assets, the Group classified the likelihood of relevant physical risks it faces according to the degree of risk exposure and impact namely, low risk, medium risk, relatively high risk and high risk, which are disclosed as follows:

Physical risk type	Current scenario	1.5 °C	3 °C
Chronic: Extreme heat	Relatively high risk	Relatively high risk	Relatively high risk
Chronic: Extreme rainfall	Relatively high risk	Relatively high risk	Relatively high risk
Chronic: Extreme cold	Relatively high risk	Medium risk	Medium risk
Acute: Fluvial flooding	Medium risk	Medium risk	Medium risk
Acute: Tropical cyclone	Low risk	Low risk	Low risk
Acute: River low flow	Low risk	Low risk	Low risk
Acute: Coastal flooding	Low risk	Low risk	Low risk

Risk level



High



Relatively high



Medium



Low

- Transition risk assessment

#### Classification and Identification of Transition Risks under 1.5 °C Scenario

Property management companies form an important part of the operation of modern urban architecture and serve as the promotor of low-carbon city. Transition risks such as the low-carbon transition of the national economy and the market preference for low-carbon products will have a substantial impact on the operation of property management companies. Therefore, based on the characteristics of the property management industry, the Group analyses its current situation, and identifies its actual transition risks.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Analysis of transition risks

Risk type	Risk definition	Risk description	Potential impact
Policy and law	<ul style="list-style-type: none"> <li>Stricter environmental regulations and green and low-carbon building management regulations</li> <li>Climate-related litigation and legal risks</li> <li>Stricter climate-related information disclosure requirements</li> <li>Introduction of carbon trading and carbon tax</li> </ul>	<ul style="list-style-type: none"> <li>Governments and regulators may introduce more stringent policies on climate change, emissions, green buildings, etc.</li> <li>Increased number of climate-related lawsuits and claims filed in court by property owners, governments, insurance companies, and shareholders in recent years</li> <li>Tightened regulatory requirements for climate-related information disclosure</li> <li>Stricter carbon pricing mechanisms (including GHG emissions)</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the renovation cost of community equipment for environmental protection purpose, research and development cost of green and low-carbon smart property technology, etc.</li> <li>Possibility of being held liable for failing to comply with relevant regulations, with higher risk of fines for violations</li> <li>Increased data testing costs, operating costs and compliance costs to meet regulatory requirements</li> <li>Increased operational costs due to the introduction of carbon trading caps and carbon tax</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Analysis of transition risks

Risk type	Risk definition	Risk description	Potential impact
Technology	<ul style="list-style-type: none"> <li>Transformation or innovation of the technology towards green, low-carbon operation with high efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Low-carbon transformation requires property management companies to upgrade corresponding software and hardware to reduce energy waste during operations</li> <li>Property management companies may need to carry out energy-efficiency renovation such as installing new energy vehicle charging stations, solar power generation equipment, and promoting energy-efficient lighting lamps</li> </ul>	<ul style="list-style-type: none"> <li>Assessment, adoption and deployment of new energy conservation and emission reduction projects and energy consumption management may increase the operating and management costs</li> <li>The promotion of low-carbon products and technologies such as new energy vehicles and automated waste recycling has presented corresponding renovation or replacement requirements for property hardware equipment, which may lead to an increase in operating costs, material procurement costs and maintenance costs</li> <li>Retirement and replacement of products that are energy-intensive and non-compliant with environmental standards may increase operating costs and equipment depreciation</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Analysis of transition risks

Risk type	Risk definition	Risk description	Potential impact
Market	<ul style="list-style-type: none"> <li>Changes in customer demand for products and services</li> <li>Customers are more concerned about the environmental protection matters</li> <li>Changes in the price of energy, water or waste management</li> </ul>	<ul style="list-style-type: none"> <li>Customers' preferences for green and low energy consumption lifestyle will affect the sales revenue of some traditional business. If property managers do not take customer preferences into account, they will fail to meet customer expectations, which in turn may affect market competitiveness in the long-term</li> <li>Tenants require higher transparency in data such as electricity consumption and water consumption</li> </ul>	<ul style="list-style-type: none"> <li>The change of customer behaviour may lead to decreased demand for traditional products and services, and the corresponding revenue may decrease</li> <li>Phase-out of traditional "non-green" products and development of green property management service may lead to an increase in research and development, management and operating costs</li> <li>Inspection and analysis of energy-intensive equipment will lead to higher operational and management difficulty and an increase in maintenance and upgrade costs</li> <li>Operating expenses and compliance costs may increase due to changes in resource prices (e.g. energy, water) and emission requirements (e.g. waste, air emissions)</li> </ul>

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Analysis of transition risks

Risk type	Risk definition	Risk description	Potential impact
Reputation	<ul style="list-style-type: none"> <li>The public is more aware of low-carbon transformation</li> <li>Increased interest from various stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Actively fulfilling the commitments to sustainable development and responsible business and improving climate change-related management help enhance a company's reputation in the property industry. On the contrary, failure to establish a green image or carry out sustainable operations may lead to negative public opinion</li> <li>Possibility of being held legally liable for failing to comply with the relevant disclosure requirements, resulting in financial loss or damage to business reputation</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to sustainable development and the implementation of environmental protection policies may have an impact on corporate reputation</li> <li>Failure to make disclosures in accordance with the Listing Rules and reporting guidelines of the HKEX, or violating policies and regulations related to sustainable development, may increase reputation risks</li> <li>Improper handling or delayed response to climate-related events may damage corporate reputation</li> </ul>

The 3°C scenario refers to the assumption that no further measures will be introduced in terms of policies, regulations, technology, etc. in addition to the implemented policies in 2023, which means no gradual tightening of policies and regulations, no major changes in technology or market demand. The world, including China, still mainly relies on fossil energy, and the investment in technology with low carbon emissions is insufficient. The Paris Agreement fails to achieve the expected results, and extreme weather events will become more frequent in the future. The Group will be mainly exposed to physical risks, while transition risks are relatively insignificant and thus no detailed description is provided.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

- Opportunity identification

The national "14th Five-Year Plan" proposes to comprehensively implement urban green planning, green construction, green operation and management, and promote the construction of low-carbon cities, resilient cities, sponge cities, and "waste-free cities". It is not only an important update to the concept of urban construction, but also an important opportunity to promote the development of the property management industry. These goals put forward higher requirements for the business innovation of property management companies, and at the same time foster new market demands and growth drivers. Based on its business development plans, the Group has identified the following potential opportunities:

Opportunity type	Opportunity description	Potential impact
Smart and green property management	Economic benefits brought by property upgrade and renovation, as well as increased market demands for low carbon and smart property management services	Energy-efficient renovation and upgrade of equipment, as well as the development of technologies such as internet of things (IoT), artificial intelligence (AI), and ecosystem-based adaptation (EBA) will further drive the Group to streamline its property management, improve service quality, and optimise operational costs. Meanwhile, green and smart property management services are embracing growing market demands, which present new growth opportunities for the Group to forge new competitive edge
Climate resilience	Implementation of programmes on enhancing climate resilience	Plan ahead for local temperature, rainfall, snowfall and other factors, enhance climate resilience, and reduce losses caused by climate impacts
Shifts in customer preferences	Greater market demand for property management companies with smart and green service	Provide comprehensive smart and green property management services to attract tenants and owners, thereby increasing revenue
Corporate reputation	Maintain open and transparent disclosure, promptly monitor and meet the compliance requirements, actively listen to public feedback and improve accordingly	Establish a responsible corporate image and enhance public trust
Investor concern	Increased investor demand for environmentally friendly and low-carbon financing and investment	Enhance ESG performance and transparency and explore green finance tools, in an attempt to expand its financing channels, reduce financing costs, gain more recognition and attention from long-term investors

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

Under the 1.5°C climate scenario, the climate-related transition risks faced by the Group mainly stem from policies, regulations, technologies, markets, etc. Different transition risks present different risk levels due to their impacts on the Group with different time range.

Transition risk	2030	2050
Possibility of increasing investment in equipment upgrade to respond to low-carbon policy	Medium	Relatively high
Achieving breakthroughs in green and low-carbon development requires the introduction of smart technologies, which may lead to an increase in research and development costs	Medium	Relatively high
Increasingly stringent regulatory requirements on information disclosure may lead to an increase in operating costs, compliance costs and data costs	Relatively high	Relatively high
Possibility of being held legally liable due to non-compliance with the agreements with property owners, insurance companies and shareholders to mitigate the impact of climate change	Low	Low
Risk of non-compliance with policy requirements or violations of laws and regulations	Relatively low	Relatively low
Carbon trading caps and transaction fees may result in an increase in operating costs	Low	Relatively low
Compliance costs may increase due to the introduction of carbon tax	Low	Relatively low
Deployment of new energy conservation and emission reduction projects may increase management costs	Low	Relatively low
Retirement and replacement of products that are energy-intensive and non-compliant with environmental standards may increase operating costs and equipment depreciation	Medium	Relatively high
The promotion of low-carbon products such as photovoltaic projects and new energy vehicles may lead to an increase in procurement costs	Low	Relatively low
Upgrade and replacement of equipment due to the introduction of advanced emission reduction technologies such as automated waste recycling, leading to an increase in operating and maintenance costs	Relatively low	Medium
Phase-out of traditional "non-green" products and development of green products and services may lead to an increase in material procurement, research and development, management and operating costs	Relatively low	Medium
Customer demand for traditional products and services decreases, leading to decline in revenue and market share	Low	Relatively low
Failure to disclose data on energy consumption, carbon emissions, etc. on an annual basis in accordance with the Listing Rules and reporting guidelines of the HKEX will increase corporate reputation risks	Relatively low	Medium
Improper handling of or delay response to climate-related events may damage corporate reputation	Medium	Relatively high

Risk level

● High ● Relatively high ● Medium ● Relatively low ● Low

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

Opportunity	2030	2050
Enhance climate resilience through advanced planning for local temperature, rainfall, snowfall and other factors, and improve corporate competitiveness in the context of frequent extreme weather events in the future	Low	Medium
Achieve long-term cost efficiency through smart upgrade of property management and energy-conservation and emission-reduction renovations	High	High
Attract tenants and residents through providing comprehensive smart and green property management services	Medium	High
Maintain open and transparent disclosure, promptly monitor and meet compliance requirements, actively listen to public feedback and improve accordingly to establish a responsible corporate image and enhance public trust	Medium	High
Enhance financing capability to meet increased investor demand for environmentally friendly and low-carbon financing and investment	Medium	High

Opportunity level

● High ● Medium ● Low

In the future, the Group will regularly review climate risks and opportunities and adjust its strategic direction in a timely manner.

## 7.3 Risk Management

The Group actively identifies, assesses, and manages climate-related risks. Using its risk management mechanism including the "three lines of defence" and the five steps of risk identification, risk analysis, risk response, risk evaluation and risk tracking, the Group comprehensively reviews and manages relevant risks (including climate change).

To reduce the adverse impact of climate risks on its business, finance, and operation, the Group implemented preventive measures and monitored risks on a timely basis. According to the Guidance of Guangdong Province on the Identification and Control of Risks and Sources of Hazard in the Field of Work Safety, the Group assessed and classified safety risks in projects under its management, formulated safety measures and implemented accordingly.

In response to the physical risks identified above, the Group has been improving its emergency management system by designating responsible departments and specifying their duties, working out regulation details on incident reporting, emergency response procedures, and rescue processes, and ensuring the availability of emergency materials and rescue team. Meanwhile, the Group also regularly conducts emergency drills, analyses problems and improves its contingency plans, to make sure it can rapidly respond and minimise losses in the event of major accidents such as extreme weather. In the future, the Group will actively carry out resilience assessment and implement mitigation measures for projects under management that may suffer severely from climate change.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## Risk response measures

Dimension	Measures
Response to physical risks	<ul style="list-style-type: none"> <li>• Risk assessment: The Group assesses the climate characteristics of the area where the property is located, and identifies possible climate risks, such as floods, typhoons, earthquakes, extreme temperatures, etc.</li> <li>• The Group formulates emergency plans for different weather, including typhoons, rainstorms, scorching heat and other severe weather. It arranges annual surveys to identify risks and hazards of climate risks in targeted areas, evaluates their impacts and works out corresponding measures</li> <li>• Every year from May to July when rainstorm and typhoon are frequent, the Group carries out emergency drills in advance</li> <li>• Installation of protective facilities, such as flood dikes, drainage systems, lightning protection facilities, wind support, etc., to mitigate the impact of climate disasters</li> </ul>
Response to transition risks	<ul style="list-style-type: none"> <li>• Closely monitor new policies, regulations and standards of national and local governments on climate change and environmental protection to ensure that the Group meets the latest requirements</li> <li>• Research market trends, understand the tenant and resident's preference for green buildings and adjust the property management strategy</li> <li>• Continuously improve the management of energy consumption and actively promote the use of renewable energy</li> <li>• Promote automation upgrade and energy conservation renovations to reduce waste of energy resources in operation</li> <li>• Implement water resources management strategies, such as rainwater harvesting, water saving installations, grey water utilization, etc., to cope with possible water resource shortages and cost increases</li> <li>• Organise employee training to raise their awareness of climate change risks and to instruct them on how to implement energy-conservation and emission-reduction measures in their daily work</li> <li>• Include climate change factors into procurement, encourage the use of low-carbon and environmentally friendly materials, and strive to enhance the awareness of energy-conservation and carbon emission reduction among employees, property owners, tenants, and suppliers</li> <li>• Work with suppliers to promote supply chain sustainability and reduce the impact of climate transition on supply chain stability</li> </ul>

To grasp climate-related opportunities, the Group has been closely following national policies and industry development trends, improving energy management for properties under management and increasing the investments and application of smart technology. At the same time, the Group cooperates with professional institutions to launch a full lifecycle low-carbon space operation service solution covering five major business formats: residential property, commercial office buildings, urban and public premises, transportation, animal husbandry and farms. The Group provides customers with integrated low-carbon services covering the entire lifecycle of consulting, construction and renovation, and back-end operations.

In the future, the Group will explore the feasibility of carrying out overall energy assessment in properties under management and upgrade in public facilities, promote green home appliances among property owners and tenants and assist tenants with green leasing. Meanwhile, the Group will work with external professional institutions to carry out more research on climate change and turn climate opportunities into new impetus for business development.

## 07.

## DISCLOSURE OF CLIMATE-RELATED INFORMATION

## 7.4 Indicators and Targets

To help its stakeholders understand the Group's progress in addressing climate change and to review the effectiveness of its actions and plans, the Group has set its "dual carbon" goals, the progress of which is described in the sections headed "Sustainable Development Strategies and Goals" and "Green Property Management and Operation" in this Report.



## APPENDICES

## APPENDICES

## Appendix I - 2023 Annual ESG KPIs

Aspect	ESG KPIs	Unit	2023	2022
<b>A Environmental</b>				
<b>A1 Emissions</b>	<b>A1.1 The types of emissions and respective emissions data</b>			
	NO <sub>x</sub>	Tonne	0.16	0.16
	SO <sub>2</sub>	kg	0.41	0.32
	Particulate matters	kg	13.58	15.10
	<b>A1.2 Direct (scope 1) and energy indirect (scope 2) and scope 3 GHG emissions and intensity</b>			
	Total carbon dioxide emissions <sup>1</sup>	Tonne of CO <sub>2</sub> e	43,608	39,076
	Carbon dioxide emissions (scope 1)	Tonne of CO <sub>2</sub> e	88	132
	Carbon dioxide emissions (scope 2)	Tonne of CO <sub>2</sub> e	43,432	38,944
	Carbon dioxide emissions (scope 3 - business travel)	Tonne of CO <sub>2</sub> e	88	/
	Total emissions intensity	Tonne of CO <sub>2</sub> e/ 1,000 m <sup>2</sup>	0.67	0.76
	Carbon dioxide emissions intensity (scope 1)	Tonne of CO <sub>2</sub> e/ 1,000 m <sup>2</sup>	0.001	0.003
	Carbon dioxide emissions intensity (scope 2)	Tonne of CO <sub>2</sub> e/ 1,000 m <sup>2</sup>	0.67	0.75
	<b>A1.3 Total hazardous waste produced and intensity</b>			
	Total hazardous waste produced	Tonne	7.72	10.94
	Waste selenium drums and ink cartridges	Tonne	0.88	1.03
	Waste modulator tubes	Tonne	5.64	7.42
	Waste electronic products	Tonne	1.20	2.49
	Hazardous waste intensity	Tonne/1,000 m <sup>2</sup>	0.0001	0.0002
	<b>A1.4 Total non-hazardous waste produced and intensity</b>			
	Total non-hazardous waste produced	Tonne	540	2,198
	Gardening waste	Tonne	207	255
Other non-hazardous waste	Tonne	328	1,937	
Waste furniture	Tonne	5	6	
Non-hazardous waste intensity	Tonne/1,000 m <sup>2</sup>	0.008	0.043	
Office paper consumption <sup>2</sup>	Tonne	42.77	/	
<b>A1.6 Waste Recovery</b>				
Waste computers recycled	Tonne	0.55	0.48	

## Notes:

- The GHG emissions (Scope 1) were mainly from the use of gasoline, diesel, canned LPG and natural gas, while other scope 1 emissions (such as emissions from the use of refrigerant) were not captured due to limited data availability; the GHG emissions (Scope 2) were mainly from the consumption of purchased electricity, and their data sources were the relevant bills of payment and the administrative statistical ledger. Among others, the GHG emission factor of direct energy was calculated by reference to the Guideline for the Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Building Operators (Enterprises) (for Trial Implementation), and the GHG emission factor of purchased electricity was calculated by reference to National Grid Average Emission Factors for 2022 as released by the Ministry of Ecology and Environment; the GHG emissions (Scope 3 - business travel) were carbon emissions from business travel of employees by air, and data was provided by business travel platforms.
- Office paper consumption refers to the amount of paper consumed in daily operations, not the disposal amount, and therefore is not included in the total non-hazardous waste produced.

Aspect	ESG KPIs	Unit	2023	2022
<b>A Environmental</b>				
<b>A2 Use of resources</b>	<b>A2.1 Direct and/or indirect energy consumption by type in total and intensity</b>			
	Total energy consumption <sup>1</sup>	MWh	76,559	68,881
	Diesel	L	14,252	16,121
	Gasoline	L	12,063	15,581
	Canned liquefied petroleum gas (LPG)	kg	7,596	12,112
	Natural gas	m <sup>3</sup>	371	8,635
	Renewable energy consumption	kWh	7,200	7,201
	Total electricity consumption	kWh	76,156,216	68,273,624
	Energy consumption intensity	MWh/1,000 m <sup>2</sup>	1.17	1.33
	<b>A2.2 Total water consumption and intensity<sup>2</sup></b>			
	Total water consumption (excluding rainwater)	m <sup>3</sup>	1,640,862	1,734,795
	Rainwater collection	m <sup>3</sup>	13,841	20,169
	Water consumption intensity	m <sup>3</sup> /1,000 m <sup>2</sup>	25.16	33.56

## Notes:

- The types of energy consumed by the Group consisted of gasoline, diesel, canned LPG, natural gas and renewable energy, and the data sources were the relevant bills of payment and the administrative statistical ledger. Among others, the energy consumption coefficient was calculated by reference to the conversion factors provided by the International Energy Agency and to the national GB 2589-2008T General Rules for Calculation of the Comprehensive Energy Consumption.
- The water consumed by the Group was mainly the water supplied by municipal pipeline networks, and the data sources were the utility bills, financial reimbursement records and administrative ledgers.

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Aspect	ESG KPIs	Unit	2023	2022
<b>B. Social</b>				
<b>B1 Employment</b>	<b>B1.1 Total workforce by gender, employment type, age group and geographical region</b>			
	Total number of employees	Headcount	<b>13,743</b>	12,599
	By gender			
	Number of male employees	Headcount	<b>8,161</b>	7,714
	Number of female employees	Headcount	<b>5,582</b>	4,885
	By employment type			
	Number of full-time employees	Headcount	<b>13,743</b>	12,558
	Number of part-time employees	Headcount	<b>0</b>	41
	By age group			
	Number of employees aged 29 or below	Headcount	<b>3,531</b>	3,287
	Number of employees aged 30-49	Headcount	<b>7,085</b>	6,528
	Number of employees aged 50 or above	Headcount	<b>3,127</b>	2,784
	By geographical region (by workplace)			
	Number of employees in Mainland China	Headcount	<b>13,086</b>	11,944
	Number of employees in Hong Kong, Macao and Taiwan	Headcount	<b>654</b>	654
	Number of employees in overseas regions	Headcount	<b>3</b>	1
	By employee category			
Senior management	Headcount	<b>61</b>	48	
Middle management	Headcount	<b>556</b>	539	
Junior employees	Headcount	<b>13,126</b>	12,012	

## APPENDICES

Aspect	ESG KPIs	Unit	2023	2022
<b>B. Social</b>				
<b>B1 Employment</b>	<b>B1.2 Employee turnover rate by gender, age group and geographical region</b>			
	Employee turnover rate	%	<b>28.29</b>	29.24
	By gender			
	Turnover rate of male employees	%	<b>28.02</b>	28.15
	Turnover rate of female employees	%	<b>28.68</b>	30.90
	By age group			
	Turnover rate of employees aged 29 or below	%	<b>37.63</b>	38.35
	Turnover rate of employees aged 30 to 49	%	<b>23.42</b>	26.26
	Turnover rate of employees aged 50 or above	%	<b>26.46</b>	23.11
	By geographical region (by workplace)			
	Turnover rate of employees in Mainland China	%	<b>28.01</b>	29.16
	Turnover rate of employees in Hong Kong, Macao and Taiwan	%	<b>33.60</b>	30.50
	Turnover rate of employees in overseas regions	%	<b>0</b>	75.00

## APPENDICES

Aspect	ESG KPIs	Unit	2023	2022	
<b>B. Social</b>					
<b>B2 Health and safety</b>	<b>B2.1 Number and rate of work-related fatalities occurred in each of the past three years, including 2023</b>				
	Number of work-related fatalities <sup>1</sup>	Headcount	2023	2022	
			1	1	
	Rate of work-related fatalities	%	0.007	0.008	0.009
	<b>B2.2 Lost days due to work injury</b>				
	Number of work injuries	Case	6	16	
Total lost days due to work injury	Day	69	843		
<b>B3 Development and training</b>	<b>B3.1 The percentage of employees trained by gender and employee category</b>				
	Total headcount of employees trained	Headcount	13,743	12,542	
	Percentage of total training	%	100	99.55	
	By gender				
	Male employees	%	59.38	60.11	
	Female employees	%	40.62	39.89	
	By employee category				
	Junior employees	%	95.51	95.44	
	Middle management	%	4.05	4.17	
	Senior management	%	0.44	0.39	
	<b>B3.2 The average training hours of employees by gender and employee category</b>				
	Average training hours per employee	Hour	43	41	
	By gender				
	Male employees	Hour	44	44	
	Female employees	Hour	43	37	
By employee category					
Junior employees	Hour	44	38		
Middle management	Hour	26	83		
Senior management	Hour	54	294		

Note:

- During the Year, Group recorded one work-related fatality, which was due to a traffic accident caused by a third party when an employee was on the way to work.

## APPENDICES

Aspect	ESG KPIs	Unit	2023	2022
<b>B. Social</b>				
<b>B5 Supply chain management</b>	<b>B5.1 Number of suppliers by geographical region</b>			
	Suppliers in total <sup>1</sup>	Number	3,540	6,870
	By geographic region			
	Suppliers in the Greater Bay Area	Number	2,370	3,866
	Suppliers in Eastern China	Number	599	1,242
	Suppliers in Northern China	Number	169	499
	Suppliers in Central China	Number	233	861
	Suppliers in Southwest China	Number	169	402
<b>B6 Product responsibility</b>	<b>B6.2 Number of products and service-related complaints received</b>			
	Number of products and service-related complaints received	Time	28,706	43,436
	Complaint handling rate	%	100	100
<b>B7 Anti-corruption</b>	<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases</b>			
	Number of proposed or concluded corruption cases	Case	0	0
	<b>B7.3 Description of anti-corruption training provided to directors and staff</b>			
	The total duration of anti-corruption training for directors and staff	Hour	25,945	19,433
<b>B8 Community investment</b>	<b>B8.2 Resources contributed (e.g., money or time) to the focus area<sup>2</sup></b>			
	Total investment in charity and community services	RMB'000	26,851	5,242
	Number of employees participating in activities			
	Number of employees participating in public welfare/volunteer activities	Headcount	899	4,352

**Scope of statistics:**

In order to more objectively and accurately reflect the environmental performance within the Group's operational control, the scope of the environmental data for the Year disclosed in this Report included the office areas of the Group as well as the public areas of the lump sum-based projects managed by the Group. The scope of social data remains the same as that of the 2023 Annual Report.

Notes:

- During the Year, in order to improve the quality of its supplier pool, the Group organised contract fulfilment evaluations of basic property service providers and removed suppliers with unqualified performance. Therefore, the number of suppliers declined year-on-year.
- During the Year, investment in philanthropy and the number of employees participating in public welfare activities decreased year-on-year, mainly because part of the investment in public welfare in 2022 was used for public health protection.

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## Appendix II - List of ESG Policies

Aspect	Major external legislations and standards	Major internal policies and guidelines
<b>A1 Emissions</b> <b>A2 Use of resources</b> <b>A3 The Environment and natural resources</b>	Environmental Protection Law of the People's Republic of China; Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes; Law of the People's Republic of China on the Prevention and Control of Water Pollution; Law of the People's Republic of China on the Prevention and Control of Air Pollution; Urban Drainage and Sewage Treatment Regulations; Directory of National Hazardous Wastes; Measures for the Transfer of Hazardous Wastes; Administrative Measures for Urban Living Garbage; Energy Conservation Law of the People's Republic of China; Cleaner Production Promotion Law of the People's Republic of China; Water Law of the People's Republic of China	Pollutant Control and Management Measures Table; Solid Waste Management Regulations; Energy Management Measures; Business Guidelines for the Compilation of Energy Management Implementation Rules; Guidelines for Energy Consumption Management and Control; Office Power Conservation Management System
<b>A4 Climate change</b>	Guiding Opinions on Integrating and Strengthening Efforts in Climate Action and Ecological and Environmental Protection; Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy; Responding to Climate Change: China's Policies and Actions	Emergency Management System for Work Safety; Emergency Plan for Work Safety Accidents
<b>B1 Employment</b>	Labour Law of the People's Republic of China; Labour Contract Law of the People's Republic of China; Social Insurance Law of the People's Republic of China; Civil Code of the People's Republic of China; Employment Promotion Law of the People's Republic of China; Employment Ordinance of Hong Kong SAR; Convention concerning Discrimination in Respect of Employment and Occupation; Abolition of Forced Labour Convention; International Labour Organisation (ILO) Constitution; Ten Principles of the UN Global Compact	Detailed Rules for the Management of Talent Allocation; Management Measures for Recruitment; Management Measures for Recruitment Channels; Management Measures for Labour Contracts; Board Member Diversity Policy; Management Measures for Employees' Remuneration and Benefits; Management Measures for Performance Appraisal of the Management of Subsidiaries; Management Measures for Performance Appraisal of Functional Departments and Employees; Management Measures for Performance Appraisal of Project Leaders; Management Measures for the Appraisal System of Project-level Employees (Trial)
<b>B2 Health and safety</b>	Labour Law of the People's Republic of China; Labour Contract Law of the People's Republic of China; Social Insurance Law of the People's Republic of China; Regulations on Work-Related Injury Insurance of the People's Republic of China; Work Safety Law of the People's Republic of China; Law of the People's Republic of China on the Prevention and Control of Occupational Diseases	Management Guidelines for Prevention and Control of Occupational Diseases; Detailed Rules for Management of Employees' Occupational Health and Hygiene; Guidelines on Occupational Health Management for Related Parties; Safety Manual for Employees

Aspect	Major external legislations and standards	Major internal policies and guidelines
<b>B3 Development and training</b>	Labour Law of the People's Republic of China; Labour Contract Law of the People's Republic of China; Social Insurance Law of the People's Republic of China	Annual Training Guide; Employee Orientation/Transfer Training Guide; Management Measures for Internal Trainers; Management System of the Training Academy; Employee Certificate Management Measures (Trial); Employee Self-improvement Management Measures; Position Management Measures; Employee Promotion Management Measures; Management Promotion Measures
<b>B4 Labour standards</b>	Labour Law of the People's Republic of China; Labour Contract Law of the People's Republic of China; Social Insurance Law of the People's Republic of China; Law of the People's Republic of China on the Protection of Minors; Provisions on the Prohibition of Using Child Labour; Employment Ordinance of Hong Kong SAR	Management Measures for Recruitment; Management Measures for Recruitment Channels; Management Measures for Labour Contracts
<b>B5 Supply chain management</b>	Company Law of the People's Republic of China; Civil Code of the People's Republic of China; Bidding Law of the People's Republic of China; Regulation on the Implementation of the Bidding Law of the People's Republic of China; Government Procurement Law of the People's Republic of China	Bidding and Procurement Management Measures; Supplier Management Measures; Management Measures for Expert of Tender Evaluation and the Expert Database; Supplier Management Implementation Rules for Guangzhou Yuexiu Property Development Co., Ltd.; Compilation of Work Safety Management Systems for Guangzhou Yuexiu Property Development Co., Ltd.

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Aspect	Major external legislations and standards	Major internal policies and guidelines
<b>B6 Product responsibility</b>	Work Safety Law of the People's Republic of China; Emergency Response Law of the People's Republic of China; Measures for the Administration of Contingency Plans for Work Safety Accidents; Fire Control Law of the People's Republic of China; Advertising Law of the People's Republic of China; Trademark Law of the People's Republic of China; Patent Law of the People's Republic of China; Copyright Law of the People's Republic of China; Data Security Law of the People's Republic of China; Electronic Commerce Law of the People's Republic of China; Law of the People's Republic of China on the Protection of Customer Rights and Interests; Regulation on Realty Management; Guiding Rules for the Owners' General Meeting and Owners' Committee	Visual Standard Operation Procedure (SOP) Manual for Office Buildings; Property Service Standards for Department Stores; White Paper on Metro Station; White Paper on Metro Depots; Detailed Rules on Individual Rewards and Punishments for Service Quality; Quality Management System; National 400 Integrated Command Centre Management Standards; Management Guideline for 400 Complaints Handling and Detailed Rules for Video Surveillance of Centralised Control Centre; Customer Complaint Handling Guidelines; Unqualified Service Management Procedures; Corrective and Preventive Measures Procedures; Compilation of Work Safety Management Systems; Safety Manual for Employees; Information Security Management Measures (Trial); Guidelines on Information Security Practices for Employees; Management Guidelines for Network Security Emergency Response; Methods for Customer Personal Information Protection of Yuexiu Group (Draft for Comments); Management Measures for Customer Data Compliance of Yuexiu Group (Draft for Comments); Customer Information Confidentiality Undertakings; Legal Affair Management Measures
<b>B7 Anti-corruption</b>	Company Law of the People's Republic of China; Anti-Unfair Competition Law of the People's Republic of China; Anti-Money Laundering Law of the People's Republic of China; Interim Provisions on Prohibition of Commercial Bribery; Prevention of Bribery Ordinance of Hong Kong Special Administrative Region	Measures for the Administration of Discipline Inspection Work of Affiliated Enterprises of Yuexiu Group (Trial); Measures for Internal Supervision of the Discipline Inspection System of Yuexiu Group (Trial); Rules on Further Standardizing Fulfilment of Obligations to Promote the Integrity Practices of Employees; Integrity Practice Regulations; Responsibility Statement on Clean Governance Construction
<b>B8 Community investment</b>	Charity Law of the People's Republic of China; Law of the People's Republic of China on Donations for Public Welfare	

## APPENDICES

## Appendix III - Indexes for the ESG Reporting Guide

Aspects, General Disclosures and KPIs			
	Description	Disclosed or not	Section
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Chapter 3.1; Appendix II
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Disclosed	Appendix I
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Disclosed	Appendix I
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Disclosed	Appendix I
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Disclosed	Appendix I
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Chapter 3.1
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Chapter 3.1

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Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>A. Environmental</b>			
<b>Aspect A2: Use of resources</b>			
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Chapter 3.1; Appendix II
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Disclosed	Appendix I
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Disclosed	Appendix I
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Chapter 3.1
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	Chapter 3.1
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable	—
<b>Aspect A3: The Environment and natural resources</b>			
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Chapter 3.1; Appendix II
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Chapter 3.1
<b>Aspect A4: Climate change</b>			
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Chapter 7; Appendix II
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Disclosed	Chapter 7

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Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	Chapter 4.1, 4.2, 4.4, 4.5; Appendix II
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Disclosed	Chapter 4.2; Appendix I
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I
<b>Aspect B2: Health and safety</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Chapter 4.3; Appendix II
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Disclosed	Appendix I
<b>KPI B2.2</b>	Lost days due to work injury.	Disclosed	Appendix I
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Chapter 2.4, 4.3

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Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B3: Development and training</b>			
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Chapter 4.4
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Disclosed	Chapter 4.4; Appendix I
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Disclosed	Chapter 4.4; Appendix I
<b>Aspect B4: Labour standards</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Chapter 4.1; Appendix II
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Chapter 4.1
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Disclosed	Chapter 4.1

## APPENDICES

Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>B. Social</b>			
<b>Operating Practices</b>			
<b>Aspect B5: Supply chain management</b>			
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Disclosed	Chapter 5.1; Appendix II
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Disclosed	Appendix I
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Chapter 5.1
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Chapter 5.1
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Chapter 5.1

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Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>B. Social</b>			
<b>Operating Practices</b>			
<b>Aspect B6: Product responsibility</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Chapter 1.4, 2.1, 2.3, 2.4; Appendix II
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable	—
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Disclosed	Chapter 2.3; Appendix I
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Chapter 1.5
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Disclosed	Chapter 2.1
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Chapter 1.4; Appendix II

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Aspects, General Disclosures and KPIs	Description	Disclosed or not	Section
<b>B. Social</b>			
<b>Operating Practices</b>			
<b>Aspect B7: Anti-corruption</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	Disclosed	Chapter 1.3; Appendix II
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	Chapter 1.3; Appendix I
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Chapter 1.3
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Disclosed	Chapter 1.3; Appendix I
<b>Community</b>			
<b>Aspect B8: Community investment</b>			
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Chapter 6.1, 6.2; Appendix II
<b>KPI B8.1</b>	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sports).	Disclosed	Chapter 6.1, 6.2
<b>KPI B8.2</b>	Resources contributed (e.g., money or time) to the focus areas.	Disclosed	Chapter 6.1, 6.2; Appendix I

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### Appendix IV - Indexes for the ESG Reporting Indicators of Listed Companies Controlled by Central Enterprises

Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses	
E.1 Resource consumption	E.1.1 Water resources	E.1.1.1 Fresh water consumption	Appendix I	
		E.1.1.2 Recycled water consumption	—	
		E.1.1.3 Proportion of recycled water consumption	—	
		E.1.1.4 Water consumption intensity	Appendix I	
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	Appendix I	
		E.1.2.2 Consumption of toxic and hazardous materials	Appendix I	
		E.1.2.3 Material consumption intensity	Appendix I	
	E.1.3 Energy	E.1.3.1 Consumption of fossil energy	Appendix I	
		E.1.3.2 Consumption of non-fossil energy	Appendix I	
		E.1.3.3 Proportion of non-fossil energy utilisation	Appendix I	
		E.1.3.4 Total energy consumption	Appendix I	
		E.1.3.5 Energy consumption intensity	Appendix I	
	E.1.4 Packaging materials	E.1.4.1 Packaging material usage	Not Applicable	
		E.1.4.2 Reduction of packaging materials through packaging lightweight	Not Applicable	
	E.2 Pollution prevention	E.2.1 Wastewater	E.2.1.1 Wastewater discharge compliance	Not Applicable
			E.2.1.2 Wastewater management and discharge reduction measures	Chapter 3.1
E.2.1.3 Wastewater discharge			Not Applicable	
E.2.1.4 Discharge of wastewater pollutants			Not Applicable	
E.2.1.5 Discharge concentration of wastewater pollutants			Not Applicable	
E.2.2 Waste gas		E.2.2.1 Waste gas emission compliance	Not Applicable	
		E.2.2.2 Emissions of waste gas pollutants	Appendix I	
		E.2.2.3 Emission concentration of waste gas pollutants	Appendix I	
E.2.3 Solid waste		E.2.3.1 Solid waste treatment compliance	Chapter 3.1	
		E.2.3.2 General industrial solid waste management	Chapter 3.1	
		E.2.3.3 Amount of general industrial solid waste disposed	Appendix I	
		E.2.3.4 Hazardous waste management	Chapter 3.1	
		E.2.3.5 Amount of hazardous waste disposed	Appendix I	

Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses
E.3 Climate change	E.3.1 Greenhouse gas emissions	E.3.1.1 Sources and types of greenhouse gas	Chapter 3.1
		E.3.1.2 Greenhouse gas emission management	Chapter 3.1
		E.3.1.3 Scope 1 emissions	Appendix I
		E.3.1.4 Scope 2 emissions	Appendix I
		E.3.1.5 Scope 3 emissions	Appendix I
		E.3.1.6 Greenhouse gas emission intensity	Appendix I
	E.3.2 Emission reduction management	E.3.2.1 Greenhouse gas emission reduction management	Chapter 3.1
		E.3.2.2 Amount of greenhouse gas emission reduction	Appendix I
	E.3.3 Environmental equity transactions	E.3.3.1 Participation in the market for carbon emissions trading	Not Applicable
		E.3.3.2 Participation in the market for energy, water and emission permits trading	Not Applicable
		E.3.3.3 Participation in green power trading	Chapter 3.1
	E.3.4 Climate risk management	E.3.4.1 Climate risk management	Chapter 7.3
E.4 Biodiversity	E.4.1 Impacts of manufacturing, services and products on biodiversity	E.4.1.1 Impacts of manufacturing, services and products on biodiversity	—

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Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses
E.5 Resource and environmental management system measures	E.5.1 Formulation of low-carbon development goals and strategic measures	E.5.1.1 Formulation of low-carbon development goals and strategic measures	Chapter 3.1
	E.5.2 Resource management measures	E.5.2.1 Water utilisation management	Chapter 3.1
		E.5.2.2 Material usage management	Chapter 3.1
		E.5.2.3 Energy use and energy saving management	Chapter 3.1
	E.5.3 Energy saving and carbon reduction statistical monitoring and assessment reward and punishment system	E.5.3.1 Energy saving and carbon reduction monitoring, statistical report and assessment system	Chapter 3.1
	E.5.4 Green actions and measures	E.5.4.1 Clean production	Chapter 3.1
		E.5.4.2 Green technology innovation and recycling	Chapter 3.1
		E.5.4.3 Green building transformation	Chapter 3.1
		E.5.4.4 Green office and operation	Chapter 3.3
		E.5.4.5 Green procurement and green supply chain management	Chapter 5.1
		E.5.4.6 Environmental protection public welfare activities	Chapter 6.2
	E.5.5 Green and low-carbon certifications	E.5.5.1 Environmental management system certification	Chapter 3.1
		E.5.5.2 Green and low-carbon enterprise certification	—
		E.5.5.3 Certification of green and low-carbon products and services	Chapter 3.1
	E.5.6 Environmental compliance	E.5.6.1 Emergency plan for environmental emergencies	Chapter 7.3
		E.5.6.2 Violations of laws and regulations in the field of environment	—

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Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses
S.1 Employee rights	S.1.1 Employees recruitment and employment	S.1.1.1 Enterprise recruitment policy and its implementation	Chapter 4.1, 4.2
		S.1.1.2 Workforce composition	Chapter 4.2
		S.1.1.3 Avoidance of child labour and forced labour	Chapter 4.1
	S.1.2 Employees' remuneration and benefits	S.1.2.1 Remuneration philosophy and policy	Chapter 4.5
		S.1.2.2 Working hours, rest and holidays	Chapter 4.5
		S.1.2.3 Remuneration and welfare guarantee	Chapter 4.5
		S.1.2.4 Employee democratic management	Chapter 4.1
	S.1.3 Employee health and safety	S.1.3.1 Employee occupational health and safety management	Chapter 4.3
		S.1.3.2 Employee safety risk prevention and control	Chapter 4.3
		S.1.3.3 Response to safety accidents and work-related injuries	Chapter 4.3
		S.1.3.4 Employee care and help	Chapter 4.1
	S.1.4 Staff development and training	S.1.4.1 Employee motivation and promotion policies	Chapter 4.4
		S.1.4.2 Employee education and training	Chapter 4.4
		S.1.4.3 Employee career planning and post change support	Chapter 4.4
	S.1.5 Employee satisfaction	S.1.5.1 Employee satisfaction survey	—
S.1.5.2 Labour disputes		—	
S.1.5.3 Employee turnover		Appendix I	

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Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses	
S.2 Product and service management	S.2.1 Product safety and quality	S.2.1.1 Production standard management policies and measures	Chapter 2.4	
		S.2.1.2 Quality management	Chapter 2.1	
		S.2.1.3 Product recall and withdrawal	Not Applicable	
		S.2.1.4 Negative product or service events	Chapter 2.4	
	S.2.2 Customer service and rights	S.2.2.1 Customer satisfaction	Chapter 2.3	
		S.2.2.2 Customer complaints and handling	Chapter 2.3	
		S.2.2.3 Customer information and privacy protection	Chapter 1.4	
	S.2.3 Innovative development	S.2.3.1 Research and development and innovation management system	Chapter 5.2	
		S.2.3.2 Research and development investment	2023 Annual Report	
		S.2.3.3 Innovation accomplishments	Chapter 5.2	
		S.2.3.4 Intellectual property protection	Chapter 1.5	
	S.3 Supply chain security and management	S.3.1 Supplier management	S.3.1.1 Supplier selection and management	Chapter 5.1
			S.3.1.2 Number and distribution of suppliers	Chapter 5.1; Appendix I
S.3.2 Supply chain management		S.3.2.1 Supply chain management policies and measures	Chapter 5.1	
		S.3.2.2 Supply chain security assurance and emergency plan	Chapter 5.1	
		S.3.2.3 Significant risks and impacts (supply chain)	Chapter 5.1	

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Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses	
S.4 Social contribution	S.4.1 Tax payment	S.4.1.1 Tax payment	2023 Annual Report	
		S.4.2 Prosperity with the community	S.4.2.1 Policies and measures in building local community S.4.2.2 Contribution to and impact on local community	Chapter 6.1 Chapter 6.1
	S.4.3 Social welfare activities	S.4.3.1 Policies and measures for participating in social welfare activities	Chapter 6.2	
		S.4.3.2 The input and effectiveness of participating in social welfare activities	Appendix I	
		S.4.3.3 Barrier-free environment construction	—	
	S.4.4 National strategic response	S.4.4.1 Industrial transformation	Chapter 7.2	
		S.4.4.2 Rural revitalisation and regional coordinated development	Chapter 6.2	
		S.4.4.3 The Belt and Road and overseas responsibilities	—	
		S.4.4.4 Industry characteristics and other social responsibility performance	Chapter 6.1	
	G.1 Governance policy and organisational structure	G.1.1 Governance policies and processes	G.1.1.1 Governance strategy formulation	Chapter 1.1
			G.1.1.2 Governance strategy monitoring process	Chapter 1.3
			G.1.1.3 Governance strategy approval and review process	Chapter 1.1
G.1.1.4 Leadership of the Party building			Chapter 1.3	
G.1.2 Organisational structure and functions		G.1.2.1 Ownership duties	Chapter 1.1	
		G.1.2.2 Organisational structure and functions of the Board, the Supervisory Committee and management	Chapter 1.1	
		G.1.2.3 Appointment procedures and composition of the Board, the Supervisory Committee and management	Chapter 1.1	
G.1.3 Remuneration management		G.1.3.1 Remuneration plan for directors and supervisors	Chapter 4.5	
		G.1.3.2 Transparency of board remuneration	2023 Annual Report	
		G.1.3.3 Rationality of the remuneration of management	2023 Annual Report	

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Level 1 Indicators	Level 2 Indicators	Level 3 Indicators	Disclosure responses
G.2 Standardised governance	G.2.1 Internal control	G.2.1.1 Internal audit	Chapter 1.2
		G.2.1.2 Internal control structures, mechanisms and processes	Chapter 1.2
	G.2.2 Integrity building	G.2.2.1 Integrity building system standard	Chapter 1.3
		G.2.2.2 Effectiveness of integrity building measures	Chapter 1.3
	G.2.3 Fair competition	G.2.3.1 Fair competition system regulations	Chapter 1.3
		G.2.3.2 Effectiveness of fair competition measures	Chapter 1.3
G.3 Investor relations management and shareholder equity	G.3.1 Investor relations management	G.3.1.1 Investor relations management strategy	SUSTAINABLE DEVELOPMENT MANAGEMENT - Stakeholder Communication
		G.3.1.2 Investor communication	SUSTAINABLE DEVELOPMENT MANAGEMENT - Stakeholder Communication
		G.3.1.3 Construction of investor relations management department	Chapter 1.1
	G.3.2 Shareholders' equity	G.3.2.1 The shareholders' (general) meeting	2023 Annual Report
		G.3.2.2 Shareholder communication	SUSTAINABLE DEVELOPMENT MANAGEMENT - Stakeholder Communication
		G.3.2.3 Shareholders' rights to information, and participation in decision-making	SUSTAINABLE DEVELOPMENT MANAGEMENT - Stakeholder Communication
	G.3.3 Creditors' equity	G.3.3.1 Credit information	—
		G.3.3.2 Performance of obligations in the bond market	2023 Annual Report
	G.4 Transparency of information disclosure	G.4.1 Information disclosure system	G.4.1.1 Financial information disclosure
G.4.1.2 Non-financial information disclosure			Appendix I
G.4.2 Quality of information disclosure		G.4.2.1 Regular monitoring, audit and evaluation of all disclosures	Chapter 1.1
		G.5.1 Compliant operations	G.5.1.1 Compliant operation system
G.5 Compliant operations and risk management	G.5.1 Compliant operations	G.5.1.2 Compliance system construction	Chapter 1.1
		G.5.1.3 Specific process of compliance review	Chapter 1.1
		G.5.2 Risk management	G.5.2.1 Risk identification and early warning
	G.5.2.2 Risk control and tracking		Chapter 1.2
	G.5.2.3 Risk reporting and management		Chapter 1.2

## Appendix V - Feedback Form

Dear reader,

Thank you for reading the 2023 ESG Report of Yuexiu Services. The Group welcomes your feedback on this Report.

If you have any opinions or suggestions on this Report or the Group's ESG activities, please complete and email the following form to: [ir@yuexiuproperty.com](mailto:ir@yuexiuproperty.com)

Subject: Yuexiu Services Group Limited 2023 ESG Report Feedback Form

Name \_\_\_\_\_

Company \_\_\_\_\_

Position \_\_\_\_\_

Telephone \_\_\_\_\_

Email \_\_\_\_\_

Your comments on this Report: (please mark "✓" in the corresponding box)

	Excellent	Good	Average	Poor	Very Poor
Do you think this Report highlighted key ESG information for the Group?	<input type="checkbox"/>				
Do you think the information and indicators disclosed in this Report were clear, accurate and complete?	<input type="checkbox"/>				
Do you think the organisation of content and style design of this Report were reader-friendly?	<input type="checkbox"/>				

Which part of this Report were you most interested in?

What other information would you like to know and that were not included in this Report?

What suggestions do you have on the Group's future ESG reports?