



越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

Stock Code: 00123

Where **Good**  
**Living** Starts



2023

Environmental, Social and  
Governance Report

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Where **Good**  
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## CHAIRMAN'S MESSAGE

Mr Lin Zhaoyuan  
Chairman



“ In 2023, I continued to serve as the Chairman of the ESG Committee under the Board of Directors, overseeing committee affairs alongside two executive directors and four independent non-executive directors. The ESG Committee is responsible for reviewing and approving the Group’s vision, goals, strategies and management policies regarding ESG issues and giving ESG-related recommendations to the Board of Directors. Furthermore, with the support of the ESG Leadership Group and ESG Executive Group, we have clarified the ESG work responsibilities of the functions and the regional persons in charge, forming a top-down thorough ESG governance structure. ”

In 2023, amidst a global landscape teeming with challenges and opportunities, we together with our nation, undertook the dual responsibility of navigating a complex international environment while propelling domestic reform, development, and stability forward. This pivotal year marked a transition towards high-quality development for the entire industry. Our focus centered on addressing systemic risks, driving sustainable development transformation, and advancing the comprehensive, high-quality development of Yuexiu Property. Rooted in our unwavering commitment to

sustainable development, we fortified our environmental, social, and governance (ESG) structure. We have formulated and implemented sustainable development strategies, continuously refining ESG practices through meticulous risk management. We are committed to ambitious, long-term ESG goals and have steadily promoted and deepened our ESG efforts through regular self-assessment and review. Our ultimate goal is to emerge as a real estate leader, setting the standard for excellence in the realm of ESG.

The Board of Directors has clarified Yuexiu Property’s sustainable development philosophy, which encompasses our comprehensive sustainability considerations throughout the lifecycle of the construction industry. Guided by this philosophy, we have constructed a visionary sustainable development strategy in alignment with the United Nations Sustainable Development Goals (UN SDGs). This year, we have included the ESG management throughout the full lifecycle of construction in our ESG report for the first time. The creation of a sustainable real estate enterprise throughout the full lifecycle of construction is not only our strategic goal, but also our mission to fulfill social responsibilities. Additionally, we have launched Yuexiu Property ESG management system this year, adhering to both international and local ESG reporting standards. We established a comprehensive management index system,

integrating various data to achieve efficient data tracking and management decision-making. This system covers data filing and collection, personal carbon footprint, ESG news and updates, dual carbon target management, energy consumption cockpit and an all-in-one management platform for commercial projects, utilising high-quality data to support accurate ESG management decisions and real-time risk monitoring. Through a vertically coordinated mechanism and the application of digital capabilities, we continuously strengthen special task management to ensure the Company can effectively address ESG-related challenges at all levels. We also strive to enhance information transparency to expand Yuexiu Property’s impact on sustainable development.

To assist Nation in achieving its goals of carbon peaking by 2030 and carbon neutrality by 2060, we have developed a comprehensive Carbon Reduction Blueprint and set forth our own emission reduction targets: achieving net-zero emissions across our entire value chain by 2060, achieving carbon peaking by 2030, and reducing the total carbon emissions of Scope 1 and Scope 2 per unit area by 44% as compared to 2019 for public building projects. Additionally, we're committed to further developing Science-Based Targets (SBT). We also formulated a hierarchical carbon emission reduction strategy, with a clear emphasis on five pivotal areas: avoidance, reduction, substitution, recycling, and carbon offsetting. This strategy serves as a definitive blueprint guiding the planning and execution of our carbon emission reduction endeavours. We've been proactive in advocating for the construction of green buildings and have systematically researched and implemented cutting-edge technologies such as ultra-low-energy consumption building system, near-zero energy consumption building system and zero-carbon building system. Currently, we have completed the construction of ultra-low-energy consumption and near-zero energy consumption buildings in Hefei, Shanghai and other regions. Simultaneously, we have driven urban renewal projects while steering clear of development activities that will encroach upon green spaces and farmland. Our aspiration is to cultivate partnerships with property owners and tenants, fostering a shared commitment to embracing green development and lifestyles while upholding green and low-carbon principles together. We have enhanced the certification of green buildings, implemented energy audits. Additionally, we advocate for the Green and Low-carbon Tenant Covenant to promote the societal transition towards green development. We pledge to achieve water neutrality within our operational scope by 2060, coupled with conducting water risk stress assessments in regions of operation by 2030.

Responding to climate change has been one of the issues of global concern in recent years. We follow the International Financial Reporting Standards for Sustainability Disclosure No. 2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) to engage in climate change management activities, and adopt the MSCI REMIND climate risk model to analyse the extent of climate risk impacts on the 29 cities where Yuexiu Property operates its projects when the temperature rises by 1.5°C and 3°C, respectively, so as to incorporate the refinement of climate factors into the Company's strategic and operational work. Furthermore, we closely track the structure established by the Taskforce on Nature-related Financial Disclosures

(TNFD) and science-based nature targets, and we expect to set up a Taskforce on Nature-related Financial Disclosures (TNFD) Working Group in 2024 to better manage financial risks and opportunities related to natural resources.

We've consistently enhanced employee training, ensuring each employee receives an average of no less than 47 hours of training each year. Moreover, we have provided a safe and healthy working environment for employees and stakeholders, prioritising workplace safety and psychological well-being for employees and striving for "zero work-related injuries" and "zero malicious psychological well-being-related incidents". We have worked to ensure that all employees adhere to the Company's code of conduct and business ethics. In 2023, by using risk assessment tools such as risk matrix, scenario analysis and stress testing, the ESG Executive Group identified and assessed the likelihood and impact of ESG risks along the Group's entire value chain, including biodiversity, climate change, energy efficiency, water resource management, social impact, health and safety, customer satisfaction, ESG transparency and reporting, etc.. The ESG Executive Group has also integrated ESG risk management into the daily operations and business processes of Yuexiu Property, and regularly reports and reviews ESG risks to the ESG Committee.

On the social front, Yuexiu Property is committed to its "Quality Products, Quality Services, Strong Brand, Capable Service Team" development strategy, focusing on delivering outstanding products, services, brands, and teams. We have emphasised safeguarding employee rights and interests and continuously enhanced occupational health and safety standards. Through initiatives aimed at optimising organisational structures, talent development, mechanism development, and cultural development, we aim to elevate our human resources management practices and empower our workforce with enhanced skills and capabilities. Moreover, we are steadfast in our commitment to enhancing ESG management throughout our value chain. In July 2023, we introduced the Yuexiu Property Company Limited Supplier Code of Conduct and the Yuexiu Property Company Limited Sustainable Procurement Policy, nurturing collaborative partnerships with suppliers to cultivate a green, stable, and sustainable value chain. We have also actively engaged in rural revitalisation efforts, contributing to the ecological development of Bijie City, Guizhou Province, and expanding our positive social influence.

Looking ahead, Yuexiu Property will continue to uphold its corporate ethos of "Beyond Excellence", committed to comprehensively enhancing ESG management effectiveness and promoting sustainable development of the enterprise. In 2024, we plan to further optimise the ESG governance framework, establishing specialised teams to effectively manage risks associated with various issues. Our focus will be placed on comprehensively identifying and addressing challenges relating to climate change, water risks, and the circular economy. Our intensified efforts will aim to pinpoint sources of carbon emissions and manage them effectively, aligning with Yuexiu Property's dual carbon targets. We will steadfastly pursue initiatives concerning water neutrality and the circular economy, managing climate-related and nature-related risks and their impacts while bolstering our

environmental governance capabilities. In the realm of human resources management, we will enhance human capital efficiency and safeguard the rights, safety, and psychological well-being of every employee, fostering a fair and harmonious working environment. Furthermore, we will continue to fulfil our responsibilities in rural revitalisation, urban enhancement, elderly care services, inclusive education, and actively engage in various social causes. We firmly believe that Yuexiu Property's sustainable development philosophy will create a positive societal impact. We eagerly anticipate partnering with all stakeholders to foster prosperity and pave the way for a brighter future.



**Lin Zhaoyuan**  
Chairman

Hong Kong, 26 March 2024



## SUSTAINABLE DEVELOPMENT POLICIES

### STATEMENT OF THE BOARD

Adhering to the mission of “Where Good Living Starts”, the Group integrates ESG philosophy into its long-term development strategy and steadfastly promotes sustainable development. Yuexiu Property attaches great importance to ESG, recognising it as a fundamental factor behind corporate development. In response to stringent disclosure standards set by regulatory bodies such as the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and the Hong Kong Stock Exchange, we have established a thorough ESG governance structure. The Board of Directors is responsible for formulating and reviewing our ESG strategy in all respects and ensuring ongoing oversight of its execution. At regular meetings, the Board of Directors listens to ESG-related reports, including those relating to sustainable development and climate change, while closely monitoring the progress in relevant indicators and objectives. The Board of Directors is also responsible for reviewing the overall risk management mechanism, integrating ESG risks into risk management procedures and conducting regular risk assessments.

In 2023, Yuexiu Property's ESG management is under the charge of the ESG Committee chaired by the Chairman of the Board, with two Executive Directors and four Independent Non-executive Directors as the members who engage in the regular discussions and reviews of the Group's ESG risks and opportunities. In addition, an ESG Leadership Group led by the Chief Executive Officer and composed of heads of business departments is formed to take charge of improving the ESG management structure and ensure the orderly and efficient implementation of the relevant work. In order to promote the professionalism and transparency of ESG management, the Company has approved formal documents to define the management responsibilities and procedures at each level.

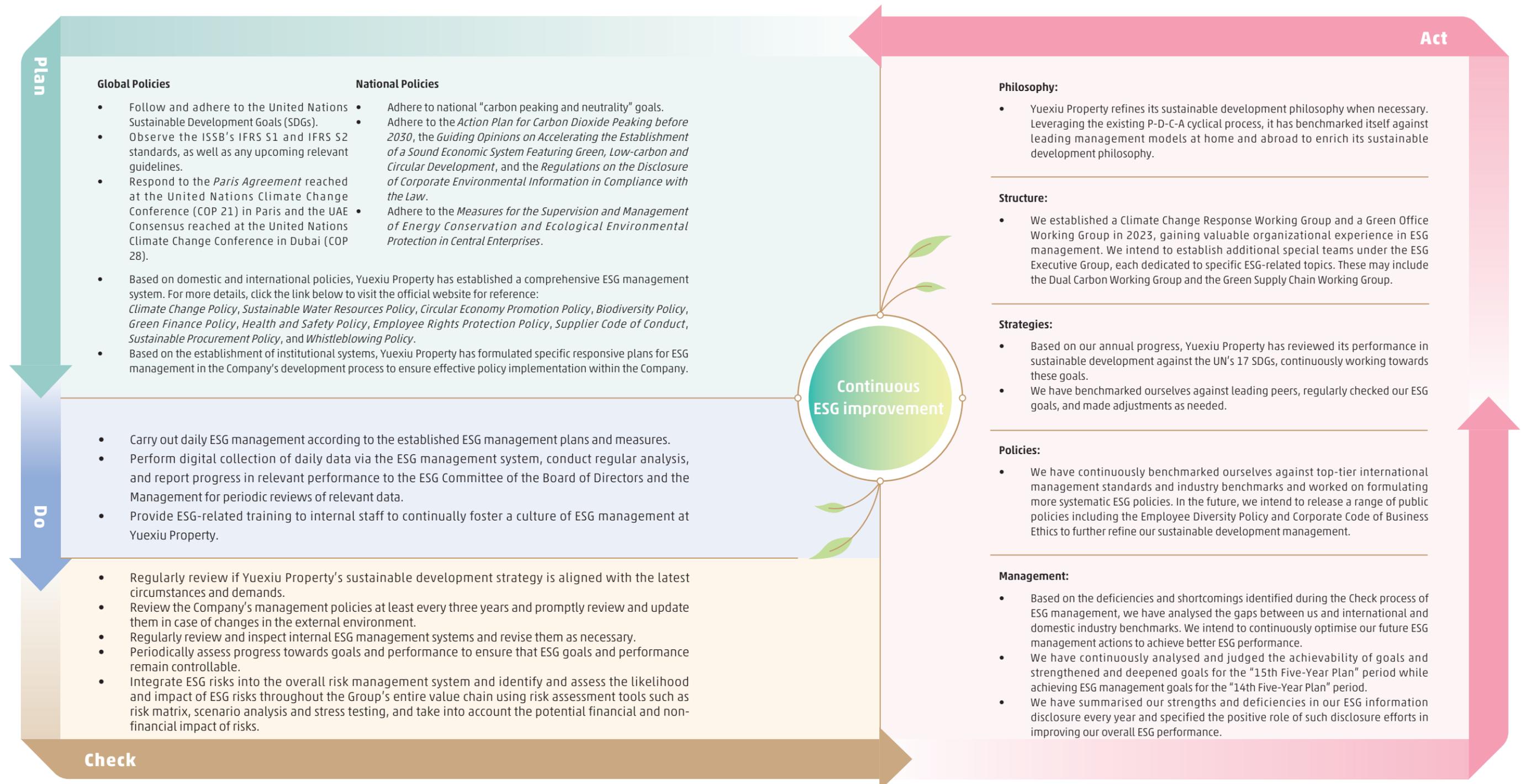
To respond to climate change and comply with regulatory requirements, the Group has established the Climate Change Response Working Group under the ESG Executive Group to be dedicated to identifying and managing climate-related risks and opportunities in our operations and development. The Group has also set up a Green Office Working Group, which has introduced the Green Office Cost Reduction and Efficiency Improvement Plan, outlining objectives and plans for the administrative office sector over the next three years.

During the reporting period, the Group completed Scope 1 and Scope 2 carbon emissions inventories, gaining deep insights into carbon reduction targets and pathways, and established reduction goals and strategies. The Board of Directors closely observed ESG governance trends, assessed internal management, identified potential risks and opportunities, and maintained regular communication with stakeholders. This report has been reviewed and approved by the Board and it is ensured that the content of this report is truthful, accurate, and free from any misleading statements or material omissions. It fully illustrates the Group's efforts and achievements in ESG management.

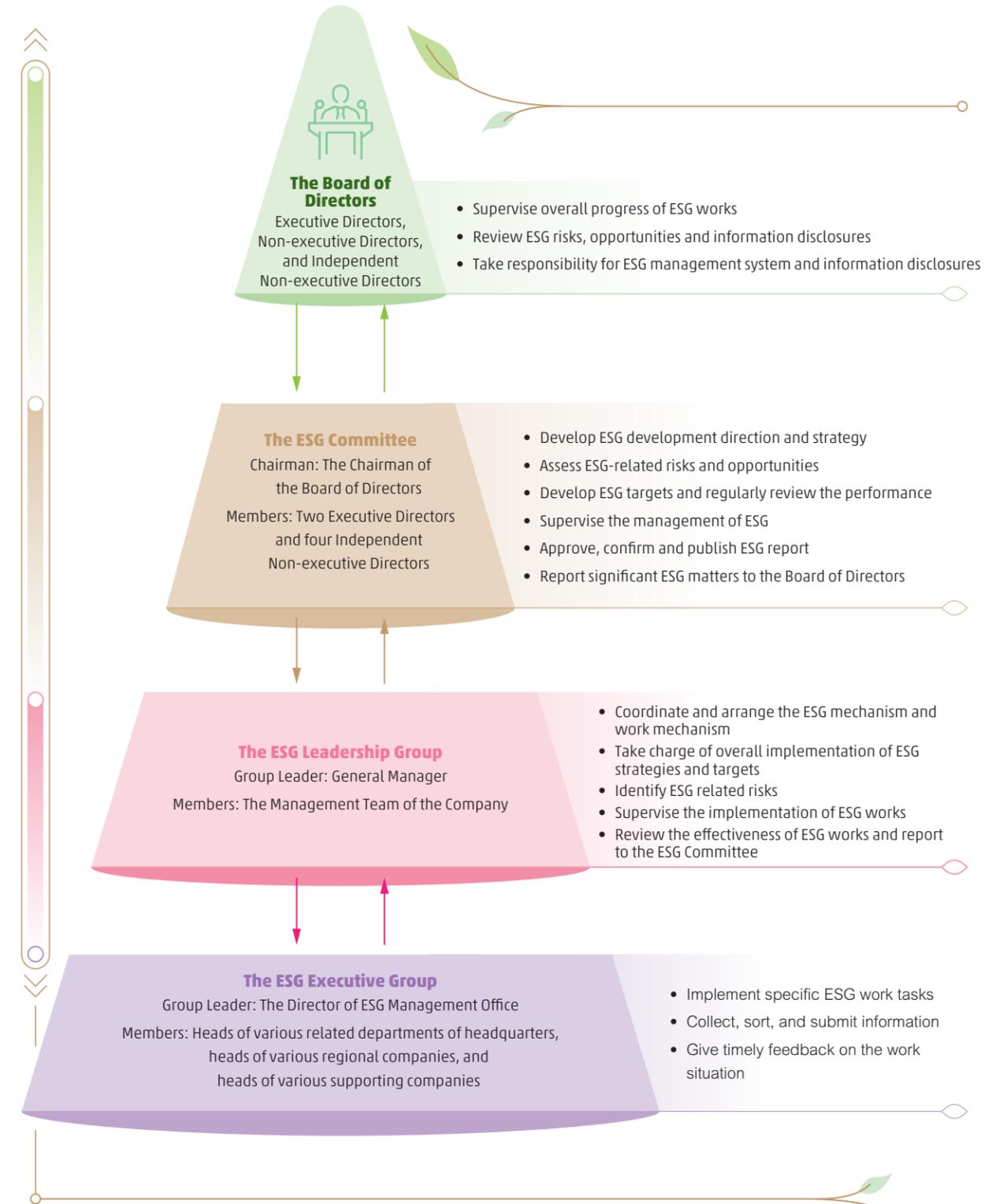
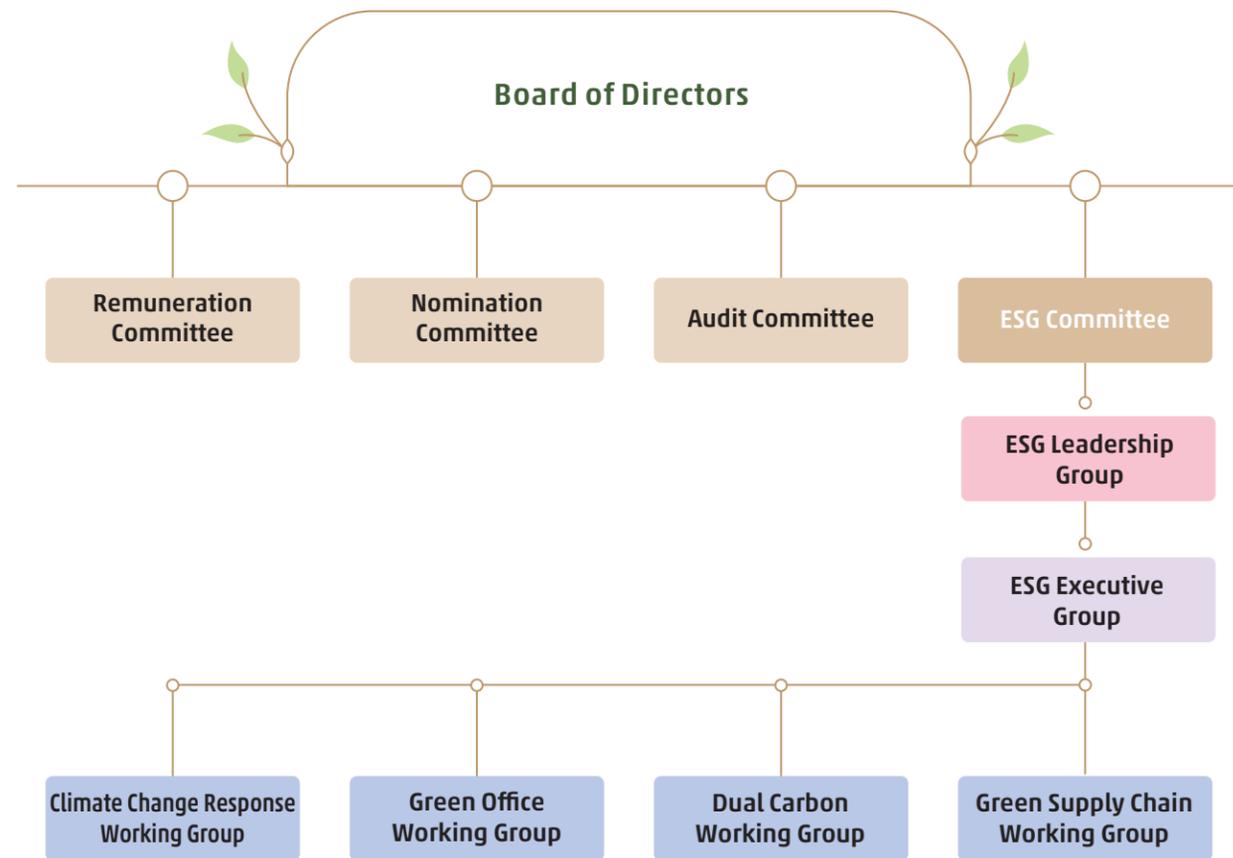


## SUSTAINABLE DEVELOPMENT PHILOSOPHY

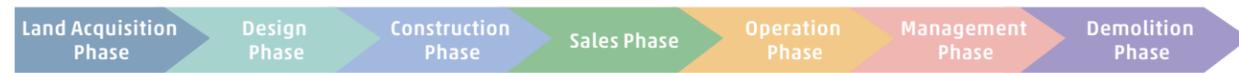
Based on the discussions and decisions by the Board of Directors and the ESG Committee, Yuexiu Property has rigorously applied the Plan-Do-Check-Act (P-D-C-A) cyclical management process as the management philosophy for its sustainable development. Meanwhile, this process serves as the principle and guideline for the Company's ESG management. Through a spiral rise-based approach, we have consistently elevated and refined our ESG performance while enhancing the transparency of ESG information.



The Group has established an ESG structure directly led by the Board of Directors that features comprehensive oversight at all levels to integrate decision-making, communication, and execution processes. As the highest governing body, the Board of Directors actively engages in the formulation and implementation of ESG strategies, oversees the Company's ESG development direction, and regularly discusses and reviews ESG risks and opportunities. Operating under the Board of Directors, the ESG Committee comprises members with diverse backgrounds and extensive industry experience, covering a wide range of professional fields such as economics, sociology, business administration, administration, mechanical engineering, accounting, audit, finance, and jurisprudence. With different professional perspectives and risk appetites, a diverse ESG Committee is better equipped to deal with complex ESG risks, grasp the ESG opportunities for the Group and gain a head start in development.



### FULL LIFECYCLE MANAGEMENT OF YUEXIU PROPERTY

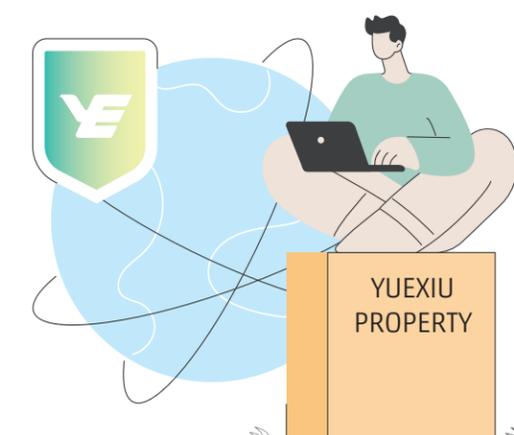


Phase	Important Related ESG Factors	Specific Measures
<b>Land Acquisition Phase</b> 	<ul style="list-style-type: none"> <li>Biodiversity and Natural Ecosystem Conservation</li> </ul>	<ul style="list-style-type: none"> <li>Require all newly acquired projects to undergo environmental impact assessments to prevent adverse effects on surrounding areas.</li> </ul>
	<ul style="list-style-type: none"> <li>Climate-related Risks and Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct project surveys and calculations on targeted land plots and integrate environmental and climate change indicators for evaluation;</li> <li>We have identified the level of exposure to climate physical risks of each business region and evaluated the impact of climate transition risks on our investment. This allows us to promptly devise more robust responsive strategies.</li> </ul>
	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Uphold the principle of fair competition in the processes of land bidding, auction and listing, as well as pre-application for land use, and strictly prohibit any instances of corruption or bribery during the land acquisition process.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Development Commitment</li> </ul>	<ul style="list-style-type: none"> <li>Uphold our green development commitment, ensuring the preservation of green areas and farmland.</li> </ul>
<b>Design Phase</b> 	<ul style="list-style-type: none"> <li>Green Building</li> </ul>	<ul style="list-style-type: none"> <li>Actively incorporate green, low-carbon, and health-oriented elements into project designs in alignment with standards such as the <i>Assessment Standard for Green Building</i>, the Leadership in Energy and Environmental Design (LEED), and WELL Building Standard (WELL) Certification.</li> </ul>
	<ul style="list-style-type: none"> <li>Zero-carbon Building</li> </ul>	<ul style="list-style-type: none"> <li>Actively explore and apply cutting-edge technologies such as ultra-low energy consumption building technology systems, near-zero energy consumption building technology systems, and zero-carbon building technology systems to further reduce carbon emissions and energy consumption throughout the building's lifecycle.</li> </ul>
	<ul style="list-style-type: none"> <li>Sponge City Development</li> </ul>	<ul style="list-style-type: none"> <li>Implement sponge city designs for residential communities based on the findings of water risk stress assessments and practical considerations, optimise the ecology of water bodies in and around the communities and relieve pressure on water resources.</li> </ul>
	<ul style="list-style-type: none"> <li>Climate-related Risks and Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Tailor designs for building layouts, ventilation corridors, and other elements based on the findings of the Task Force on Climate-related Financial Disclosures (TCFD)'s risk identification and actively keep in alignment with the design of the ultra-low energy consumption building technology system.</li> </ul>
	<ul style="list-style-type: none"> <li>Innovative Community Spaces</li> </ul>	<ul style="list-style-type: none"> <li>Implement innovative designs for public areas to meet the evolving needs of residents.</li> </ul>
	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise durability, safety, and fire resistance in building design and put in place standardised procedures.</li> </ul>

### FULL LIFECYCLE MANAGEMENT OF YUEXIU PROPERTY



Phase	Important Related ESG Factors	Specific Measures
<b>Construction Phase</b> 	<ul style="list-style-type: none"> <li>Site Standardised Construction System</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve our site standardised construction system, has completed the Site Standardised Construction System (SSCS) 3.0, and steadily enhance our level of standardisation.</li> </ul>
	<ul style="list-style-type: none"> <li>Prefabricated Construction</li> </ul>	<ul style="list-style-type: none"> <li>Continuously expand the coverage of prefabricated buildings and boost the prefabrication rate to enhance resource efficiency.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Construction</li> </ul>	<ul style="list-style-type: none"> <li>Follow the guidance of the circular economy to boost resource efficiency, minimise the environmental impacts of emissions, and implement comprehensive environmental management for projects (including dust and noise treatment).</li> </ul>
	<ul style="list-style-type: none"> <li>Water Conservation and Resilience</li> </ul>	<ul style="list-style-type: none"> <li>Implement water conservation and adjust construction water usage strategies based on the results of water risk stress analyses.</li> </ul>
	<ul style="list-style-type: none"> <li>Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>Promote terminal electrification by encouraging and increasing the use of electricity in development projects and identify risk points in energy use to minimise unnecessary energy use processes; utilise renewable energy in the project development phase.</li> </ul>
	<ul style="list-style-type: none"> <li>Climate-related Risks and Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>We have identified the level of climate physical risks across various business regions and implemented climate risk management.</li> </ul>
	<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Require contractors to uphold safe construction and workplace safety and be equipped with safety facilities and management means;</li> <li>Prevent health and quality issues during construction.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Actively procure and utilise green building materials and encourage suppliers to adopt them;</li> <li>Implement proper resource management and minimise the purchase of unnecessary products to conserve resources and promote the circular economy.</li> </ul>



### FULL LIFECYCLE MANAGEMENT OF YUEXIU PROPERTY

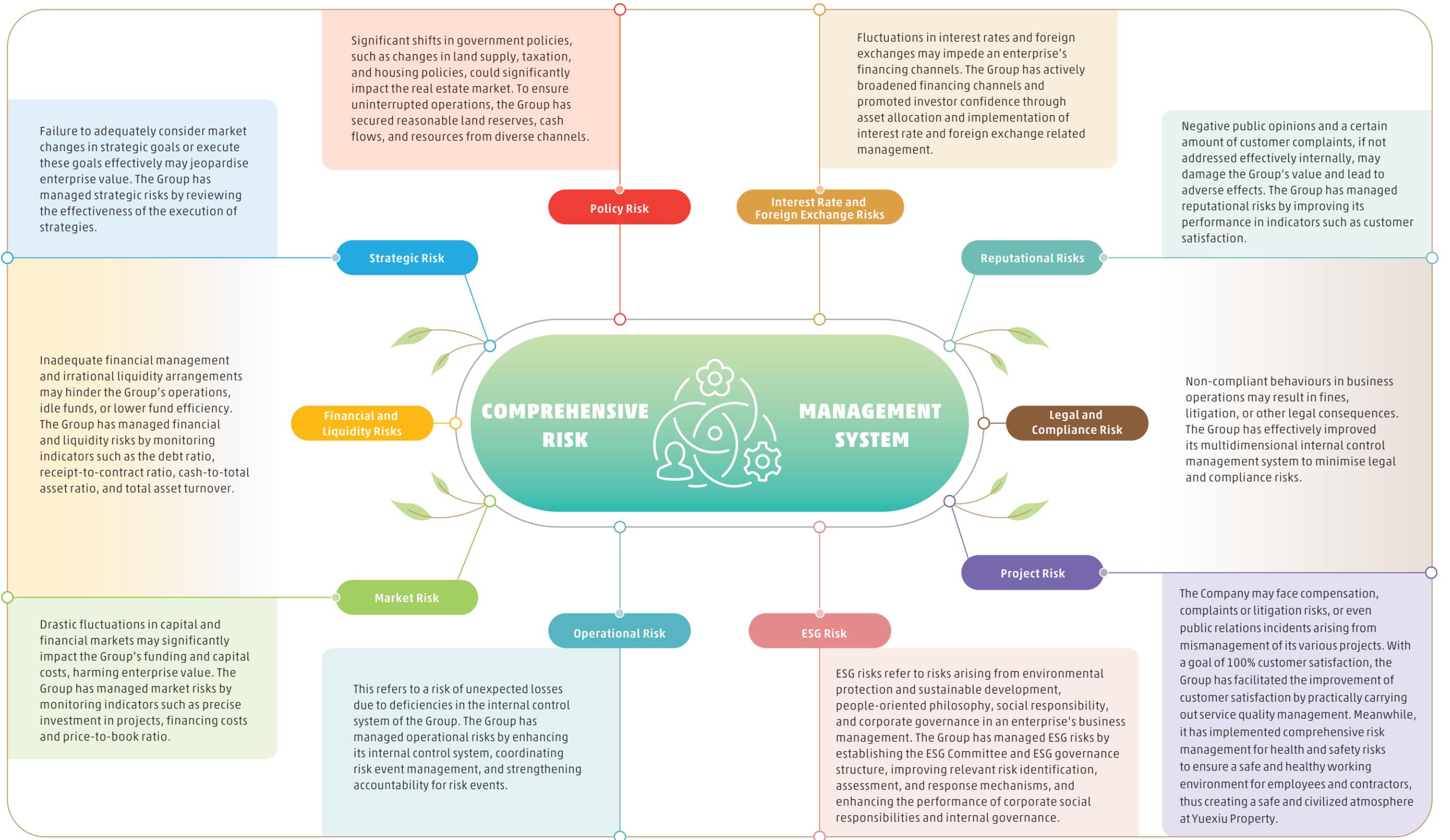


Phase	Important Related ESG Factors	Specific Measures
<b>Sales Phase</b> 	<ul style="list-style-type: none"> <li>Responsible Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Formulate management guidelines, such as the <i>Marketing Business Risk Control Regulations</i> and the <i>Sales Tool Management Guide</i>, and define the principles for responsible marketing.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Brand</li> </ul>	<ul style="list-style-type: none"> <li>Use environmentally friendly materials in the sales process and encourage customers to engage in green and environmentally friendly consumption.</li> </ul>
	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Engage in fair competition with neighbouring properties, ensuring transparency and compliance throughout the selection and transaction processes to protect consumer rights and interests.</li> </ul>
	<ul style="list-style-type: none"> <li>Digital Management</li> </ul>	<ul style="list-style-type: none"> <li>Advance online property purchase contract signing to transition to paperless contract signing and implement digital management of property purchase contracts.</li> </ul>
	<ul style="list-style-type: none"> <li>Circular Economy of Sites</li> </ul>	<ul style="list-style-type: none"> <li>Implement site recycling initiatives and conduct lifecycle management of marketing centres by repurposing them into offices, business districts, or clubs after the sales, minimising building waste;</li> <li>Promote reusing of marketing materials to reduce resource wastage.</li> </ul>
<b>Operation Phase</b> 	<ul style="list-style-type: none"> <li>Carbon Emission Management</li> </ul>	<ul style="list-style-type: none"> <li>Actively manage carbon emissions of projects under operation via the ESG management system, striving to achieve a 44% and 23% reduction in the carbon emission intensity per unit area in 2030 as compared to 2019 for public building projects and residential projects, respectively.</li> </ul>
	<ul style="list-style-type: none"> <li>Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen energy governance during the operation phase by enhancing the energy governance structure and implementing a P-D-C-A cyclical management process, thereby reducing overall energy consumption and carbon emission intensity of projects in operation.</li> </ul>
	<ul style="list-style-type: none"> <li>Water resources Management</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, a water risk stress test was conducted at the Guangzhou International Financial Centre. In 2024, we intend to conduct water risk stress tests of the Yuexiu Financial Tower, Guangzhou International Commercial Center (Guangzhou ICC), and pilot residential communities;</li> <li>We have implemented targeted water conservation and recycling measures based on the assessment results of business projects.</li> </ul>
	<ul style="list-style-type: none"> <li>Circular Economy</li> </ul>	<ul style="list-style-type: none"> <li>Implement category-based and class-based management of waste and collaborate with certified professional institutions for waste treatment;</li> <li>Promote resource recycling and reuse to minimise source waste;</li> <li>Actively use green building materials and incentivise contractors to adopt them.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Operations</li> </ul>	<ul style="list-style-type: none"> <li>Conduct capital renovations of existing buildings to promote green building certification for projects in operation.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Leasing</li> </ul>	<ul style="list-style-type: none"> <li>Integrate green management with tenant operations, driving green integration of Yuexiu Property and tenants from three perspectives: advocating green leasing, green procurement, and low-carbon living.</li> </ul>
	<ul style="list-style-type: none"> <li>Product Quality</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular inspections to ensure building safety, focusing on electricity, water resources, and structural stability.</li> </ul>
<ul style="list-style-type: none"> <li>Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the efficiency of service personnel to improve the quality of residents' lives and create a better working environment for office tenants, thereby fostering enhanced public happiness overall.</li> </ul>	

### FULL LIFECYCLE MANAGEMENT OF YUEXIU PROPERTY



Phase	Important Related ESG Factors	Specific Measures
<b>Management Phase</b> 	<ul style="list-style-type: none"> <li>Organisation and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Implement robust corporate management by promoting anti-corruption measures, the enterprise risk management (ERM) system, and crisis management.</li> </ul>
	<ul style="list-style-type: none"> <li>Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the protection of employees' rights and interests, including occupational health and safety, working environment, human rights, and career advancement;</li> <li>Continually enhance employees' comprehensive abilities and work enthusiasm to improve the efficiency of human capital.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Office</li> </ul>	<ul style="list-style-type: none"> <li>Continuously drive paperless office development throughout various internal management processes such as office supplies and procurement.</li> </ul>
	<ul style="list-style-type: none"> <li>Green Finance</li> </ul>	<ul style="list-style-type: none"> <li>Develop the <i>Green Finance Policy</i> to promote the green transformation of financing channels and stabilise fund flows;</li> <li>In 2024, Yuexiu Property set up a sustainable financing framework to fund projects, assets and developments that align with its sustainable development vision and strategy.</li> </ul>
	<ul style="list-style-type: none"> <li>Physical and Mental Health</li> </ul>	<ul style="list-style-type: none"> <li>Effectively safeguard employees' workplace safety by establishing a workplace safety risk management system and promoting the implementation of ISO 45001 occupational health and safety management system;</li> <li>Promote employees' well-being, develop long-term strategies and initiatives centred on ISO 45003 Standard for Psychological Health and Safety at Work to improve mental health management, and plan to develop a PDCA cycle for mental health management.</li> </ul>
	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Strive for 100% customer satisfaction by enhancing customer experience in various dimensions, bolstering complaint management and resolution, and nurturing a lasting harmonious relationship between Yuexiu Property and its customers.</li> </ul>
<b>Demolition Phase</b> 	<ul style="list-style-type: none"> <li>Environmental Management</li> </ul>	<ul style="list-style-type: none"> <li>Adhere strictly to relevant regulations during demolition to minimise the impacts of noise and dust on nearby residents.</li> </ul>
	<ul style="list-style-type: none"> <li>Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Crush and recycle demolished building materials and conduct category-based and class-based disposal of other waste to minimise resource wastage.</li> </ul>
	<ul style="list-style-type: none"> <li>Urban Renewal</li> </ul>	<ul style="list-style-type: none"> <li>Engage in diversified urban renewal practices, identify and preserve ancient trees, historic buildings and vital ecosystems in the demolition zone, striking a balance among the urban layout, social benefits and original ecological value.</li> </ul>
	<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise environmental monitoring of the site over development to prevent future health and safety risks for residents as a result of land contamination or brownfield sites;</li> <li>Minimise the impact of noise and dust caused by demolition on surrounding residents.</li> </ul>

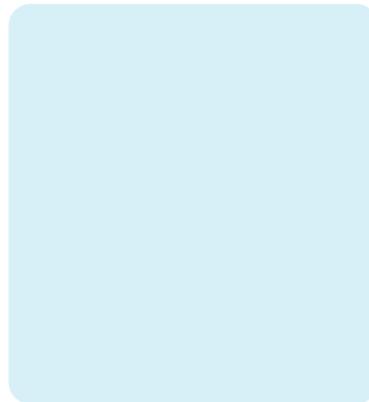


## SUSTAINABLE DEVELOPMENT STRATEGY

### Strategic Background:

Development is the eternal pursuit of human society. Faced with the destruction and crises caused by human activities on climate and the environment, the United Nations adopted the *2030 Agenda for Sustainable Development* and 17 Sustainable Development Goals (SDGs) in 2015, outlining a global blueprint and path for sustainable development. Currently, the world is facing multiple crises and challenges. Influenced by factors such as the climate crisis, food security, geopolitics, and global economic downturn, the progress towards SDGs falls short of expectations, emphasising the dire need for all parties to take swifter action.

Yuexiu Property takes into full consideration its own strategic planning, core competencies and the interrelationships with SDGs. We actively respond to the 17 SDGs, establish an optimal SDGs strategic structure, and integrate ESG concepts into the Company's own development strategy. We are committed to operating with a responsible attitude to create sustainable environmental, social, and economic benefits. We continuously enhance our own sustainable development capabilities to become a responsible corporate citizen.



### SDGs



End poverty in all its forms everywhere.

#### Our Understanding

- ✦ Strengthen and broaden the outcomes of poverty alleviation, advance the comprehensive revitalisation of industries, talents, culture, ecology, and organizations - the "Five Revitalizations".

#### Action plans

- ✦ Utilize the coordinating capacity of the Rural Revitalisation Office, escalate sustained investments in rural revitalisation, execute priorities in industrial revitalisation, and reinforce the accomplishments in poverty alleviation.



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

#### Our Understanding

- ✦ Supporting the national food security strategy involves implementing the principle of protecting arable land during real estate development and adhering to commitments for green space development.

#### Action plans

- ✦ Adhering to the commitment of green space development means prohibiting any actions that violate the national arable land protection principle and refraining from developing green spaces and farmland above the designated red line. If development is unavoidable, it shall comply with green building standards.



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

#### Our Understanding

- ✦ Supply customers with health and safety-focused residential, office, commercial, and other products, and ensure contractors' rights to safe production, and create a secure and healthy work environment for employees.

#### Action plans

- ✦ Throughout the preliminary development and intermediate operational processes, meet customers' health and safety needs from multiple dimensions;
- ✦ Offer concrete protection to contractors and employees in terms of safety in production, workplace health, and mental well-being;
- ✦ Take the health care industry as the cause of Yuexiu Property and actively involve in caring for the elderly in society.

SDGs



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

**Our Understanding**

- ✦ Embrace inclusive education as part of Yuexiu Property's social endeavors, maintain supplementary construction for schools near residential products, cater to customers' demand for nearby educational options, and lay the hardware groundwork for compulsory nine-year education;
- ✦ Provide employees with a comprehensive training system to promote lifelong learning and continuous improvement, and foster mutual growth with the Company.

**Action plans**

- ✦ Continuously increase investment in the supplementary construction for schools, and constantly upgrade the hardware facilities of such schools;
- ✦ Enhance the employee training system continuously, and offer cross-experience and general training practices to help employees become competitive professionals.



Achieve gender equality and empower all women and girls.

**Our Understanding**

- ✦ Eliminate discrimination and prejudice based on gender, age, race, nationality, religious beliefs, or social factors, effectively safeguard the interests of vulnerable groups, and promote the protection of women's rights.

**Action plans**

- ✦ Offer courses or activities for the protection of women's rights and interests to enhance awareness of women's rights and interests;
- ✦ Promote gender equality in society by organising activities on the protection of women's rights and interests for stakeholders.



Ensure availability and sustainable management of water and sanitation for all.

**Our Understanding**

- ✦ Conduct water risk stress assessments on freshwater resources and adjust water usage strategies in various business locations;
- ✦ Strongly oppose uncontrolled sewage discharge, reduce wastewater emissions as much as possible, and discharge them into designated municipal sewage pipelines to prevent adverse effects on the environment.

**Action plans**

- ✦ Plan to complete water risk stress assessments in all business locations by 2030;
- ✦ Implement the *Sustainable Water Resources Policy*, promote compliant sewage discharge, reduce water usage, and strive for more reuse of water resources.

SDGs



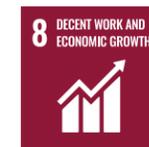
Ensure access to affordable, reliable, sustainable and modern energy for all.

**Our Understanding**

- ✦ Establish an energy management committee during the commercial operation phase to specifically manage energy consumption in commercial operations and reduce overall building energy consumption;
- ✦ Promote the construction of clean energy and apply clean energy throughout the construction, operation, and management phases.

**Action plans**

- ✦ Conduct deeper energy management, strengthen energy-saving capitalisation transformation of buildings, use ESG management systems for comprehensive analysis and assessment of energy consumption platforms, and reduce energy consumption risks;
- ✦ Continuously expand the usage scenarios of clean energy to promote the coverage of clean energy throughout the entire lifecycle of Yuexiu Property.



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

**Our Understanding**

- ✦ Provide employees with competitive salaries and take on employment responsibilities in business locations;
- ✦ Yuexiu Property achieved counter-cyclical growth in revenue in the real estate downturn phase in 2023, provided stability to the industry, and promoted sustainable development in the real estate sector.

**Action plans**

- ✦ Enhance salary management for employees, promote overall salary increases, and establish a fair and comprehensive salary performance management mechanism, and provide a wide range of employment opportunities up and down the supply chain;
- ✦ Deepen business diversification strategies and continue to advance Yuexiu Property's sustainable economic growth.



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

**Our Understanding**

- ✦ Prioritise product quality and safety, and ensure all products meet earthquake, typhoon, and flood resistance requirements;
- ✦ Continuously pilot zero-carbon building technology systems to drive technological innovation and high-quality development in the real estate industry.

**Action plans**

- ✦ Continuously build resilience against risks such as water resource, climate, and extreme weather risks;
- ✦ Seize the opportunities of the green transformation in the construction industry to implement various new building technologies and promote industrialization and standardisation of construction.

SDGs



**10 REDUCED INEQUALITIES**

Reduce inequality within and among countries.

**Our Understanding**

- Engage in fair competition with peers;
- Conduct responsible marketing to safeguard consumer rights;
- Eliminate any corruption, fraud, or bribery along the value chain.

**Action plans**

- Consistently create a fair and stable market environment, and eradicate any form of unfair competition, deceptive marketing, and anti-corruption practices.



**11 SUSTAINABLE CITIES AND COMMUNITIES**

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

**Our Understanding**

- Initiate urban renewal to prevent residents from living in dangerous buildings or on polluted brownfield sites, and optimize the urban layout through urbanisation-style urban renewal;
- Conduct urban micro-improvements in old city areas, and embody inclusivity and human care.

**Action plans**

- Consistently contribute to the sustainable development of the business's location;
- Emphasize human care in the process of urban micro-improvements, and effectively ensure urban inclusivity and a safe atmosphere.



**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

Ensure sustainable consumption and production patterns.

**Our Understanding**

- Promote green marketing, and promote sustainable and green consumption patterns among consumers;
- Enhance influence in carbon, water, and circular economy targets.

**Action plans**

- Implement green marketing in the marketing process, and promote alignment with consumers on green consumption issues;
- Continually advance the implementation of carbon, water, and circular economy targets.



**13 CLIMATE ACTION**

Take urgent action to combat climate change and its impacts.

**Our Understanding**

- Conduct carbon emission inspection and analyze Scope 3 emissions factors to lay the foundation for reducing carbon emissions along the value chain;
- Implement climate risk management to enhance overall climate change resilience.

**Action plans**

- Calculate Scope 3 emissions for employee commuting and business trips, and plan to conduct Scope 3 assessments for purchasing goods and services;
- Continue to implement specific measures for climate change adaptation based on current TCFD risks and outcomes.

SDGs



**15 LIFE ON LAND**

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

**Our Understanding**

- Implement TNFD management to promote the protection of natural resources and the environment, and reduce the environmental impact around operational sites.

**Action plans**

- Implement TNFD management to identify risks in the process of protecting natural resources and the ecological environment, and avoid impacts on the surrounding environment of operational sites.



**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

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

**Our Understanding**

- Generate positive societal impact through initiatives such as rural revitalization, health and wellness services, and inclusive education, and promote social peace, inclusivity, and sustainable development.

**Action plans**

- Sustain the progress of rural revitalization, health and wellness services, inclusive education, and other social undertakings, and assess the realization of related indicators on an annual basis.



**17 PARTNERSHIPS FOR THE GOALS**

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

**Our Understanding**

- Develop the *Sustainable Procurement Policy* to continuously promote ESG prosperity throughout the value chain through green procurement, supply chain carbon management, and other channels.

**Action plans**

- Review and update the *Sustainable Procurement Policy* every three years to involve more partners in Yuexiu Property's ESG value chain.

## DIGITAL MANAGEMENT FOR SUSTAINABLE DEVELOPMENT

To advance the implementation of sustainable development strategies and enhance ESG management efficiency, Yuexiu Property launched an “ESG management system” in 2023. Aligned with IFRS Sustainability Disclosure Standards, the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, and the ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), we have established an ESG management indicator system to drive ESG management improvement.

Leveraging ESG management and the indicator system, the ESG management system integrates various indicators, reporting items, parameters, and templates to create a foundational data management platform. It efficiently tracks the progress of ESG data collection, analysis, and hierarchical approvals, supporting the Company in making management decisions based on the analysis results. Building upon this foundation, we have developed an enterprise-level data cockpit and an integrated management platform. These tools not only display the current status of ESG data but also enable real-time monitoring of ESG data risks. This continuous enhancement ensures the quality of Yuexiu Property’s ESG data and validates the accuracy of ESG management decisions based on data.



### ESG Data Management Procedures



01	02	03	04
<p><b>Data collection</b></p> <p>Configure the corresponding data management framework promptly in response to business changes to strictly control and promptly update all indicators, reporting items, parameters, and templates to ensure data accuracy</p> <p>ESG data collection and calculation are comprehensively managed online, requiring ESG data managers to regularly submit reports. The system applies calculation logic based on indicator settings to reject and prompt for timely resubmission of erroneous data</p> <p>Data is stored, undergoes digital preprocessing to generate ESG data reports, and undergoes multi-level data examination, tracing, and review</p> <p>Directly link to the data cockpit to ensure rapid transition to analysis, reporting, and review procedures after achieving digital data processing</p>	<p><b>Data analysis</b></p> <p>Incorporate carbon targets into the ESG management system to conduct ESG data progress analysis based on targets</p> <p>Conduct in-depth attribution analysis of data across the Company and various sectors for timely strategic adjustments</p> <p>Establish a performance management system linked to carbon target achievements</p>	<p><b>Data reporting</b></p> <p>Establish an enterprise-level data cockpit to instantly understand key ESG data indicators based on analysis results</p> <p>Integrate with Yuexiu Property’s energy consumption management system to establish an energy consumption cockpit based on ESG data analysis results for real-time monitoring of group and project energy consumption data, comprehensive display of indicator status, and rapid identification and presentation of root causes of data anomalies</p>	<p><b>Data review and decision-making</b></p> <p>Real-time aggregation of ESG data for risk monitoring, timely alerts, and swift business adjustments</p> <p>Real-time monitoring of carbon target completion across sectors and projects</p> <p>Central presentation of enterprise ESG rating indicator progress</p> <p>Regular issuance of management reports for management review and decision-making on ESG data</p>

# PROGRESS OF SUSTAINABLE DEVELOPMENT IN 2023

## Y

### Y - Yield - Harvest

#### June 2023

- The 2022 ESG Report of the Company received a **"four and a half-star"**  rating in China, showcasing a leading level of development in the industry.



#### October 2023

- HKQAA Sustainable Development Rating improved from "BBB+" in 2022 to **"A-"** in 2023, demonstrating outstanding performance.
- Received the ESG Best Performance Excellence Award at the "BDO Environmental, Social, and Governance Grand Awards".



#### August 2023

- Greater Bay Area State-Owned Enterprises ESG Development Index
- China ESG Listed Companies Top 50 in the Greater Bay Area



#### December 2023

- Received the "Hong Kong Corporate Governance and Environmental, Social, and Governance Excellence Award".



### 2023 EDGE AWARDS Annual ESG Innovation Enterprise

### State-owned Enterprise Listed Company ESG Vanguard 100 Index



#### September 2023

- Awarded the 2023 Excellent China Real Estate Company ESG Award



#### October 2023

- GRESB rating upgraded from **"Two Stars"** in 2022 to **"Four Stars,"** ranking **second** in the residential category in East Asia.



## E

### E - Environment

#### January 2023

- Guangzhou Baiyun International Convention Center Phase II (International Convention Hall) achieved a **Three-Star**  Green Building Certification



#### July 2023

- Guangzhou International Commercial Center received the Guangzhou Association of Building Economy Promotion's **"Zero-carbon, Digital, Intelligent, Energy-Saving, and Carbon-Reducing Three-Star Standard" building certification**



#### August 2023

- Wuhan Yuexiu Fortune Centre received the **"Net Zero-carbon Building Excellence"** certification jointly awarded by BRE and TÜV Rheinland



#### September 2023

- Launched the Yuexiu Property ESG Management System to enhance ESG management capabilities.
- Introduced the 3.0 version of the sustainability section on the official website, and provided a more comprehensive management platform and display platform for Yuexiu Property's sustainable development.



## S

### S - Society

#### May 2023

- Awarded the **national "Guangsha Award"** for the Yuexiu Lingnan Hillside and Yuexiu Lingnan Wood projects, with the expert panel recognising Yuexiu Property's projects in terms of architectural quality, innovative living environment, and green energy efficiency during the selection process.



Where **Good Living** Starts

# SUSTAINABLE DEVELOPMENT PRIORITIES TOWARDS 2030

In the current global context of climate change, we are aware of the importance of carbon reduction efforts. As such, we are dedicated to building a green building system, enhancing energy efficiency, reducing carbon emissions, and openly disclosing our current response measures and future plans. To this end, we have set carbon neutrality, circular economy and water neutrality goals to help reduce our environmental impact and contribute to a more sustainable low-carbon future.

## CARBON NEUTRALITY GOALS

<b>Management architecture</b>	<ul style="list-style-type: none"> <li>Under the guidance and decision-making of the Board's ESG Committee and ESG Leadership Group, the ESG Executive Group is primarily responsible for overseeing Yuexiu Property's carbon neutrality goals.</li> </ul>
<b>Risk Identification and Assessment</b>	<ul style="list-style-type: none"> <li>A comprehensive inventory of Scope 1 and Scope 2 carbon emissions has been conducted to understand emission levels and reduction potentials across various business formats;</li> <li>Yuexiu Property has identified Scope 3 emission risks within its business scope. <b>Fifteen</b> emission categories have been identified and prioritized based on their significance.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Yuexiu Property has carried out Scope 1 and Scope 2 carbon emission inventory, implementing a hierarchical management approach to carbon emissions within its business scope to continuously mitigate its own carbon emission risks, thereby aiding the realization of Yuexiu Property's and the nation's carbon neutrality goals;</li> <li>Efforts are ongoing to assess and track Scope 3 emissions related to employee travel and commuting.</li> </ul>
<b>Targets and Indicators</b>	<ul style="list-style-type: none"> <li>Public building projects and residential projects aim to achieve peak carbon emissions in Scope 1 and Scope 2 by 2030 and reach carbon neutrality by 2060;</li> <li>Public building projects aim to reduce the carbon emission intensity per unit area by 44% in 2030 as compared to 2019;</li> <li>Residential projects aim to reduce the carbon emission intensity per unit area by 23% in 2030 as compared to 2019;</li> <li>In addition, we plan to further develop Science-based Targets (SBT).</li> </ul>

## CIRCULAR ECONOMY TARGET

<b>Management architecture</b>	<ul style="list-style-type: none"> <li>Under the guidance and decision-making of the ESG Committee and the ESG Leadership Group of the Board, the ESG Executive Group is primarily responsible for circular economy initiatives at Yuexiu Property;</li> <li>Yuexiu Property strictly complies with the <i>Circular Economy Promotion Law of the People's Republic of China</i>, the <i>State Council's Guiding Opinions on Accelerating the Establishment of a Sound Economic System Featuring Green, Low-carbon and Circular Development</i>, and other policies to implement circular economy management practices;</li> <li>Establish the <i>Circular Economy Promotion Policy</i>, make a public statement on Yuexiu Property's resource recycling management practices and response measures, review this policy at least <b>once every three years</b>, and update it based on actual circumstances.</li> </ul>
<b>Risk Identification and Assessment</b>	<ul style="list-style-type: none"> <li>Maintain categorised ledger management for hazardous waste, non-hazardous waste, and renewable resources, evaluate key indicators such as the reduction intensity of hazardous waste, reduction intensity of non-hazardous waste, and recycling rate of renewable resources regularly using <b>Yuexiu Property's ESG management system</b>, and track them periodically.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Hazardous waste is segregated and transferred to licensed professional organisations for proper disposal;</li> <li>Actively recycle and reuse resources to minimise waste;</li> <li>Promote the use of green building materials and encourage contractors to use green building materials;</li> </ul> <p><i>For more circular economy measures, refer to the Circular Economy section.</i></p>
<b>Targets and Indicators</b>	<ul style="list-style-type: none"> <li>By 2060, Yuexiu Property will achieve zero landfill waste.</li> </ul>



## WATER NEUTRALITY OBJECTIVES

### Management architecture

- Under the guidance and decision-making of the ESG Committee and the ESG Leadership Group of the Board, the ESG Executive Group is primarily responsible for risk management of water risk stress at Yuexiu Property;
- Develop the *Sustainable Water Resources Policy* and make a public statement on Yuexiu Property's water resource risk management and response measures. This policy will be reviewed at least **every three years** and updated based on actual circumstances.

### Risk identification

- Water resources at Yuexiu Property are sourced from municipal water supply, and wastewater is discharged into various types of municipal sewage pipes in compliance with regulations;
- Some residential development and commercial operation projects are located in areas with existing water pressure issues. However, no obstacles have been observed in water intake, nor has any pressure been identified on municipal wastewater treatment.

### Risk assessment strategy

- Yuexiu plans to use the Aqueduct assessment tool developed by the World Resources Institute (WRI) based on its water risk maps to conduct water risk stress assessments. The scope will include administrative office areas, residential development, commercial operations, and other business areas to understand local water supply, water quality, government policies, and future forecasts. This aims to identify potential risks such as water shortages, water quality deterioration, or policy changes to enable the formulation of appropriate response measures.

### Risk Management

- Conduct water resource risk analysis at the business location, reduce water usage, implement large-scale water recycling, minimise wastewater discharge, and decrease Yuexiu Property's water footprint;
- Additionally, we plan to offer water resource protection and diversion projects to water-stressed areas near our operational sites based on our own water risk assessments, compensating for the negative environmental impacts of wastewater discharge;
- We will also engage in water rights trading with relevant organizations to balance water costs in water-deficient regions.

### Targets and Indicators

We pledge:

- By 2024, complete water risk stress assessments in **5%** of the regions where we operate;
- By 2025, complete water risk stress assessments in **25%** of the regions where we operate;
- By 2030, complete water risk stress assessments in **100%** of the regions where we operate;
- By 2060, achieve **water neutrality** within our operational scope.

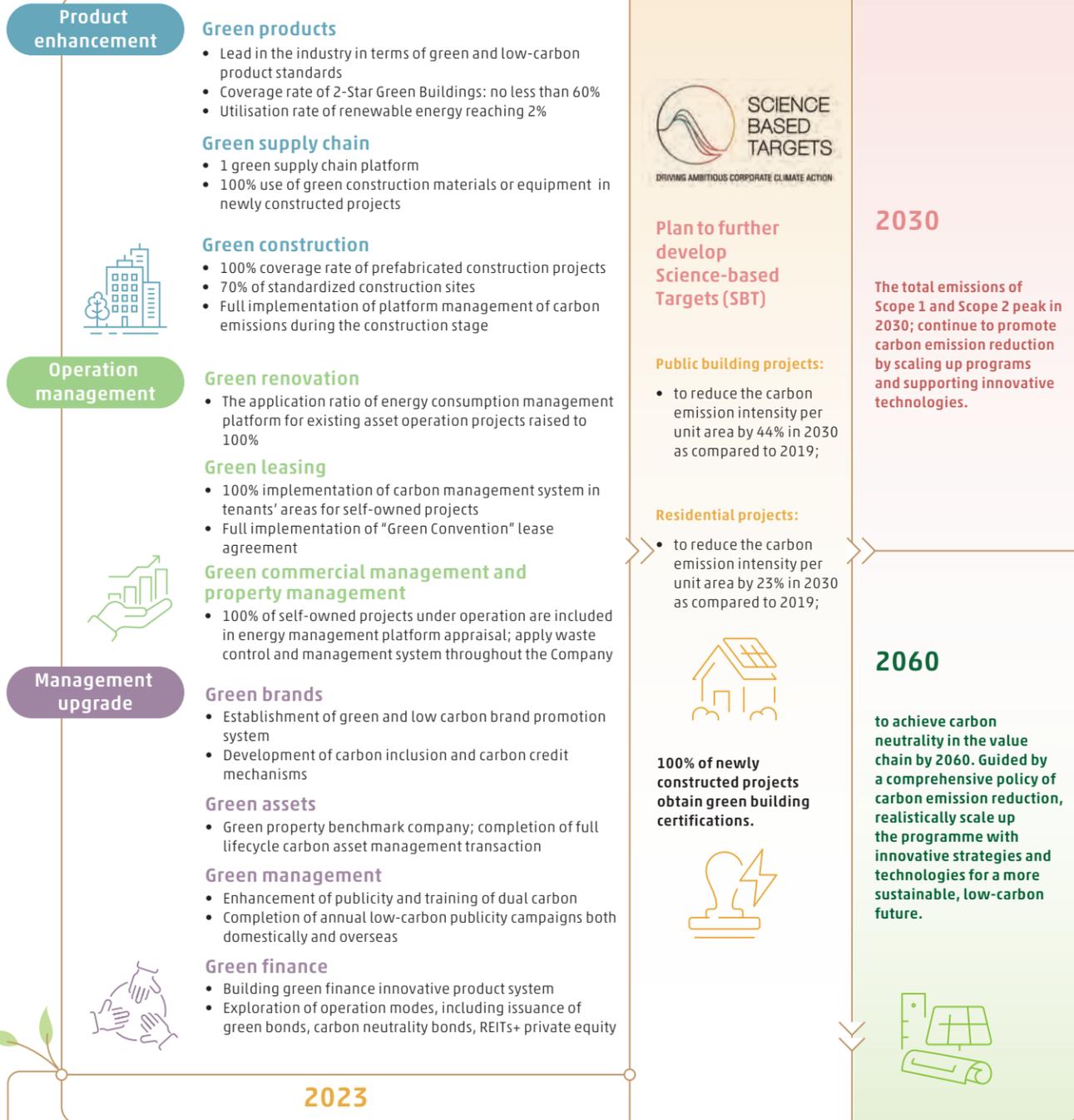
In 2023, a water risk stress test was conducted at the Guangzhou International Financial Centre. In 2024, we intend to conduct water risk stress assessments of the Yuexiu Financial Tower, Guangzhou ICC, and pilot residential communities.



# OUR CARBON REDUCTION BLUEPRINT

## Yuexiu Property "Dual Carbon" Action Plan

## Medium-term targets Long-term targets



In 2023, we formulated the *Yuexiu Property Dual Carbon Action Plan* based on the national dual carbon goals and the high-quality green development requirements for the construction sector. Yuexiu Property conducted in-depth investigations across various formats, set carbon reduction baseline targets, and established 3 major dimensions and 10 action directions to create the Yuexiu Property Dual Carbon Action Plan. This aims to drive Yuexiu Property to become a leading low-carbon product, low-carbon construction, low-carbon management, and ESG rating enterprise in the low-carbon sector.

### Public building projects

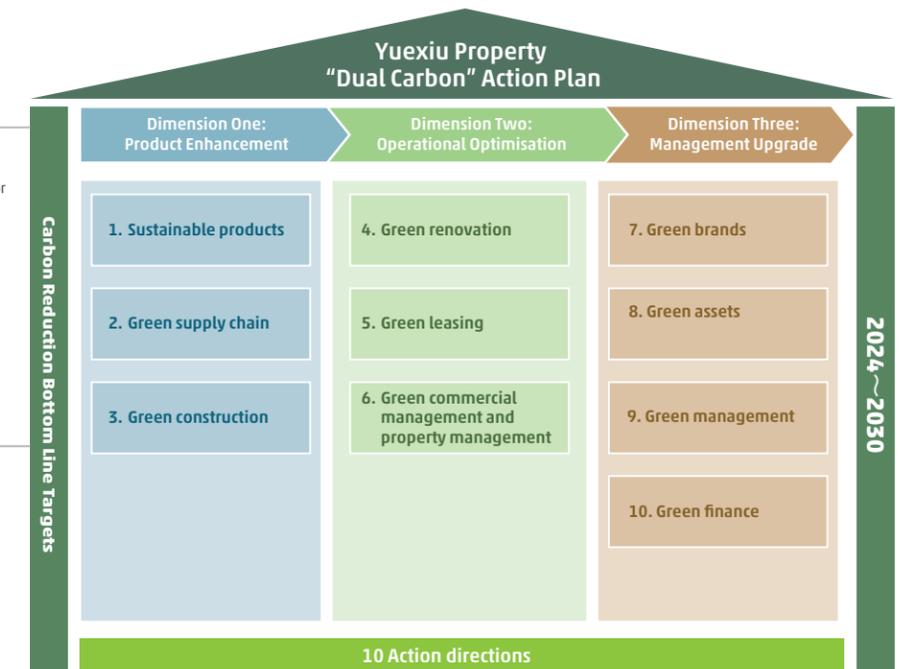
Total carbon emissions of Scope 1 and Scope 2 peak in or by 2030 and achieve carbon neutrality in or by 2060  
Carbon emission intensity per unit area decreases by 44% in 2030 as compared to 2019

**CO<sub>2</sub> -44%**

### Residential projects

Total carbon emissions of Scope 1 and Scope 2 peak in or by 2030 and achieve carbon neutrality in or by 2060  
Carbon emission intensity per unit area decreases by 23% in 2030 as compared to 2019

**CO<sub>2</sub> -23%**



## ABOUT YUEXIU PROPERTY



Listed in Hong Kong in 1992 (Stock code: 00123.HK)  
A real estate development enterprise controlled by Guangzhou Yue Xiu Holdings Limited and headquartered in Guangzhou International Financial Centre

Core businesses include:

**Residential | Commercial (Urban Complexes, Office Buildings, Shopping Malls, Hotel & Apartments, and Wholesale Markets) | Property Management (Properties and Enjoy Club) | Elderly Care | Long-term Rental | Services for Education**

Established in  
**1983**

Headcounts of full-time employees as of 31 December 2023

approximately **19,300**

Total land bank  
approximately **25.67** million m<sup>2</sup>

Operating income  
(For the year ended 31 December 2023)  
**RMB 80.22** billion,  
up **10.8%** YOY

Core net profit in 2023  
**RMB 3.49** billion

Landscape covers  
**29** cities

Market Value  
(31 December 2023)  
**HKD 25,601** million

Profit attributable to the shareholders in 2023  
**RMB 3.19** billion

For the details of our business strategies, operating and financial performance, please refer to 2023 Annual Report of Yuexiu Property.

## OUR VISION AND MISSION

### Corporate Vision

**Build the Company with "Quality Products, Quality Services, Strong Brand, Capable Service Team" to become a leading pioneer of good urban life**

**Quality Products:** high quality, warm, and common growth

**Quality Services:** professional, excellent experience, and shared happiness

**Strong Brand:** keep promises, build value, and win good reputation

**Capable Service Team:** strong competency, responsible, and high internal drive

**Create and lead future urban life.** With "residential and commercial properties" serving as twin growth engines, we aim to build a diversified layout that comprehensively covers the entire chain of TOD, urban renewal, elderly care, long-term rental, and services for education to create a new ecology for future urban development.

**Create and lead quality urban life.** Use high-standard technologies and introduce intelligent technologies to create "healthy + intelligent" high-quality residential products and commercial products, and explore and improve the "Yue + (越+)" service system for a quality urban life.

### Corporate Mission

#### Where Good Living Starts

**Make good living for customers.** With a customer-centric approach, we provide customers with healthy living products and high-quality full-process services; help customers achieve success and satisfaction, so that they can live a good and happy life because of Yuexiu Property.

**Make employees' beautiful dreams come true.** Provide open and fair opportunities and development platforms for employees, make progress and grow together with employees; respect employees and help employees realise the value of life.

**Fulfill the good expectations of shareholders.** As a state-owned enterprise, we shoulder the important task of maintaining and increasing the value of state-owned assets, creating bright prospects for Guangzhou and Yuexiu; improving asset quality and operational performance, paying back our shareholders' long-term trust and support with an excellent return on assets, and enhancing value for investors.

**Make a better future for society.** Actively assume social responsibilities, create good urban life solutions for the country, region and society, and adhere to national strategies to create a better and harmonious society.

### Corporate Ethos

**Beyond excellence**

## BUSINESS SCOPE

Over the past 41 years, Yuexiu Property has consistently upheld its brand commitment to "Where Good Living Starts", executing a "Mixed Commercial & Residential" development strategy. Leveraging the strength of its unique "Development + Operation + Finance" business model, it has strategically expanded across China, spanning the Guangdong-Hong Kong-Macao Greater Bay Area, Eastern, Central-Western, and Northern regions, establishing a footprint in 29 top-tier and robust secondary cities nationwide. The Company has developed upwards of 300 large-scale residential projects, serving over 1 million home owners, and boasts ownership of more than 50 prominent commercial properties, including the Guangzhou International Financial Centre (GZIFC).

In recent years, Yuexiu Property has heeded the state's appeal and market dynamics, proactively diversifying into leisure and healthcare, long-term rental apartments, urban renewal, education, and other real estate plus emerging sectors. We have partnered with Guangzhou Metro as a strategic shareholder to jointly explore the "rail + property" TOD development model, catering to the diverse needs of the people for a better quality of life in all aspects and dimensions.

## ABOUT THE REPORT

### OVERVIEW

This is the fourteenth annual Environmental, Social and Governance (ESG) report to be issued by Yuexiu Property Company Limited for the reporting period from 1 January 2023 to 31 December 2023, which covers the environmental, social and governance practices and performance of Yuexiu Property and its affiliates. To facilitate presentation and reading, "the Company" and "Yuexiu Property" herein refer to "Yuexiu Property Company Limited", and "the Group" and "we" refer to Yuexiu Property Company Limited and its affiliates. This report has been issued in April 2024.

### SCOPE OF THE REPORT

Unless otherwise specified, this Report covers the actual business scope of Yuexiu Property Company Limited and its affiliates. Yuexiu Services Group Limited (a subsidiary of Yuexiu Property, referred to as Yuexiu Services, Stock Code: 06626.HK) also issued its independent ESG report. For the details on ESG performance of Yuexiu Services, please refer to its 2023 ESG Report.

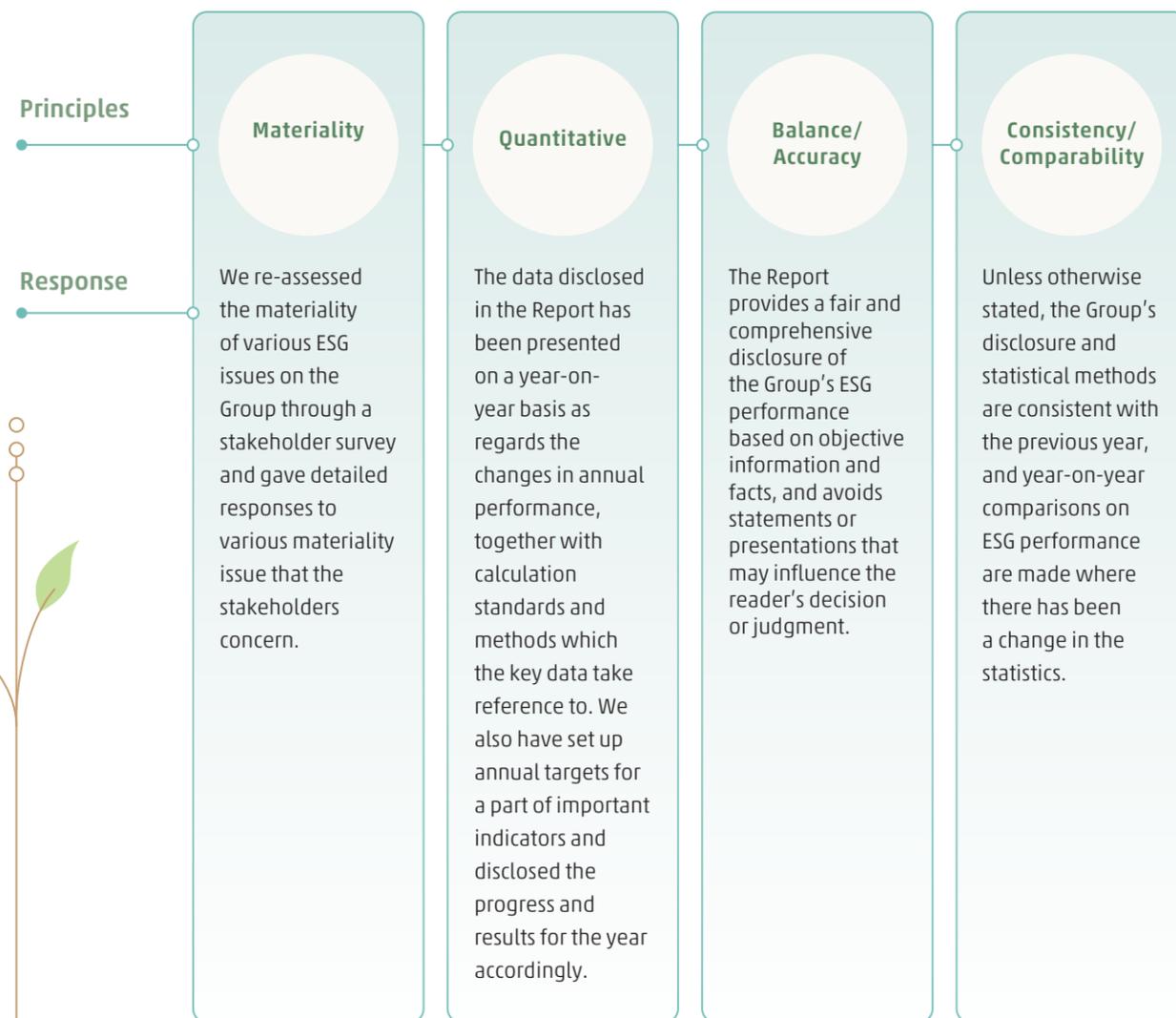
### PREPARATION OF INFORMATION REFERENCE

The Report was prepared in compliance with the Appendix C2 Environmental, Social and Governance Reporting Guide (ESG Reporting Guide, previously known as Appendix 27) of the *Main Board Listing Rules* of the Hong Kong Stock Exchange, and with reference to the United Nations Sustainable Development Goals (SDGs), the Global Report Initiative (GRI) Sustainability Reporting Standards, the Sustainability Accounting Standards Board (SASB) Real Estate Industry Standards, the International Financial Reporting Standards for Sustainability Disclosure No. 2 – Climate-related Disclosures (IFRS S2) issued by the *International Sustainability Standards Board (ISSB)*, the *ISO 26000: Guidance on Social Responsibility (2010)*, the *ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises*, and other reporting standards or guidelines.



## REPORTING PRINCIPLES

We adhere to the reporting guidelines outlined by the *ESG Reporting Guide* of the Hong Kong Stock Exchange, encompassing core principles such as materiality, quantitative, consistency, and balance. Moreover, we comply with the stipulations of the Global Report Initiative (GRI) Sustainability Reporting Standards for accuracy, clarity, comparability, completeness, punctuality, verifiability, and sustainability context. The subsequent table demonstrates how we apply these reporting principles to each individual item.



## ACCURACY OF CONTENT

The Board of Directors of Yuexiu Property assumes full responsibility for the ESG strategy and reporting and undertakes that the contents of the Report do not contain false records, misleading statements or material omissions.

## ACCESS TO THE REPORT AND EXPLANATION

The monetary amounts stated in the Report are measured in RMB unless otherwise specified. The Report is issued in both Chinese and English. In the event of discrepancies between the Chinese and English versions, the Chinese version shall prevail. This report is available in printed and electronic form; for electronic version, it can be accessed through the Company's website at <https://www.yuexiuproperty.com/sustainability>. For any comments or suggestions on the ESG performance of the Group, please contact us through [esg@yuexiuproperty.com](mailto:esg@yuexiuproperty.com).

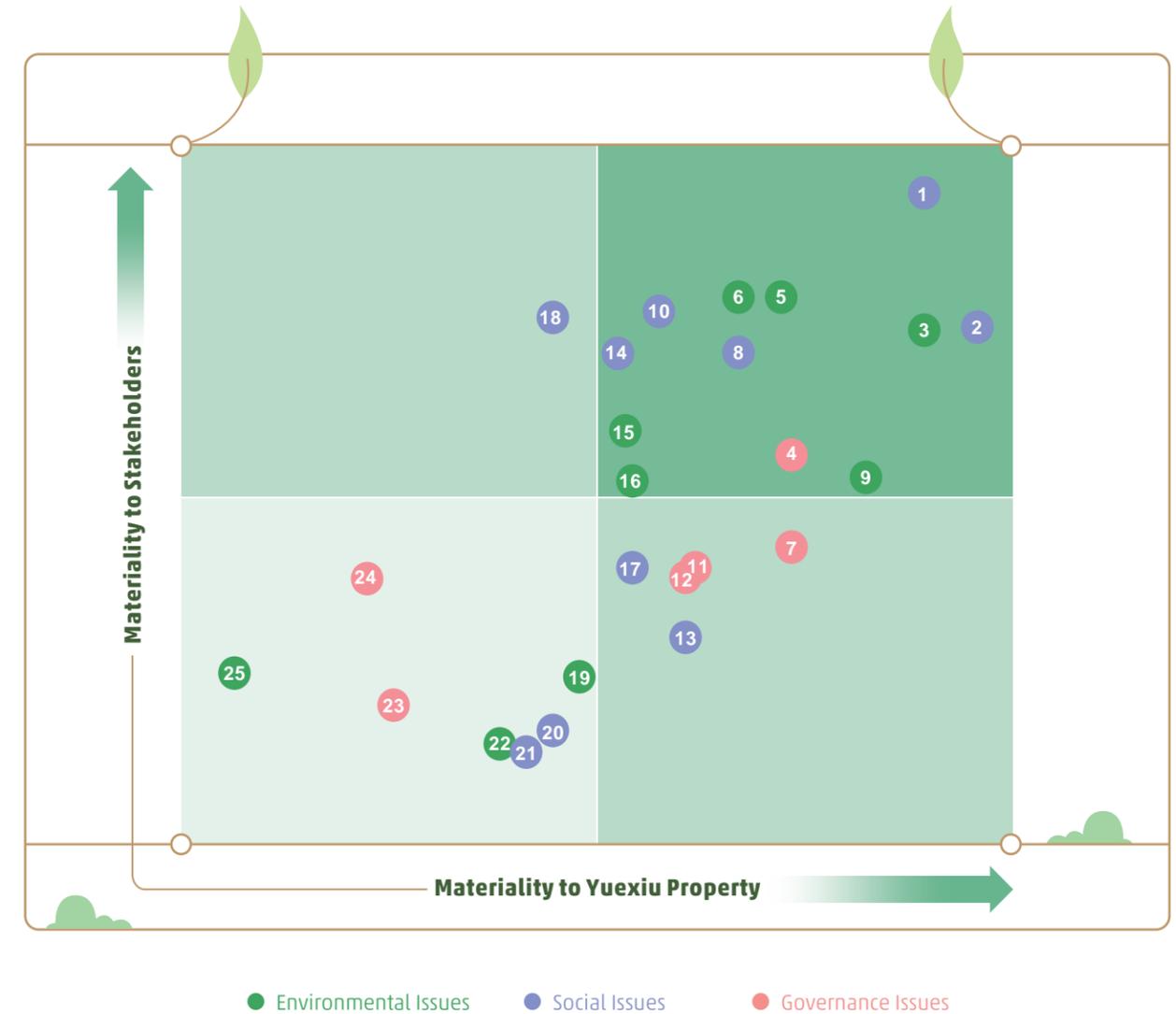
# MATERIALITY ISSUES AND STAKEHOLDER ENGAGEMENT

## MATERIALITY ISSUES

To assure alignment between business decisions, operation activities and SDGs, we recurrently evaluate and prioritize ESG materiality issue. In 2023, we adhered to the Hong Kong Stock Exchange (HKEX) *ESG Reporting Guide* and undertook a thorough review and reflection of 2022's ESG-relevant matters. Our approach included examining the Company's current business standing while embracing sector-leading practices to guarantee a balanced and foresighted ESG issue hierarchy. Simultaneously, we performed a comprehensive assessment of our business context and operating environment to confirm our ESG governance maintains continuity yet adapts to evolving external circumstances. Looking ahead to 2024, we plan to renew our materiality issue research, engagement, and stakeholder consultations on Yuexiu Property's Materiality Issues, efficiently capturing and addressing stakeholders' evolving concerns and expectations regarding the Company's ESG issue.



Fig. 2023 ESG Issue Materiality Analysis Matrix of Yuexiu Property



No.	Title of Issue	Responses under HKEX ESG Reporting Guide	Responses under GRI	Responses under ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises	Response Section of the Report	Affected Stakeholders							
						Residents	Mall/Office Occupants	Employees	Government	Shareholder & Investor	Suppliers	Media	Local Community
1	Product quality assurance	B6: Product Responsibility		S2.1 Product safety and quality	Product quality	✓	✓	✓	✓	✓	✓	✓	
2	Employee safety and health	B2: Health and Safety	403-1, 403-2, 403-3, 403-4	S1.3 Employee health and safety	Measures to reduce the risk of serious diseases; positive work environments; measure our safety performance			✓					
3	Energy conservation and emission Reduction	A3: The Environment and Natural Resources		E.3.2 Management of emission reduction E.5.2 Resource management measures	Carbon emission reduction	✓	✓	✓	✓		✓		
4	Business ethics and anti-corruption	B7: Anti-corruption		G2.2 Integrity construction G2.3 Fair competition G5.1 Compliant operations	Fraud, bribery and corruption risk management			✓		✓	✓	✓	
5	Green building	B6: Product Responsibility		E.5.5 Green low-carbon certification	Green construction design	✓	✓		✓	✓		✓	✓
6	Climate change response	A4: Climate Change		E.3.4 Climate risk management	Climate-related risks and opportunities	✓	✓	✓	✓	✓	✓	✓	✓
7	Responsible governance		2-9, 2-10, 2-11, 2-12, 2-13, 2-14	G1.1 Governance strategy and procedure	Enterprise risk management (ERM)			✓	✓	✓			
8	Employee remuneration and benefits	B1: Employment	401-2, 401-3	S1.2 Employee remuneration and benefits	Remuneration and benefits			✓					
9	Water resources management	A2: Use of Resources	303-3, 303-4, 303-5	E.1.1 Water resources	Water conservation and resilience	✓	✓	✓					
10	Customer privacy and information security	B6: Product Responsibility	418-1	S2.2 Customer service and rights and interests	Digital management	✓	✓						
11	Policy response			S4.4 Response to national strategies	Green finance policy				✓	✓		✓	
12	Employee training and development	B3: Development and Training	403-5, 404-1, 404-2, 404-3	S1.4 Employee development and training	Training and development/future-oriented workforce skills enhancement			✓					
13	Reasonable marketing and promotion	B6: Product Responsibility	417-1, 417-2, 417-3	G2.3 Fair competition	Responsible marketing	✓	✓		✓				
14	Improvement of customer service quality	B6: Product Responsibility		S2.2 Customer service and rights and interests	Commercial and residential satisfaction surveys	✓	✓	✓					
15	Waste management	A1: Emissions		E.2.1 Wastewater E.2.2 Exhaust gas E.2.3 Solid waste	Green construction	✓	✓	✓					✓
16	Pollutant management	A1: Emissions		E.2.1 Wastewater E.2.2 Exhaust gas E.2.3 Solid waste	Green construction			✓					✓
17	Diversity and inclusion	B1: Employment	405-1, 405-2	S1.1 Employee recruitment and employment	Diversity and equality			✓					
18	Protection of employee rights and interests	B4: Labour Standards		S1.1 Employee recruitment and employment	Combating child and forced labour; respect for freedom of association			✓					
19	Effective use of materials	A2: Use of Resources	301-1, 301-2, 301-3	E.1.2 Materials	Green construction; circular economy			✓					
20	Public welfare	B8: Community Investment	413-1, 413-2	S4.2 Community Joint development S4.3 Social welfare activities	Positive impact on society	✓	✓	✓	✓	✓			✓
21	Responsible supply chain management	B5: Supply Chain Management	308-1, 308-2, 414-1, 414-2	S3.1 Supplier management S3.2 Supply chain process management	Supply chain management							✓	
22	Promotion of sustainable development for tenants		203-1	E.5.4 Green actions and measures	Green leasing	✓	✓						
23	Promoting industry development		203-2		Green leasing				✓				
24	Intellectual property protection	B6: Product Responsibility	417-1, 417-2	S2.3 Innovation Development	Intellectual property protection			✓					
25	Reasonable development and biodiversity protection	A3: The Environment and Natural Resources	304-1, 304-2, 304-3, 304-4	E.4.1 Impacts of production, services and products on biodiversity	Biodiversity and natural ecosystem conservation	✓	✓		✓				✓

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

## STAKEHOLDER COMMUNICATION

The Group is dedicated to sustaining open dialogue approaches and transparent communication channels with a wide array of stakeholders, including residents, mall/office occupants, employees, governmental entities, shareholders and investors, partners, media representatives, and local communities, fostering constructive two-way interactions and collaborations. We are convinced that by collaborating closely with all stakeholders, we can collectively drive sustainable economic, social, and environmental progress, ultimately realizing enduring value for all.

### Residents



The satisfaction of owners and residents with the Group's residential products and property services is the basis for its long-term development.

**Main Focuses:**

Geographic location, Auxiliary facilities, Internal environment, Property service quality

**Communication Channels:**

Regular visits, Satisfaction surveys, Complaint hotlines, Resident property manager

### Customers



Users can experience the service and quality of its office buildings, shopping malls and health care services in a more intuitive way. We will strive to provide a safe and comfortable shopping or office environment for them.

**Main Focuses:**

Geographic location, Internal environment, Property service quality, Security facilities, Rental level

**Communication Channels:**

Complaint mailbox, Routine inspections, Complaint hotlines, Satisfaction surveys

### Employees



A growing team of outstanding employees provides motives for the sustainable development of the Group.

**Main Focuses:**

Compensation package, Room for development, Employee benefits, Promotion policy, Training system, Internal communication channels

**Communication Channels:**

Direct communication, Employee mailbox/hotline, Training programs

### Governments



The support of the government to the Group encourages it to obtain larger range of positive social influence.

**Main Focuses:**

Compliance with local laws and regulations, Tax payments according to law, Promotion of local economic growth, Boost local employment

**Communication Channels:**

Regular visits, Communication about policies

We place significant emphasis on stakeholders' rights to information and engagement, giving serious consideration to every comment and suggestion regarding our management and ESG practices. Therefore, we are devoted to thoroughly understanding and promptly addressing their critical concerns through tangible actions. Meanwhile, we persistently refine our communication approach, ensuring that we gather and examine stakeholder opinions through diverse avenues and integrate this input into the execution of the Company's ESG strategy. This enables us to consistently refine our corporate performance.

The existing and potential investors of the Group provide the economic foundation for its development. Creating a sustainable economic return that can meet the expectations of its shareholders is its mission.

**Main Focuses:**

Stock price and dividend, Financial status, Business prospects, Future development plan

**Communication Channels:**

Information disclosure, General Meeting, Investor meetings and roadshows, Investor hotline/mailbox

### Shareholders and investors



The partners provide the Group with high quality products and services as well as important business cooperation, and become an important part of the operation process of the Group. At the same time, they also have to abide by the Group's supplier management policies.

**Main Focuses:**

Procurement policy, Supplier management policies, Fair trade, Timely payment

**Communication Channels:**

Supplier assessment, Regular visits

### Partners



Media reports can make the community more aware of the Group and urge the Group to improve its operation transparency.

**Main Focuses:**

Business and products, Financial performance, Future development direction, Corporate social responsibility

**Communication Channels:**

Press conferences, Interviews, Regular seminars

### Media



The Group makes its contribution to the development of the communities and meets the needs of local communities for educational resources.

**Main Focuses:**

Community development, Public services, Cultural and sports activities and facilities

**Communication Channels:**

Community public services, Complaint hotlines

### Local communities



**FROM FEEDBACK TO ACTION**

We recognize that stakeholder expectations form a crucial component of our Group’s sustainability agenda. In 2023, we incorporated the Yuexiu Property sustainability strategy by considering stakeholder feedback across various issues, analysing the implications of those concerns, and proactively initiating actions. We specifically addressed four pivotal pieces of feedback.



**SDGs Response**  
Make cities and human settlements inclusive, safe, resilient and sustainable.

**Stakeholder Feedback**  
“Yuexiu Lingnan Shanpan should promote the management of owners’ health and well-being and continuously improve the operation of the community.”  
*Sourced from Yuexiu Lingnan Shanpan residents*

**Corresponding Issues**

- Product quality
- Assurance improvement
- Product quality assurance
- Improvement of customer service quality

**Potential Impacts**  
Provide customers with healthy and safe housing products, and effectively enhance the well-being of residents through project operations.

**Our Actions**  
Implement actions to improve customer health and well-being throughout the life cycle of construction, and continuously build and create sustainable cities and human settlements.



**SDGs Response**  
Ensure healthy lives and promote well-being for all at all ages.

**Stakeholder Feedback**  
“Yuexiu Property should prioritize the mitigation of work pressure and promotion of mental wellbeing among its employees, striving to enhance the relaxation ambience within office spaces.”  
*Sourced from an employee at Yuexiu Property Headquarters*

**Corresponding Issues**

- Employee safety and health
- Employee remuneration and benefits
- Protection of employee rights and interests

**Potential Impacts**  
Employee mental health and job-related stress significantly influence Yuexiu Property’s overall operational efficiency. A serene and adaptable work environment contributes positively to enhancing employee well-being and job satisfaction.

**Our Actions**  
Incorporate mental health into Yuexiu Property’s Health and Safety Policy, and formulate an Employee Assistance Program (EAP) to continuously improve employee mental health.



**SDGs Response**  
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

**Stakeholder Feedback**  
“It is imperative for us to swiftly comprehend Yuexiu Property’s supplier requirements and receive enhanced training and support to facilitate a long-term cooperative partnership.”  
*Sourced from a partner*

**Corresponding Issues**

- Responsible supply chain management
- Promotion of sustainable development for tenants
- Promoting industry development

**Potential Impacts**  
Strengthening tenant and supplier management helps us to achieve win-win development with our partners and promote the value chain.

**Our Actions**  
Yuexiu Property carries out digital management of supply chain and provides corresponding training activities.



**SDGs Response**  
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

**Stakeholder Feedback**  
“Yuexiu Property should undertake more urban renewal projects in cities and continuously optimize its urban layout.”  
*Sourced from local governments*

**Corresponding Issues**

- Policy response
- Reasonable Development and Biodiversity Protection

**Potential Impacts**  
Strengthening urbanization-style urban renewal helps to continuously improve the spatial layout of cities and enhance the well-being of residents.

**Our Actions**  
Yuexiu Property has led the development of the Lirendong Village Urban Renewal Project in Guangzhou.

# CHAPTER 1

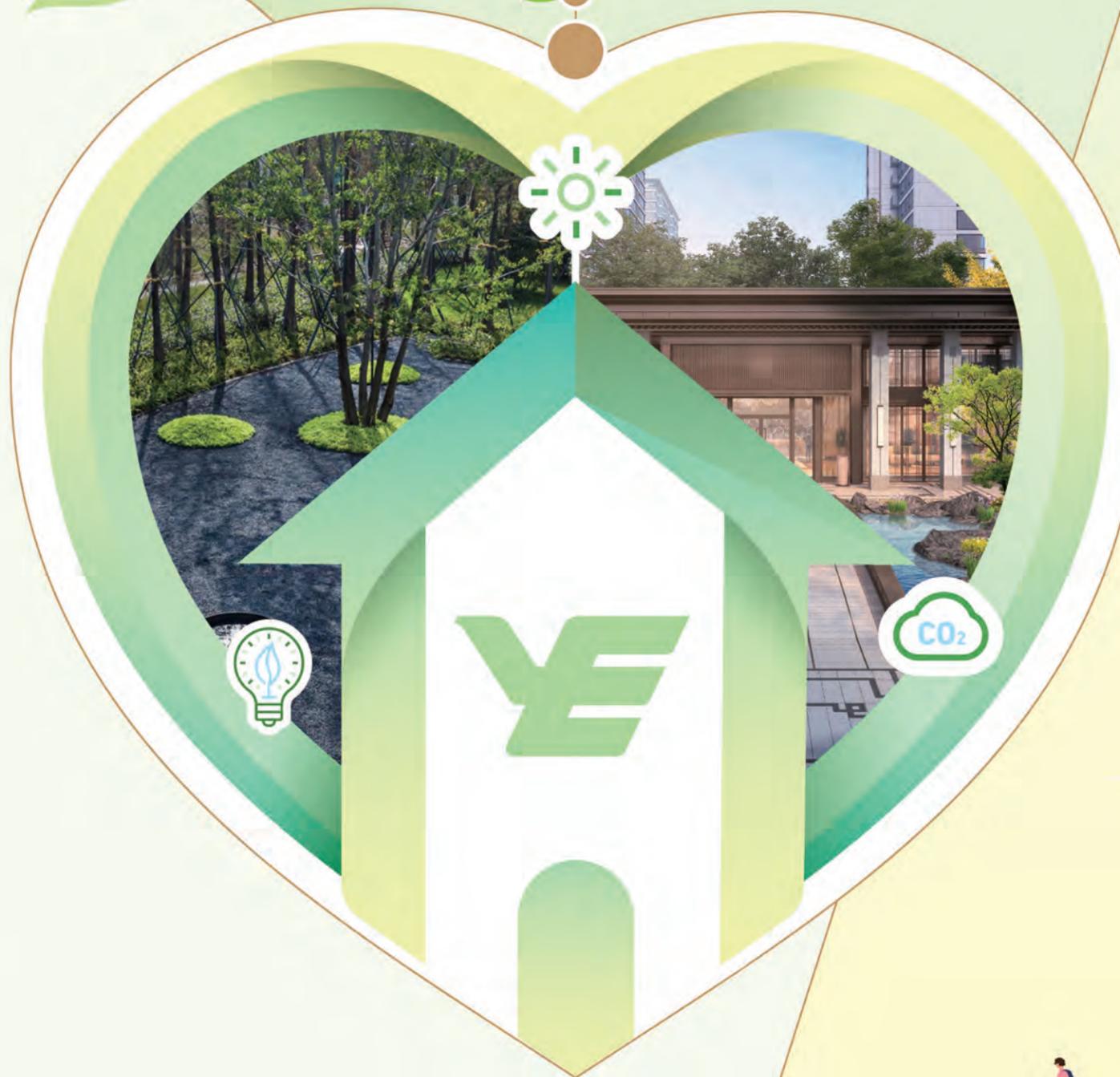
## ENVIRONMENT AND PRODUCT LIFE CYCLE

UN Sustainable Development Goals (SDGs):



GRI Standard:

2-27, 2-28, 201-2, 301-2, 302-4, 302-5, 303-1, 303-2, 304-1, 304-2, 304-3



# CHAPTER 1 ENVIRONMENT AND PRODUCT LIFE CYCLE

## Management Approach:

Environmental protection is not only the basic guideline of Yuexiu Property, but also the key to our survival and development. We adhere to strict environmental principles through our business processes to avoid any negative impact on the environment. We are deeply aware that developing and promoting environmentally friendly products are essential for the transformation of the construction industry and the high-quality development of the real estate industry. Therefore, we always pay attention to and review our own environmental risk management.

We are firmly committed to implementing our sustainable development strategy, with achieving carbon neutrality goal as a top priority. We have formulated a series of low-carbon environmental policies and implemented environmental protection and resource conservation standards in our daily operations that meet the requirements of laws and regulations. The Sustainable Supply Chain Policy allows us to work with our suppliers to build a green supply chain for Yuexiu Property, and we have developed the Green Tenancy Agreement and Green Initiative Letter to promote the understanding and practice of low-carbon production and lifestyle among our owners and tenants.

We focus on climate change, dual carbon goals, energy transformation, zero-carbon buildings and biodiversity. The Board of Directors and the ESG Committee regularly monitor and review these issues; the ESG Leadership Group and the ESG Executive Group are responsible for formulating enhancement strategies and directions, as well as analysing relevant risks and setting, reviewing and evaluating goals, respectively. Yuexiu Property has established a comprehensive environmental management system and promoted its affiliates to obtain ISO 14001 Environmental Management System Certification. We have also conducted a climate change response scenario analysis to identify and prioritise climate risks and developed response plans to address climate change in a comprehensive and systematic manner. For more information, please refer to the sub-section headed "Climate-related Risks and Opportunities".

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

<b>Green building</b>	Green Building White Paper National Guidelines for Design of 1-Star and 2-Star Green Buildings Detailed Rules for Management of Green Building Construction Projects Standardisation Atlas for Safe and Civilised Construction Construction Environment Governance Guidelines Detailed Rules for Civilized Construction Management Design Requirements and Standards for Residential Projects of District Companies Technical Guidelines for 1-Star Green Buildings Technical Guidelines for 2-Star Green Buildings Green Building Knowledge Manual
<b>Energy Conservation and Emission Reduction</b>	Detailed Rules for Office District Administration
<b>Pollutant Management</b>	Detailed Rules for Hazardous Materials Detailed Rules for Environmental Protection
<b>Climate Change Response</b>	Meteorological Disaster Emergency Plan
<b>Reasonable Development and Biodiversity Protection</b>	Guidelines for Management of Tree Preservation for Project Design in Guangzhou Municipality

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



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



### 1. CARBON MITIGATION HIERARCHY

As the global climate change problem is getting more and more serious, Yuexiu Property needs to take more important social responsibility in the construction field. We have been striving to contribute to climate change response by implementing carbon emission reduction measures, optimising our energy mix and improving energy efficiency. In line with the Carbon Mitigation Hierarchy strategy, we make a systematic plan in five dimensions, i.e., Avoid, Reduce, Replace, Recycle and Offset. We carry out specific carbon reduction initiatives on a regular basis. We will regularly review and examine our performance and set more optimised targets to improve our carbon emission management work, with a view to reducing the negative impact of our production and operation on climate change in all dimensions, in all aspects and throughout the life cycle.



Dimension	Action Aspect	Measures	Performance Review	Future Target
Avoid	Green building design	<ul style="list-style-type: none"> <li>We have improved the Green Building White Paper</li> <li>All new projects are designed according to the 1-star green building standard</li> <li>We have carried out research on ultra-low energy building design and established a zero-carbon building design system showroom</li> <li>We continued to design sponge cities and improved the "Four" construction targets</li> </ul>	<ul style="list-style-type: none"> <li>Added a total gross floor area of 232,000 sq.m. of two-star certified green building for commercial projects</li> <li>A total gross floor area of 1,020,500 sq.m. of ultra-low energy building design and construction have been carried out</li> </ul>	<ul style="list-style-type: none"> <li>We will formulate the implementation path and nodal targets of the sustainability strategy from the three dimensions of investment, development and operation and maintenance</li> <li>With Nansha Hong Kong People's Community as a pilot, we are applying for the Singapore Green Mark certification</li> <li>We will implement WELL</li> </ul>
	Supply chain ESG initiative	<ul style="list-style-type: none"> <li>We have issued the Sustainable Procurement Policy</li> <li>We have conducted regular sustainability assessments of suppliers</li> <li>We gave priority to suppliers with ISO 50001 Energy Management Systems Certification</li> <li>We have continuously encouraged suppliers to reduce energy consumption per unit of product</li> </ul>	<ul style="list-style-type: none"> <li>We have encouraged suppliers to cooperate on projects in accordance with the Sustainable Procurement Policy</li> </ul>	<ul style="list-style-type: none"> <li>We will coordinate all aspects of design, material selection, equipment procurement and construction management, and promote the implementation of technical system standards in the product development process</li> </ul>
Reduce	Enhance energy efficiency	<ul style="list-style-type: none"> <li>We have carried out energy-saving capitalisation, with the use of LED energy-saving light fixtures, energy-saving water dispensers, etc.</li> <li>High-performance construction machinery and equipment have been used during construction</li> </ul>	<ul style="list-style-type: none"> <li>The capitalised retrofit cost of the commercial management project is nearly RMB5.19 million, with a projected annual reduction of 1,311.12 tCO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to reduce the energy consumption of existing assets and offer technical support</li> </ul>
	Carry out refined management	<ul style="list-style-type: none"> <li>The timing switcher is adopted in the lighting process during production operation</li> <li>Independent meters were installed to monitor electricity use in a timely manner and analyse the overuse of electricity to correct poor energy use behaviour in a timely manner</li> <li>We have implemented full lifecycle management of energy use in commercial projects through ESG digital management system and project energy management platforms</li> <li>We have obtained ISO 50001 Energy Management Systems Certification, covering Guangzhou International Finance Center, Yuexiu Financial Tower, Guangzhou City Development Plaza and Guangzhou Fortune Center</li> </ul>	<ul style="list-style-type: none"> <li>We have issued energy consumption diagnostic reports for six energy consumption indicators</li> <li>Three affiliates have obtained ISO 50001 Energy Management Systems Certification</li> </ul>	<ul style="list-style-type: none"> <li>We will sort out renovation standards for each brand under each product line, emphasising green sustainability and safety</li> </ul>
Replace	Optimise industry carbon emission management	<ul style="list-style-type: none"> <li>We participated in the compilation of technical standards such as the Evaluation Standard for Zero-Carbon Office Buildings, the Carbon Emission Accounting Standard for Office Buildings, and the Standard for Calculating Energy Consumption and Carbon Emission of Shopping Mall Buildings</li> </ul>	<ul style="list-style-type: none"> <li>Under preparation</li> </ul>	<ul style="list-style-type: none"> <li>We will continuously and actively participate in the development of building carbon emission standards to promote the industry's low-carbon development</li> </ul>
Recycle	Utilise renewable energy	<ul style="list-style-type: none"> <li>Solar energy technology has been adopted to generate power and heat water in the northern district and the central and western district</li> <li>Ground source heat pump was used in Hefei Project</li> <li>Air source heat pump was used in Nanjing Project</li> </ul>	<ul style="list-style-type: none"> <li>Three types of measures have been taken to use renewable energy in 4 districts</li> </ul>	<ul style="list-style-type: none"> <li>We will try to apply photovoltaic equipment to commercial projects in 2024</li> </ul>
Offset	Purchase Green Power Certificates	<ul style="list-style-type: none"> <li>We have increased efforts to purchase green power certificates</li> </ul>	<ul style="list-style-type: none"> <li>Guangzhou Yuexiu Urban Construction Jones Lang LaSalle Property Services Co., Ltd. purchases 50,000 kWh of green power certificates</li> </ul>	<ul style="list-style-type: none"> <li>Strive to purchase more than 500,000 kWh of green electricity certificates by 2050</li> </ul>

## 2. OVERALL PLANNING OBJECTIVES AND PERFORMANCE FOR THE SUSTAINABLE DEVELOPMENT OF ENVIRONMENT AND PRODUCT LIFE CYCLE 2030

2030 Objects	2023 Performance
<p><b>Low-carbon transition</b></p> <ul style="list-style-type: none"> <li>Carbon emission intensity per unit area of public building projects decreases by 44% in 2030 as compared to 2019</li> <li>Carbon emission intensity per unit area of residential projects decreases by 23% in 2030 as compared to 2019</li> </ul> 	<ul style="list-style-type: none"> <li>Reduced 24% carbon emission intensity (per unit area) as compared to 2019</li> </ul>
<p><b>Energy management</b></p> <ul style="list-style-type: none"> <li>We will comprehensively strengthen the management of energy consumption in buildings, facilities and equipment</li> </ul> 	<ul style="list-style-type: none"> <li>We have established a commercial energy management committee to carry out energy audits and develop project improvement plans for major buildings</li> <li>We carried out extensive capitalised retrofit, with a total investment of nearly RMB5.19 million and annual power savings of 2.3 million kWh</li> </ul>
<p><b>Water resources</b></p> <ul style="list-style-type: none"> <li>Water neutrality will be achieved in or by 2060</li> <li>We will complete water risk stress assessments for 100% of the area of operation by 2030</li> </ul> 	<ul style="list-style-type: none"> <li>A water risk stress assessment plan has been developed</li> <li>In 2023, Guangzhou International Financial Centre conducted a water risk stress test</li> </ul>
<p><b>Green building</b></p> <ul style="list-style-type: none"> <li>Utilise Innovative Means and Technological Capabilities to Enhance Green Buildings</li> </ul> <ul style="list-style-type: none"> <li>By 2030, we will strive to achieve 100% green building 2-star certification for all new construction projects</li> <li>By 2025, we will strive to achieve 100% of new buildings are designed to at least 1-star green building standards</li> </ul> 	<ul style="list-style-type: none"> <li>Develop and land zero-carbon building technologies and build zero-carbon showrooms</li> <li>Wuhan Yuexiu Fortune Centre obtained Net Zero Carbon Building Excellence certification</li> <li>Guangzhou International Commercial Centre (Guangzhou ICC) obtained "Zero-carbon Intelligent Energy Saving Three-Star Standard" building certification</li> <li>In 2023, the new construction area that meets green building standards for commercial projects was 901,300 square metres</li> </ul>
<p><b>Circular economy</b></p> <ul style="list-style-type: none"> <li>Implement paperless office and separate collection and recycling of wastes</li> </ul> 	<ul style="list-style-type: none"> <li>The use of e-signatures reduced the consumption of 225 trees and 13.52 tons of carbon emissions, an increase of nearly five times compared to the same period last year</li> </ul>

### Plans for 2024

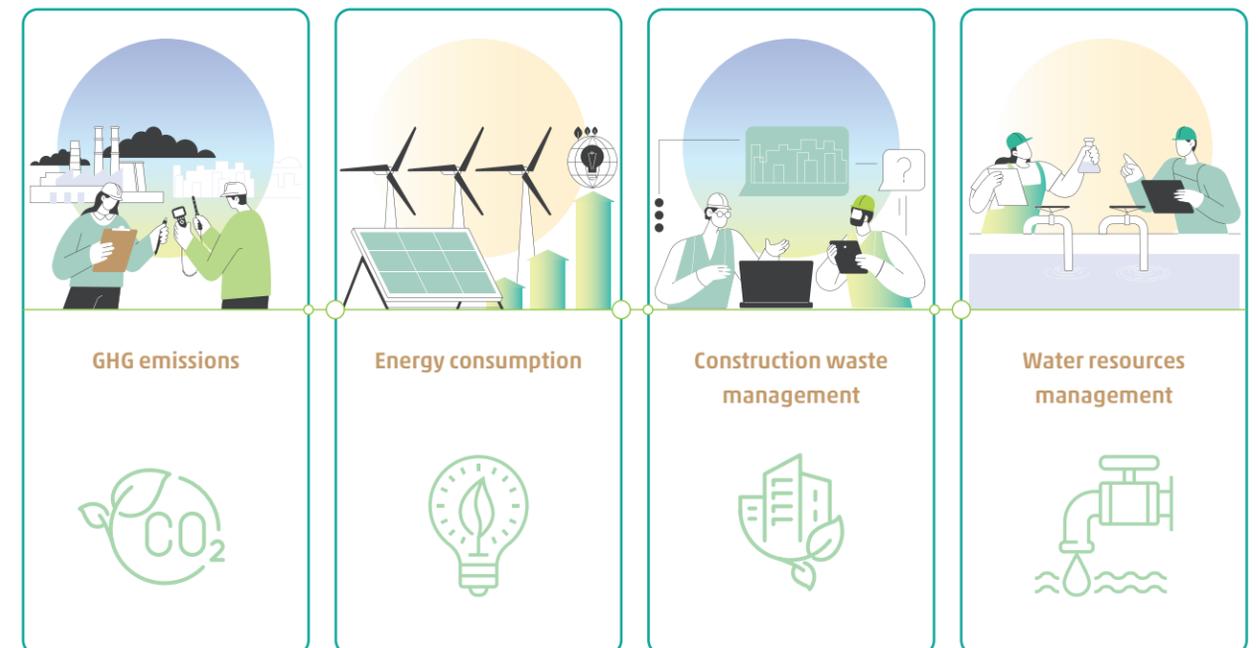


- We plan to assess the **water risk stress** of the Yuexiu Financial Tower, Guangzhou ICC, and pilot residential communities
- We will keep moving towards the reduction in carbon emission intensity per unit area of public building projects and residential projects of Yuexiu Property by **44%** and **23%**, respectively, in 2030 as compared to 2019
- We will continuously expand the use of **zero carbon building** technologies
- We will continuously improve the coverage of **e-signature** usage scenarios

### 2.1 ENVIRONMENTAL MANAGEMENT SYSTEM

The Group manages environmental affairs in the course of business in strict accordance with the provisions of the Environmental Management System (EMS) and complies with the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations. Within the framework of our EMS system, we conduct a significant environmental factors assessment process annually to identify and assess the factors that have or have the potential to have a significant impact on the environment from our operations, and to communicate with relevant parties on environmental matters.

#### Our significant environmental factors include:



We clearly stipulate and monitor the "Conservation in Four Aspects and One Goal", i.e., ensuring energy conservation, land conservation, water conservation, material conservation and environmental protection during the construction process, and we have set up indicators and monitoring measures related to important environmental factors to continuously track and report on the situation related to the indicators. We have established internal and external auditing mechanisms for our environmental management system. Based on the requirements of the ISO 14001 Environmental Management System Certification standard and the Company's environmental management system documents, we conduct ISO 14001 internal audits at least once a year to ensure continuous compliance and ongoing improvement of our environmental management system. In addition, we are subject to regular external audits. Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuejian Project Management Co., Ltd., Guangzhou City Construction Development Engineering Cost Consultancy Co., Ltd., Guangzhou City Construction & Development Design Institute Co., Ltd., Yuexiu Property Management Limited and Yuexiu Apt Parking Limited, all of which are affiliates of the Group, have obtained ISO 14001 Environmental Management System Certification, with the coverage rate progressively increasing.

ISO 14001 Environmental Management System Certification



Guangzhou Yuexiu Property Development Co., Ltd.



Guangzhou Yuejian Project Management Co., Ltd.



Guangzhou City Construction Development Engineering Cost Consultancy Co., Ltd.



Guangzhou City Construction & Development Design Institute Co., Ltd.



Yuexiu Property Management Limited



Yuexiu Apt Parking Limited

We focus on environmental risk management and comply with relevant laws and regulations. In pursuit of sustainable development, we also make efforts to minimise the impact on the environment during the construction and operation process and take effective measures to manage environmental risks.

Carbon emission risk management:

By conducting a comprehensive carbon emission inspection of its operations on a regular basis, it identifies the main sources of carbon emissions, sets scientific carbon emission reduction targets, formulates corresponding action plans to reduce its carbon emissions.



Water resources risk management:

Through systematic environmental due diligence, we assess the water resources risks of the project, covering water availability, water sensitivity, water stress distribution, and management strategies implemented in each region, implement water conservation measures and improve water use efficiency, with an aim to effectively manage water resources risks.



Climate change risk management:

Climate change risks have been integrated into the Company's risk management system, which is monitored by management and reported to the Board of Directors, and climate scenario analysis has been conducted to identify significant climate risks and opportunities in order to strengthen resilience to climate change.



Waste and pollutant risk management:

We enhance waste and pollutant risk management procedures by implementing waste segregation and recycling, controlling construction pollutant releases, conducting environmental impact assessments, and monitoring and reporting releases.



Risk management of raw material resources:

To address the risks associated with resource depletion and ecological damage of raw materials such as cement, steel and clay, we proactively assess the impacts and dependence of business activities on the ecosystem and biodiversity, optimise the efficiency of resource use, and explore alternative materials to reduce reliance on finite resources.



Ecosystem risk management:

With reference to the preliminary framework recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), we proactively assess the impacts and dependence of business activities on the ecosystem and biodiversity, and identify potential risks and opportunities related to the natural world.



### 3. BUILDING GREEN CYCLE

We insist on carrying out the whole life cycle green and low-carbon management of buildings, and constantly improve the positive environmental impact of all aspects of our projects. Based on the understanding of the whole life cycle of a building rooted in Yuexiu Property’s sustainable development concept, we have conducted more in-depth business thinking on the dimensions of building carbon emission reduction, green construction, and circular economy, and have continued to reduce the environmental impact in the project development process.

#### 3.1 CARBON EMISSION REDUCTION

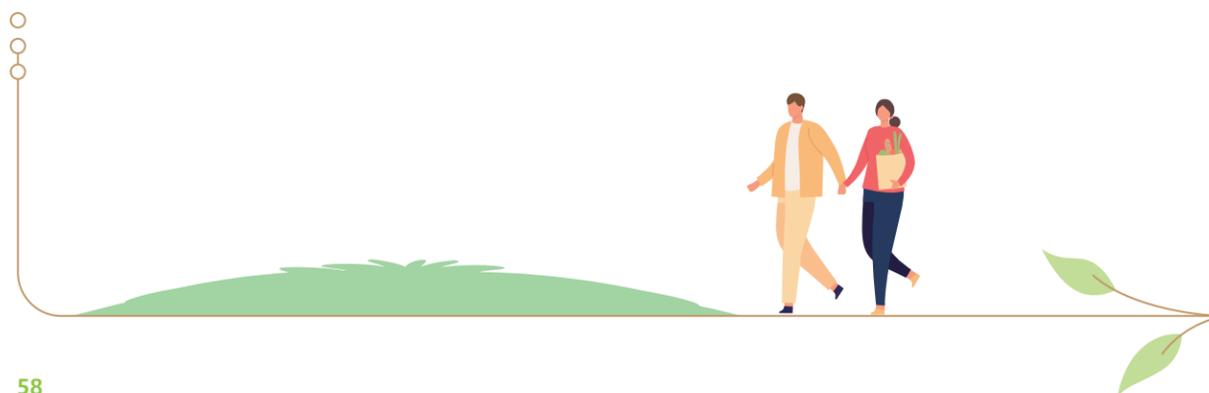
We are committed to reducing our carbon footprint and actively contributing to global efforts to climate change response. As one of the key focuses of our sustainability strategy, we are implementing a more systematic carbon emission reduction plan with the goal of achieving net-zero emissions along the value chain by 2060, including a decrease of 44% and 23% in carbon emission intensity per unit area of public building projects and residential projects of Yuexiu Property, respectively, in 2030 as compared to 2019, and plan to further develop Science-based Targets (SBTs).

Indicator	Unit	2023
Emissions in Scope 1	tCO <sub>2</sub> e	1,932.02
Emissions in Scope 2	tCO <sub>2</sub> e	62,405.47
Total GHG emissions	tCO <sub>2</sub> e	64,337.49
GHG emission intensity	tCO <sub>2</sub> e/person	3.34
	tCO <sub>2</sub> e/RMB1,000,000	0.80
	tCO <sub>2</sub> e/10,000 square metres	25.06

#### Key Performance

During the reporting period, GHG emission intensity(per unit area) has reduced by

**24%** as compared to 2019



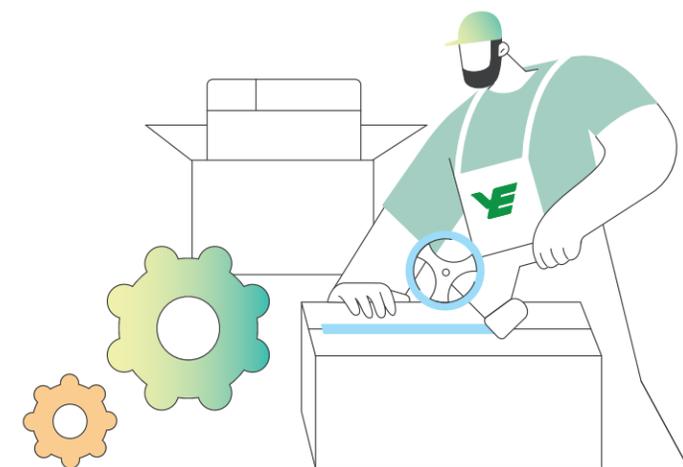
#### MANAGEMENT OF EMISSIONS IN SCOPE 3

Yuexiu Property is gradually developing its management of carbon emissions in Scope 3. In 2023, we have sorted out the emission sources in Scope 3 at the non-project level, and conducted in-depth research and analysis on 15 categories of Scope 3 emissions based on the actual operation of our business, the relevance of the emission categories and the general Scope 3 emission structure of the industry to form a ranking list of the importance of the risk points of emissions of Yuexiu Property in Scope 3, of which, we have identified 6 “highly important” emission categories in Scope 3, 5 “moderately important” and 4 “generally important” emission categories.

Rank	Emission Category	Description of Emission Categories	Minimum Boundary	Relevance of Non-project Level Emissions in the Real Estate Sector	Importance
1	Purchased goods and services	Withdrawal, production and transportation of goods and services purchased in the reporting year	All upstream emissions of purchased goods and services	One of the significant sources of emissions in Scope 3 at the non-project level for enterprises in the real estate sector	Highly important
2	Capital goods	Withdrawal, production and transportation of capital goods (equipment, vehicles, buildings, etc.) purchased or acquired during the reporting year	All upstream emissions of purchased capital goods	Depending on the number of capital goods purchased or acquired in the reporting year, one of the significant sources of emissions in Scope 3 at the non-project level for enterprises in the real estate sector	
3	Upstream transportation and distribution	Transportation and distribution of products purchased in the reporting year between the enterprise’s first-tier suppliers and its own operations Transportation and distribution services purchased in the reporting year, including inbound logistics and outbound logistics, and transportation and distribution between company-owned facilities	Emissions in Scope 1 and Scope 2 occurring during the use of vehicles and facilities by transportation and distribution providers	One of the significant sources of emissions in Scope 3 at the non-project level for enterprises in the real estate sector, which will prioritise emissions from the transportation of purchased goods and services as well as capital goods	
4	Waste from operations	Treatment/disposal of waste generated by business operations in the reporting year	Emissions in Scope 1 and Scope 2 from treatment/disposal by waste management providers	One of the emission sources covered by Scope 3 at the non-project level for enterprises in the real estate sector	
5	Business travel	Employee transportation related to business activities in the reporting year	Emissions in Scope 1 and Scope 2 during the use of transportation vehicle carriers	One of the significant sources of emissions in Scope 3 at the non-project level for Yuexiu Property	
6	Employee commuting	Transportation of employees from their residence to their place of work during the reporting year	Emissions in Scope 1 and Scope 2 from employees and transportation providers during the use of vehicles	One of the significant sources of emissions in Scope 3 at the non-project level for Yuexiu Property	

Rank	Emission Category	Description of Emission Categories	Minimum Boundary	Relevance of Non-project Level Emissions in the Real Estate Sector	Importance
7	Fuel and energy-related activities	Mining, production and transportation of fuels and energy purchased or acquired during the reporting year	Upstream emissions from purchased fuels: All upstream emissions from purchased fuels	Typically, real estate sector enterprises have relatively small emissions in this category, or they are counted together in an enterprise's emissions in Scope 1 and Scope 2, depending on the scope considered in the fuel and electricity emission factors. If the emission category is considered, consideration must be given to whether the emission factor includes emissions upstream of it	Moderately important
8	Upstream leasing assets	For operations not included in Scope 1 and Scope 2, the reporting of leasing asset operations in the reporting year is the responsibility of the lessee	Emissions in Scope 1 and Scope 2 from the lessor arising from the enterprise's operation of the leasing asset	When there are leasing assets, this emission source may be taken into account, but need to determine whether they are at the non-project level	
9	Use of sold products	End-use of products and services sold in the reporting year	The emissions associated with the direct use phase of products sold during their expected lifespan	Lower relevance at the non-project level	
10	Downstream leasing assets	For operations not included in Scope 1 and Scope 2, the reporting of the operations of assets owned by the lessor and leased to other entities in the reporting year is the responsibility of the lessor	Emissions in Scope 1 and Scope 2 from the lessee's operation of the leasing asset	If there are emissions sources related to external leasing assets, it is important to consider whether there is any duplication of calculations with emissions sources already included at the project level	
11	Investment	For operations not included in Scope 1 and Scope 2, the reporting of investments in operation during the reporting year is required.	This includes the emissions in Scope 1 and Scope 2 associated with equity investments, debt investments, and project financing projects.	Lower relevance at the non-project level	

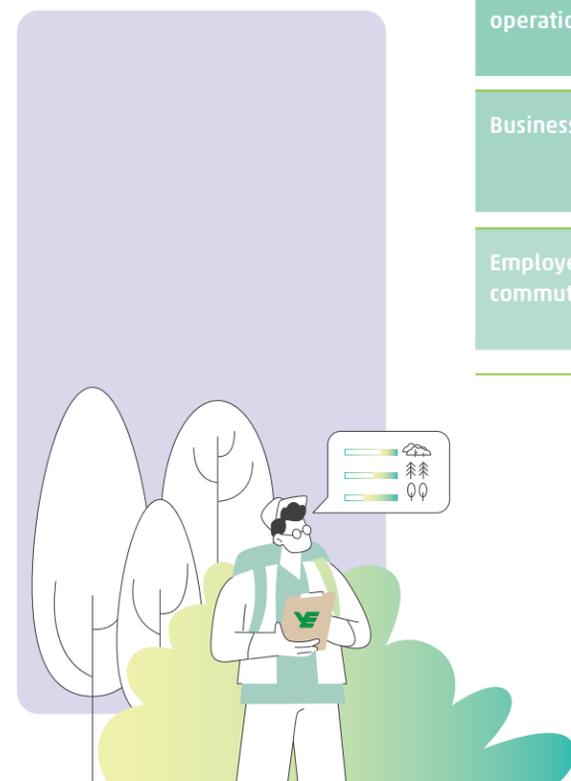
Rank	Emission Category	Description of Emission Categories	Minimum Boundary	Relevance of Non-project Level Emissions in the Real Estate Sector	Importance
12	Handling of end-of-life sold products	Waste treatment/disposal at the end of life of products sold by enterprises (in the reporting year)	Emissions in Scope 1 and Scope 2 from the treatment or disposal of sold products by waste management companies	Lower relevance at the non-project level	Generally important
13	Franchise	For operations not included in Scope 1 and Scope 2, the reporting of operations for franchise rights during the reporting year is the responsibility of the franchisor, who grants the franchise rights	Emissions in Scope 1 and Scope 2 resulting from the operation of the concession by the concessionaire	Lower relevance at the non-project level	
14	Downstream transportation and distribution	The transportation and distribution of products sold between the enterprise's operations and end users during the reporting year including retailer and storage are to be reported	Emissions in Scope 1 and Scope 2 from the use of vehicles and facilities by transportation suppliers, distributors and retailers	Lower relevance at the non-project level	
15	Processing of sold products	Processing of intermediate goods sold by downstream firms in the reporting year	Emissions in Scope 1 and Scope 2 from processes in downstream enterprises	Lower relevance at the non-project level	



Specifically, we have developed rigorous specific action plans and implementation strategies for the six “highly important” emission categories in Scope 3. We also regularly review the importance of each category to Yuexiu Property and adjust the category list based on changes in our business operations. Our aim is to continuously enhance the management of emissions in Scope 3 at Yuexiu Property. In 2023, Yuexiu Property’s specific action plans for the six “highly important” emission categories in Scope 3 are as follows:

Yuexiu Property will deeply analyse its own business situation and the current status of carbon emissions in the value chain, select an accounting method that meets the reality of Yuexiu Property in accordance with the decision of the *Technical Guidance for Calculating Scope 3 Emissions (version 1.0)* for each type of emission categories, and make full use of the **ESG management system** to compile statistics on basic data and import the factors and templates required for the accounting method into the ESG management system and perform rapid calculation of our Scope 3 emissions, thereby enhancing the overall ESG management capability of Yuexiu Property.

Emission Category	Description of Emission Categories	Action Plan
Purchased goods and services	Withdrawal, production and transportation of goods and services purchased in the reporting year	Due to the diversified business of Yuexiu Property, which involves a wide range of purchased goods and services, large data volumes, and challenges in supplier coordination, we have established a Green Supply Chain Working Group in 2024. We will refer to the following four methods to calculate emissions in Scope 3 for the categories of purchased goods and services as well as capital goods: Supplier-specific method, hybrid method, average data method, and expenditure-based method. The carbon inventory results for these categories will be disclosed in 2025.
Capital goods	Withdrawal, production and transportation of capital goods (equipment, vehicles, buildings, etc.) purchased or acquired during the reporting year	
Upstream transportation and distribution	Transportation and distribution of products purchased in the reporting year between the enterprise’s first-tier suppliers and its own operations  Transportation and distribution services purchased in the reporting year, including inbound logistics and outbound logistics, and transportation and distribution between company-owned facilities	Identifying the overall transportation and distribution chain activities, we plan to consider the following five methods to calculate the emissions in Scope 3 for the upstream transportation and distribution category: Fuel-based calculation method, distance-based calculation method, expenditure-based calculation method, site-specific method for the calculation of emissions from storage of goods, and average data method.
Waste from operations	Treatment/disposal of waste generated by business operations in the reporting year	Based on the waste disposal practices, we plan to consider the following three methods to calculate emissions in Scope 3 for the waste from operations category: Supplier-specific method, waste type-based calculation method, and average data method.
Business travel	Employee transportation related to business activities in the reporting year	Based on the specific business travel methods of employees, we plan to consider the following two methods to calculate emissions in Scope 3 for the business travel category: Fuel-based calculation method and distance-based calculation method.
Employee commuting	Transportation of employees from their residence to their place of work during the reporting year	Based on the specific commuting methods of employees, we plan to consider the following three methods to calculate emissions in Scope 3 for the employee commuting category: Fuel-based calculation method, distance-based calculation method, and average data method.



In 2023, we have carried out carbon emission inspection for "business travel" and "employee commuting". We have established an employee travel platform, which counts the transportation modes of employees, so that we can sort out and count the carbon footprint of employee travel in the future; meanwhile, we plan to carry out research and statistics on the commuting modes of all employees, and sort out the distribution of the related commuting, which will be used as the basic data for the carbon emission inspection. In the future, Yuexiu Property plans to gradually implement the work related to the statistics, analysis, disclosure and management improvement of carbon emissions in Scope 3.

Annual Progress

On 1 January 2024, Yuexiu Property officially launched the "Personal Carbon Footprint" section in the ESG management system. In 2023, Yuexiu Property initiated preparations for carbon emissions data collection and analysis regarding "employee travel". Leveraging on a robust ESG management system, we achieved fast data processing and analysis capabilities. This allows for automatic calculation of the annual carbon emissions from aeroplane and train travel for each employee, resulting in individual cumulative annual carbon emissions and cumulative annual carbon emissions savings. Monthly statistics and visualisations are employed to track and showcase the data. At the same time, we are planning to conduct interviews and surveys on commuting records in the ESG management system to count "employee commuting" emission category. The "Personal Carbon Footprint" section is a reflection of Yuexiu Property's active thinking on how to further integrate the digital system with the carbon peaking and neutrality efforts, which is of great significance in supporting Yuexiu Property to carry out the carbon emission inspection work in Scope 3 and achieve the carbon peaking and neutrality goal.

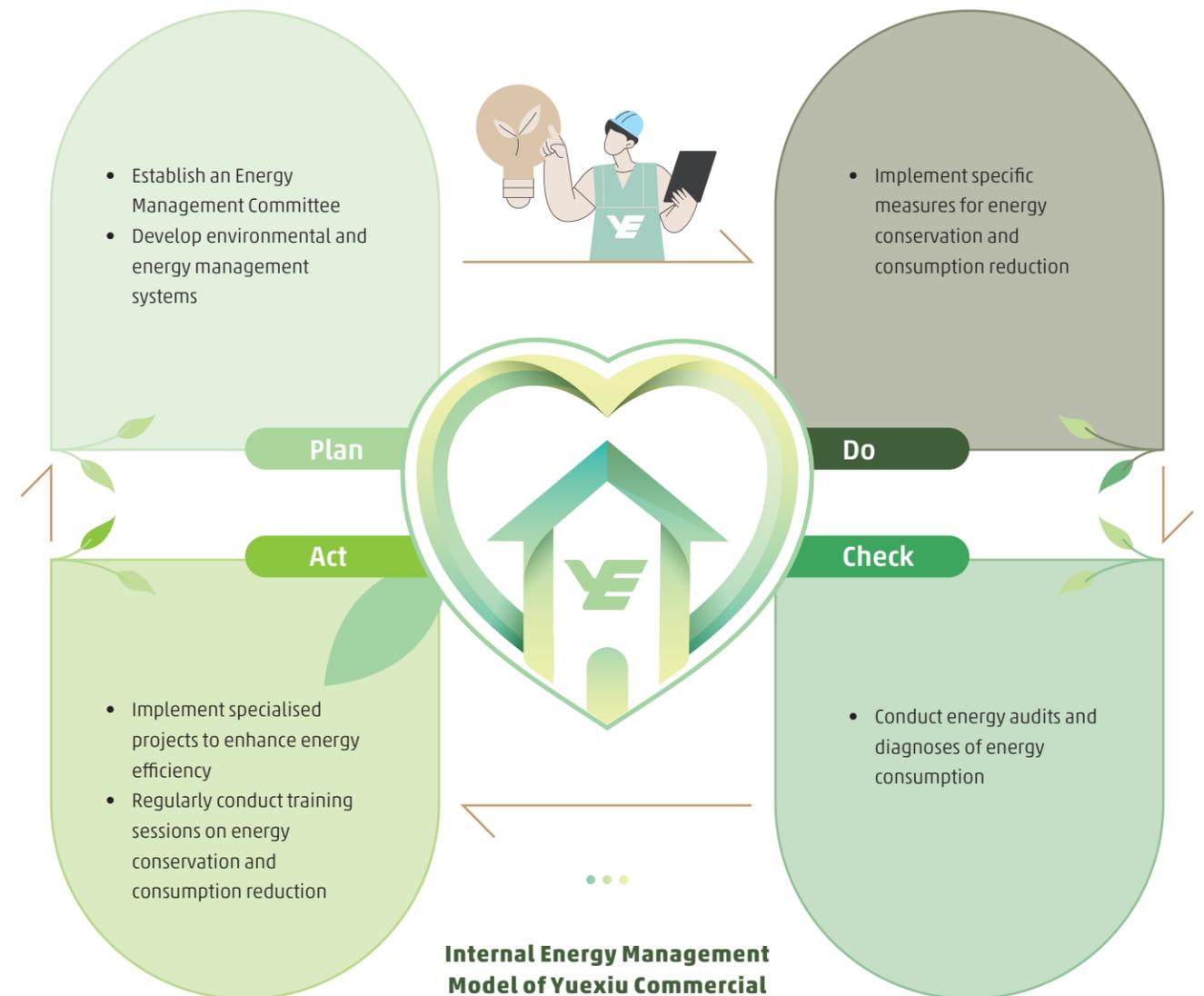


"Personal Carbon Footprint" section of the ESG management system



ENERGY MANAGEMENT

We have carried out centralised management of the Company's energy use through the ESG Executive Group and required our affiliates to establish dedicated energy management organisational structures. Specifically, Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Limited ("Yuexiu Commercial") has established an Energy Management Committee, mainly responsible for developing energy management systems, regularly monitoring energy usage indicators, inspecting high-energy-consuming equipment, and implementing capital renovations. All of these efforts were aimed at fostering a green and low-carbon environment for the production and living of both property owners and tenants.



We have continuously enhanced our environmental and energy management systems by conducting regular assessments of crucial environmental and energy consumption factors. We have also identified and analysed operational risks that could have significant impacts on the environment and energy consumption. By continually refining our performance in environmental protection and energy consumption, Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd. and Guangzhou Yue Xiu City Construction Jones Lang LaSalle Property Services Co., Ltd. (廣州越秀城建仲量聯行物業服務有限公司), all of which are affiliates of the Group, have obtained the ISO 50001 Energy Management Systems Certification.

ISO 50001 Energy Management Systems Certification



ISO 50001 Energy Management Systems Certification

Based on the comprehensive commercial operation management system, we have implemented a multi-dimensional and multi-level plan for energy consumption and resource management. We have continually optimised the operation of efficient data centres of existing projects, such as the Guangzhou ICC, while planning the construction of new projects against the standards for efficient data centres. Moreover, we have fine-tuned the operational strategies of equipment such as chiller plants, air conditioning terminals, and lifts to boost equipment's operational efficiency and cut energy consumption. In addition, we have upgraded the lighting systems of existing projects by transitioning to LED fixtures for improved efficiency. We have also conducted mid-term profit analyses on equipment such as chiller plants and switched to cryogenic pumps to enhance performance and reduce energy consumption. Furthermore, we have utilised indicators such as public electricity, water, and gas consumption to assess commercial projects under our management, thereby ensuring the attainment of performance objectives.

Below is the data on capital renovations of certain projects under Yuexiu Property's management in 2023:

No.	Project	Renovation Project	Renovation Cost (RMB10,000)	Estimated Annual Electricity Savings (10,000 kWh)
1	Yuexiu Financial Tower	Establishment of an energy management platform	3	138
2	Victory Plaza	Establishment of an energy management platform	3	
3	Guangzhou ICC	Establishment of an energy management platform	3	
4	Guangzhou Yue City	Establishment of an energy management platform	3	
5		Energy-efficient lighting retrofit of the parking lot	EMC mode	27.7
6	Yue Plaza Nanhai	Energy-efficient lighting retrofit of the parking lot	EMC mode	23.2
7	Guangzhou Fortune Plaza	Addition of floor air conditioning chilled water control valves	7.2	11
8	Zhonggang Leatherware Mall	Construction of efficient air conditioning plant rooms	499	30

We have consistently carried out regular energy audits and consumption diagnoses, ensuring the effective implementation and meticulous management of our energy management systems through regular inspections. In 2023, we engaged third-party inspection agencies to conduct energy audits and consumption diagnoses for main office buildings and commercial properties, resulting in detailed energy consumption diagnostic reports for each structure. By analysing potential energy savings, we have devised enhancement plans to facilitate continual reductions in energy consumption intensity across the office buildings and commercial properties under our management.



To tackle the identified risk factors in tests and encourage employee engagement in energy conservation and emission reduction initiatives, we have conducted regular training sessions on technical standards and cutting-edge models. These sessions were aimed at heightening employees' awareness of energy consumption statistics and cultivating habits of advanced energy management, thereby optimising our energy usage effectively.

Case Sharing

Implementation of Training on Energy Conservation and Consumption Reduction in Accordance with the General Code for Energy Efficiency and Renewable Energy Application in Buildings (GB55015 2021)

We have dissected the key requirements outlined in the General Code for Energy Efficiency and Renewable Energy Application in Buildings (GB55015 2021) and analysed the progress in energy conservation and consumption reduction management of our commercial projects. This analysis has pinpointed areas where we can enhance our energy conservation and consumption reduction. We have also conducted targeted training for personnel in key roles to genuinely elevate the performance of our commercial projects in energy conservation and consumption reduction.



Training Materials on Energy Conservation and Consumption Reduction

3.2 GREEN CONSTRUCTION

Yuexiu Property embraces the sustainable development philosophy and is dedicated to becoming a pioneer and frontrunner in the green building sector through innovative design and material technologies. Throughout every process of our property development projects, from site selection and planning to operation, we have formulated 18 standards in three major stages to ensure that the construction procedures are legal and compliant, and we always adhere to the protection of the ecological environment. Strict construction standards are implemented to ensure that our projects remain environmentally friendly throughout the process of development, construction and operation.

• SITE STANDARDISED CONSTRUCTION SYSTEM

The Group is dedicated to elevating building quality and construction efficiency while minimising resource and energy consumption and reducing construction waste. We aim to pioneer a low-carbon and environmentally friendly industrialised construction model through modern construction methods, such as standardised design, industrialised production, prefabricated construction, and information technology-based collaboration, thus leading the green evolution of the construction industry.



We have striven to enhance construction quality, reduce unnecessary processes, minimise waste, and achieve green and intelligent construction. To tailor construction systems to the diverse needs of different cities, we have developed a **Site Standardised Construction System (SSCS)** based on the following core processes and concepts:

Core processes

We have devised a range of core processes, including aluminium alloy formwork, all-steel intelligent climbing frames, high-precision building blocks, and small precast concrete (PC) components. Based on our strengths in factory production and standardisation, these processes have improved structural precision and reduced on-site wet work, ultimately enhancing construction quality.

Fully interspersed construction

We have prioritised flow-through interspersed construction to reasonably schedule the interspersed timing of different processes, thus minimising process transitions and waste and boosting construction efficiency.

Intelligent construction

By harnessing Building Information Modelling (BIM) technology for process simulation, pipeline balancing, and visualised progress management, alongside the digital intelligence platform for visualised management of construction data collection and quality improvement, we have enhanced the intelligence of our construction practices.

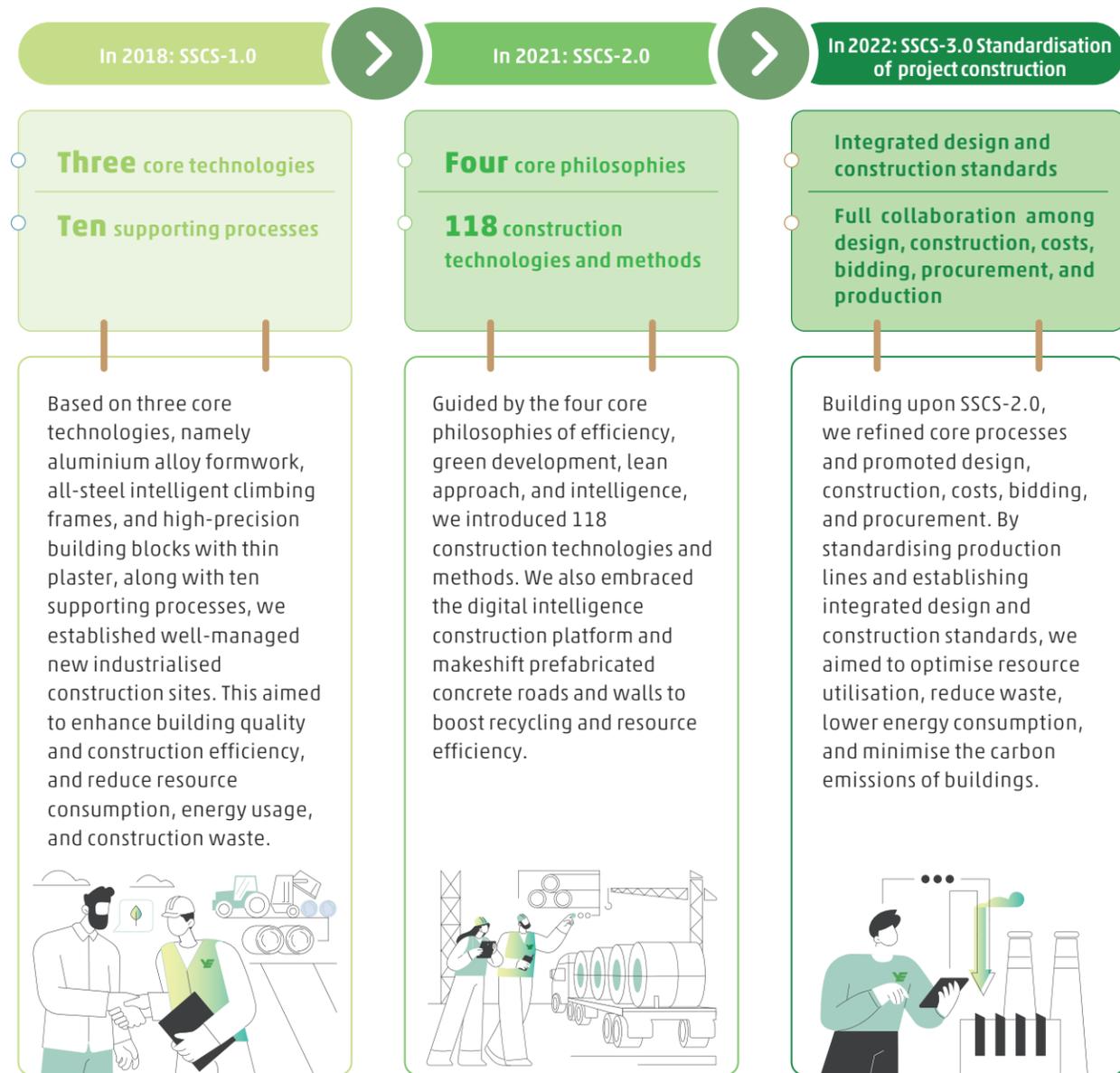
Green construction

Through methods such as prefabricated construction, permanent-makeshift integration, and recycling, we have minimised on-site wet work, promoted the recycling of construction waste, and elevated the overall environmental sustainability of our construction.

Localisation operations

To adapt to the different policies, resources, and market environments of each city, we have conducted localised operations, thus ensuring that our processes, measures, and management are aligned effectively with local requirements.

Evolution of Yuexiu Property's SSCS



• PREFABRICATED CONSTRUCTION

Yuexiu Property is dedicated to exploring and implementing prefabricated construction technology. By integrating innovative technologies such as new materials, technologies, systems, and processes, we have continuously refined the integrated services and ecosystem of prefabricated construction. We have leveraged advanced prefabricated concrete component technology, combined with the environmentally friendly and energy-saving design philosophy, to elevate building performance and quality. This approach has not only reduced the environmental footprint of construction but also provided customers and society with greener, more efficient and economical building solutions.

Efficient construction:

By incorporating prefabricated components such as prefabricated concrete shear walls, composite floor slabs, stairs, and air conditioning slabs, we have boosted construction efficiency while ensuring the superior performance of the structure.



Energy conservation and environmental protection:

Our prefabricated concrete sandwich shear walls deliver exceptional thermal insulation performance, effectively slashing buildings' energy consumption, reducing reliance on air conditioning and heating, and curbing greenhouse gas emissions.



Efficient resource utilisation:

Factory production of prefabricated components has minimised the generation of construction site waste, maximised raw material utilisation, and reduced construction waste.



Shortened construction period:

The adoption of prefabricated components has enabled concurrent main structure construction and component production, significantly shortening on-site construction durations and minimising impacts on surrounding environments and communities.



Key Performance

During the Reporting Period, the proportion of projects adopted prefabricated construction reached **70.24%**

Case Sharing

Prefabricated Construction Implemented at Hefei Yaohai Starry Junlan Project



The Hefei Yaohai project has integrated various cutting-edge technologies and materials, including prefabricated wall panels, composite floor slabs, prefabricated stairs, autoclaved lightweight concrete (ALC) wall panels, thermal insulation integrated superimposed exterior walls, fine decoration, dry ground insulation, pipeline separation, aluminium formwork, and BIM. This integration has achieved an impressive prefabrication rate of **65%**, significantly boosting both energy-saving performance and construction efficiency.



The application of prefabricated and ALC wall panels has not only ensured exceptional thermal insulation for lower energy consumption, but has also minimised material waste and construction debris through factory production. The combination of fine decoration and dry ground insulation system has elevated living comfort and air quality, creating a more inviting environment for residents.

Furthermore, the philosophy of pipeline separation has greatly simplified future pipeline maintenance and replacement, minimising structural damage caused by maintenance activities. The combination of aluminium formwork and BIM technology has further enhanced construction precision and speed. Through digital management, project design and construction procedures have been optimised, thereby enhancing project management efficiency.

• GREEN CONSTRUCTION

The Group manages project construction in strict accordance with the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on Energy Conservation and other laws, regulations and industry standards as well as its own internal systems and guidelines including the Detailed Rules for Administration of Construction, the Guidelines for Quality Management of Construction Projects, the Standardisation Atlas for Safe and Civilised Construction, the Guidelines for Environmental Governance of Construction Projects, and the Circular Economy Promotion Policy.

Before the commencement of a project, we strictly comply with the procedures for environmental impact assessment and approval of the project, seriously organise the feasibility assessment of the new project and the registration of the environmental impact assessment, carry out the development upon approval by local environmental protection department, and make announcements on the relevant government websites to facilitate public monitoring.

In 2023, the Group ensured that all projects underwent environmental impact assessments, with a

**100%** coverage rate



There were no environmental pollution accidents or accidents with significant adverse impacts on the environment and natural resources.

We have also actively addressed pollutants such as dust, waste, and noise during project construction. We have continually enhanced resource and energy efficiency throughout construction processes and implemented a range of green construction management measures to minimise as many environmental impacts throughout construction as possible. Our goal is to create a clean, tidy, comfortable, and safe construction environment.

Action Aspect	Action Item	Specific Measures
Reduce pollutant emissions	Waste management	<ul style="list-style-type: none"> <li>Strictly adhere to the requirements for classification and enclosed storage of hazardous and toxic waste outlined in the National Directory of Hazardous Wastes;</li> <li>Set up enclosed waste collection pits at construction sites for centralised collection and removal of construction waste;</li> <li>Recycle and reuse construction waste that can be backfilled and utilised, such as slag and waste mortar;</li> <li>Select standardised building materials to minimise offcuts during production;</li> <li>Implement centralised material processing to reduce waste generation during processing.</li> </ul>
	Dust control	<ul style="list-style-type: none"> <li>Implement measures to control dust pollution, including the establishment of sprinkler cleaning systems or the adoption of fog dust suppression measures, and establish spray dust suppression systems at construction sites;</li> <li>Ensure enclosed management of construction sites by erecting continuous, enclosed fencing around the site;</li> <li>Cover temporary soil piles with dust-proof nets or implement greening measures;</li> <li>Harden access paths and main roads at construction sites and seal up or cover fine particulate building materials;</li> <li>Apply water promptly during earthwork, excavation, and backfilling operations to prevent dust pollution;</li> <li>Install vehicle cleaning facilities and corresponding drainage and sedimentation facilities to clean vehicle parts prone to carrying sediments, such as groove guards and tyres.</li> </ul>
	Noise control	<ul style="list-style-type: none"> <li>Establish management systems and noise reduction measures for construction noise to ensure compliance with emission standards for noise around construction sites;</li> <li>Reasonably arrange construction time to reduce night-time construction;</li> <li>Require vehicles entering the construction sites to be prohibited from honking;</li> <li>Strengthen ongoing monitoring of environmental noise at the construction sites, set up noise monitoring points for each gate, and designate personnel for regular monitoring and management.</li> </ul>
	Wastewater treatment	<ul style="list-style-type: none"> <li>Excavate drainage ditches to control sewage flow;</li> <li>Add sedimentation tanks to ensure sewage is discharged into municipal sewage pipelines after sedimentation;</li> <li>Set up oil traps to remove waste oil from the construction sites;</li> <li>Install rainwater and sewage pipelines, respectively, at the construction sites and strictly prohibit non-rainwater from being discharged into rainwater pipelines;</li> <li>Designate personnel to monitor the sewage, promptly obtain sewage discharge permits as per the requirements of local governments, and ensure legal and compliant disposal of construction sewage.</li> </ul>
Efficient use of resources	Promotion of clean energy use	<ul style="list-style-type: none"> <li>Incorporate renewable energy designs such as solar power generation, solar water heating, ground-source heat pumps, and air-source heat pumps into certain construction projects.</li> </ul>
	Energy conservation	<ul style="list-style-type: none"> <li>Use LED energy-saving lamps, energy-saving water dispensers, efficient construction machinery and other energy-saving equipment to improve energy efficiency;</li> <li>Adopt time switch control for tower crane lighting to reduce electricity consumption;</li> <li>Install independent electricity meters to monitor power consumption in real-time, analyse abnormal power consumption and rectify energy wastage in a timely manner.</li> </ul>
	Consumables conservation	<ul style="list-style-type: none"> <li>Use reusable fence materials and strictly regulate the on-site usage of steel, wood, concrete and other construction materials to reduce the rationed scrap rate;</li> <li>Adopt standard integrated construction technology to minimise material wastage during construction.</li> </ul>
	Less occupied land for temporary construction	<ul style="list-style-type: none"> <li>Reasonably plan the site’s construction layout, establish underground storage warehouses, and classify and store construction materials in the warehouse to reduce the occupied land.</li> </ul>

**BIODIVERSITY AND NATURAL ECOSYSTEM CONSERVATION**

Real estate development and construction can have adverse environmental effects. We are fully aware of our responsibility for safeguarding the natural environment and are dedicated to preserving biodiversity in both our operational regions and beyond. In our feasibility studies and land acquisition processes, we have further heightened the precision of our surveys, conducting specialised inspections of natural ecological environment, including flora, rivers, and wetlands, within the land parcels. This ensures compliance with national laws, regulations, and local policies concerning the treatment of natural resources within these land parcels.

Throughout the construction process, we have established internal policies and standards such as the Biodiversity Policy and the Notice on Strengthening Tree Protection, which outline specific measures for safeguarding natural resources such as flora, rivers, and wetlands within the land parcels during the project development process. We have thoroughly considered environmental factors such as biodiversity conservation, the preservation of existing trees, and ecological protection, refraining from engaging in business activities unrelated to ecological protection in significant ecological reserves and their vicinity to ensure complete and effective protection of habitats and biodiversity. Moreover, we have utilised wood products certified by the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification, and other sustainable wood materials and products, such as composite wood, engineered wood, and bamboo. We have also ensured responsible sewage disposal during construction to prevent water pollution from impacting biodiversity.

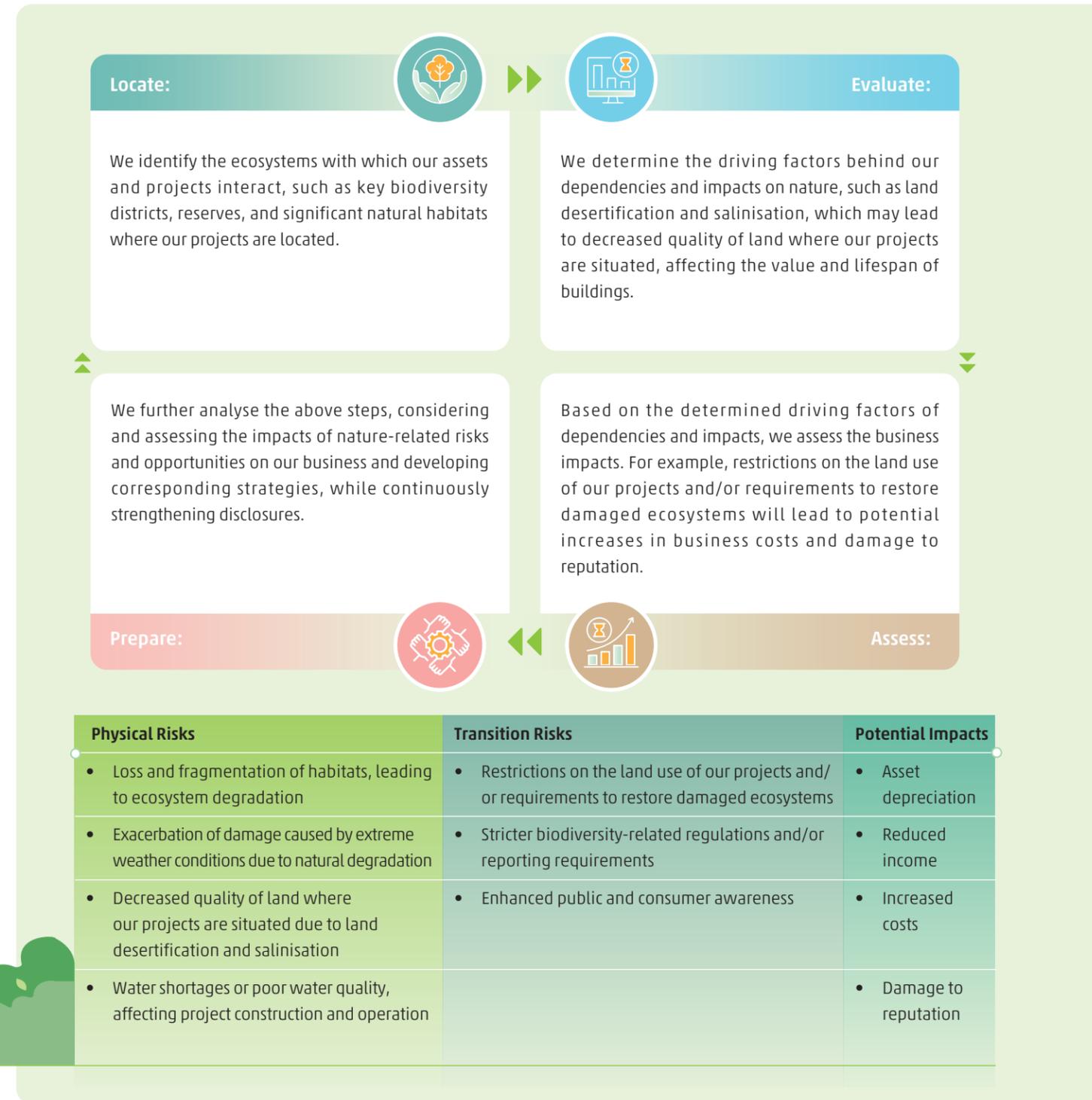
We continue to be concerned about the updated framework recommendations issued by the Taskforce on Nature-related Financial Disclosures (TNFD), the science-based targets for nature, and the risks associated with natural resource depletion. This allows us to better manage risks and seize opportunities related to natural resources and enhance economic, environmental, and social resilience and sustainability. In 2023, we conducted a preliminary examination of the impacts and dependencies of Yuexiu Property's operations on environmental ecology and biodiversity based on the TNFD's trial framework. We also piloted the LEAP (Locate, Evaluate, Assess and Prepare) nature-related risk assessment model to identify nature-related risks and opportunities.



Below are the nature-related risks we have preliminarily identified, upon which we will take targeted mitigation measures to enhance Yuexiu Property's adaptability and resilience to ecosystems.

**LEAP nature-related risk assessment**

The LEAP nature-related risk assessment comprises four steps: Locate, Evaluate, Assess, and Prepare. These steps provide a comprehensive understanding of nature-related risks and opportunities, enabling us to grasp the Company's dependencies and impacts on nature.

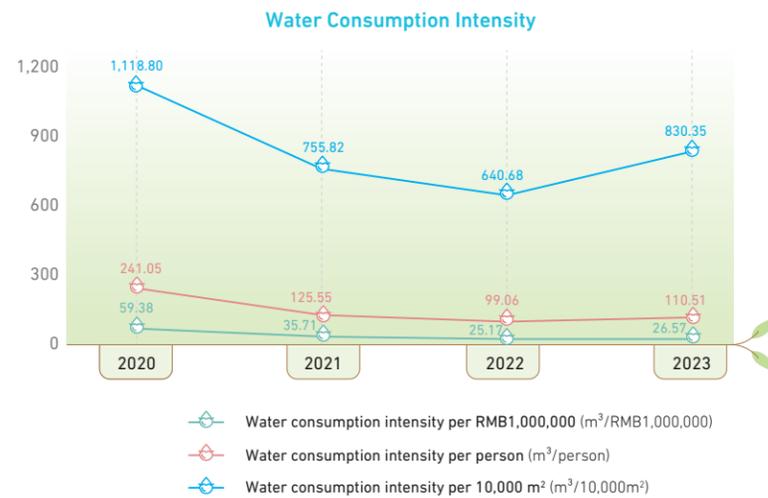


**WATER CONSERVATION AND RESILIENCE**

Yuexiu Property has attached great importance to the use and management of water resources and set the "Water Neutrality" goal. We have been committed to reducing water intake, reusing water resources, and preventing water pollution. Our water-saving policies comply with those introduced by governments in regions where our projects are situated. In 2023, water resources at Yuexiu Property were sourced from the municipal water supply, and wastewater was discharged into various types of municipal sewage pipes in compliance with regulations. Although some residential development and commercial operation projects are located in areas with water pressure issues, no obstacles were found in water intake, nor was any pressure identified on municipal wastewater treatment.



We plan to use the Aqueduct assessment tools developed by the World Resources Institute (WRI) based on its water risk maps to conduct water risk stress assessments. The scope will include administrative office areas and the regions where our residential development, commercial operations and other businesses are located to understand local water supply, water quality, government policies, and future forecasts. This aims to identify potential risks such as water shortages, water quality deterioration, or policy changes to enable the formulation of appropriate response measures.



We have implemented various measures to ensure efficient operations and reduce water waste. Some of these measures are as follows:

Action Aspect	Measures
<b>Design phase</b> 	<ul style="list-style-type: none"> <li>Employ the sponge city design to achieve "source reduction, process control and system treatment" and adopt technical measures such as "infiltration, retention, storage, purification, use and discharge" to effectively control runoff pollution at the source and achieve sustainable use of urban water resources.</li> </ul>
<b>Construction sites</b> 	<ul style="list-style-type: none"> <li>Use water-saving products, install metering devices, and implement water use management;</li> <li>Strengthen surface water and rainwater recycling;</li> <li>Regularly inspect water supply pipelines and replace water supply facilities such as pipeline valves to reduce water waste.</li> </ul>
<b>Commercial operation</b> 	<ul style="list-style-type: none"> <li>Use water-saving facilities such as time-delay auto shut-off low-volume taps and dual flush toilets;</li> <li>Increase the inspection frequency of major water-using equipment, regularly analyse their energy consumption, pay attention to water meters showing abnormal water usage, and conduct targeted inspections;</li> <li>Adopt rainwater collection measures according to local conditions for cleaning, greening irrigation, and other purposes to maximise water utilisation efficiency.</li> </ul>
<b>Daily office</b> 	<ul style="list-style-type: none"> <li>Display posters highlighting "Water Conservation" and related messages at critical locations in the office to prevent water waste;</li> <li>Use and replace water-saving appliances.</li> </ul>

Case Sharing

Water Resources Management of Managed Property Projects



The Lisheng Plaza under Yuexiu Property completed the renovation of air-conditioning make-up water pumps, utilised air-conditioning condensate for recycling and reuse, and recycled central air-conditioning cooling water at the cooling tower to effectively conserve water resources. Meanwhile, we have initiated capital renovations for water resource equipment in our residential projects. In particular, we have piloted upgrades of automatic greening irrigation systems in five separate projects. This has notably enhanced water efficiency, leading to an estimated annual water saving of 1,500 tons while preventing wastage in labour, water resources, and vegetation.



Computerised Photo of Yuexiu's Residential Project

Case Sharing

Water Resources Management Practice of Yuexiu Financial Tower



Yuexiu Financial Tower received the Guangzhou Association of Building Economy Promotion's "Zero-carbon Intelligent Energy Saving Three-Star Standard" building certification. In the practice of water resource management, the tower adopted buried rainwater collection tanks with an effective volume of up to 160 m³, and simultaneously recycled air-conditioning condensate for cooling tower recharge and rooftop greening, achieving the recycling of water resources. Specific measures include:



Interior View of Yuexiu Financial Tower

- Rainwater recycling:** The collected rainwater is mainly used for toilet flushing, garage cleaning and landscape replenishment on the 11th and lower floors of the tower, with a total of approximately 804 tonnes of rainwater recycled in 2023.
- Condensate recycling:** The tower is equipped with an air-conditioning condensate recycling system, and the water quality is regularly tested by a professional third party to ensure that the collected condensate can be used for the recharging and water circulation of the cooling tower.
- Real-time alarms:** Water leakage and overflow monitoring and alarm systems were installed in the facility and equipment rooms of the tower to ensure real-time monitoring of conditions at key points.
- Intelligent meter reading:** The tower adopts an automatic meter reading (AMR) system for remote water meters, aiming to gradually realise real-time monitoring of water consumption and enhance intelligent water resources management.

### 3.3 CIRCULAR ECONOMY

We are well aware of the limited nature of resources, and therefore, we are committed to adopting a circular economy model. Through responsible waste management, resource optimisation, waste reduction, and efficiency enhancement, we seek to enhance environmental protection and sustainability in the development, operation, and management phases to drive renewable resource utilisation.

Our proactive approach involves recycling and repurposing building materials to lessen the reliance on new resources and reduce wastage. At the same time, we encourage the use of green building materials such as low-energy glass, eco-friendly paints, and sustainably sourced wood to minimise the impact on natural resources. In project construction and routine operations, we also pay great attention to reducing the environmental burden of waste and the recycling of materials.

Action Aspect	Measures
<b>Construction sites</b> 	<ul style="list-style-type: none"> <li>Use reusable enclosure materials;</li> <li>Advocate the use of recyclable building materials to reduce reliance on limited resources;</li> <li>Minimise waste generated during construction and demolition processes, and encourage reuse or recycling of waste.</li> </ul>
<b>Sales sites</b> 	<ul style="list-style-type: none"> <li>Launch a fixed asset management system with subdivided marketing asset management modules;</li> <li>Monitor the sales office switch nodes to facilitate efficient asset reuse among projects in different districts.</li> </ul>
<b>Office area</b> 	<ul style="list-style-type: none"> <li>Establish the Material Efficient Utilisation Work System and implement waste sorting and recycling measures to promote resource recovery and reuse; for example: Set up office supplies and idle material recycling stations, and recycle and reuse miscellaneous materials;</li> <li>Dispose of waste in compliance. Waste generated from office operations is handled by licensed and qualified entities;</li> <li>Used toner cartridges and ink cartridges are collected by suppliers for refilling and reuse. Strive to reduce pollution and harm caused by waste to the environment.</li> </ul>
<b>Operational projects</b> 	<ul style="list-style-type: none"> <li>All waste must be managed in a ledger and handed over to government-authorized professional waste management institutions for processing;</li> <li>Hazardous waste is kept in dedicated storage and transferred on a regular basis to certified professional institutions for waste disposal.</li> </ul>



### 4. GREEN ASSETS

Green assets are at the core of Yuexiu Property's sustainable development strategy. We adhere to green healthy buildings characterised by "respect for nature, people-oriented, healthy and comfortable, intelligent and low-carbon", actively promoting the development and innovation of green buildings. We are confident that, by working together with all stakeholders, we can make greater contribution to environmental conservation and climate change mitigation. Our vision is to establish a greener and more sustainable architectural environment that offers individuals healthy, comfortable, and environmentally friendly living and working spaces. Our goal is to promote green concepts, embed sustainability, and make it the norm for future construction.

#### 4.1 GREEN BUILDING DESIGN

To establish a comprehensive and effective green building design system, Yuexiu Property has conducted in-depth optimisation and refinement of the existing green building design system. Given the differences in green building standards across districts, we require each district company to continue to follow the Green Building White Paper issued by Yuexiu Property and expand the coverage of their own green building guidelines. In 2023, each district company gradually improved green building design guidelines suitable for their own use. Furthermore, we are incorporating the 1-star standard for green buildings into the district green building design systems and refining them to gradually implement city-level green building design guidelines in key cities. This continuous optimisation of Yuexiu Property's green building design systems will enable us to develop green residential products with regional characteristics that are tailored to local conditions, providing consumers with a more environmentally friendly, healthy, and comfortable living environment.

#### Key Performance

**Commercial segment:**

We have newly added 8 projects satisfying green building standards with a gross floor area of **901,300** sq.m., among which, **18,900** sq.m. satisfy the **1-star standard** for green buildings, **785,400** sq.m. satisfy the **2-star standard**, and **97,000** sq.m. satisfy the **3-star standard**;

We have newly added **232,000** sq.m. of green building **2-star certified** gross floor area; We have newly added **97,000** sq.m. of green building **3-star certified** gross floor area.

Our LEED certified projects including:

- Guangzhou International Finance Centre
- Guangzhou Yuexiu Financial Tower
- Wuhan Yuexiu Fortune Centre



Our commitment to advancing green building practices and certifications remains unwavering: By 2025, we are dedicated to ensuring that 100% of all our newly constructed projects obtain 1-star certification for green buildings; and by 2030, our goal is for 100% of all our newly constructed projects to obtain 2-star certification for green buildings. To strengthen cooperation and communication in the field of green buildings and enhance our influence, in 2023, Yuexiu Property joined multiple green building associations such as the Green Building Branch of the Guangzhou Engineering Survey and Design Industry Association, the Guangdong Energy Conservation Association, and the Guangzhou Energy Conservation Association. We hope to drive industry development through these associations and contribute to building a green and sustainable future.

Moreover, we uphold the national red line policy for farmland protection and are determined to prevent any form of development on farmland within the designated red line boundaries. We have strict requirements for all development sites, which must undergo environmental assessments. Only after obtaining the official environmental impact assessment report can development work commence. In cases where development on green spaces or farmland is unavoidable, we will selectively construct projects on these plots that comply with green building standards to minimise adverse environmental impacts.

Key Performance

Residential segment:

As of the end of the Reporting Period, we have a total of **163** projects completed and under construction that meet green building standards, with a gross floor area of **26,676,300** sq.m.; During the Reporting Period, we have newly added a total of **9** projects that meet green building standards, with a gross floor area of **1,333,300** sq.m.;



Guangzhou ICC obtained 2-star certification for green buildings



Nansha Yuexiu IFC obtained 3-star certification for green buildings

Case Sharing

Guangzhou Baiyun International Convention Centre Phase II Project: Green Building Practices

Baiyun International Convention Centre integrates green design with Lingnan climate characteristics and climate data, following the principle of "passive first, active optimisation" in green building design by selecting appropriate comprehensive design strategies. The project embodies design features in four aspects: "Local design, energy-efficient comfort, intelligent control, and ecological resilience".

Guided by new development concepts and Assessment Standard for Green Building (GB/T50378-2019), the project aims to create a green and low-carbon exhibition complex. It has received multiple national awards, including the China Construction Steel Structure Gold Award and the IFLA Excellence Award, becoming the first conference centre in Guangdong Province to obtain a 3-star pre-assessment certification for green buildings.

The project's architectural design highlights four key features:

- Local design:** Inheriting Lingnan ecological wisdom to respond to both climate and functionality

Baiyun International Convention Centre incorporates Lingnan characteristics into modern design, taking into account regional climate to meet the needs of diplomatic summits. The design emphasises the relationship with the Baiyun Mountain and Pearl River, using overhanging eaves, louvres, and overhead floors for sun shading and optimising ventilation and cooling with Lingnan gardens and water landscapes, showcasing Lingnan style while mitigating the urban heat island effect.

- Energy-efficient comfort:** Developing new multi-scenario carbon reduction and energy-saving lighting modes tailored for high-standard conference venues

Baiyun International Convention Centre integrates site-specific natural conditions and architectural functional requirements, employing energy-saving design strategies that combine both active and passive measures. It utilises high-performance building envelope structures, achieving an overall thermal performance improvement of over 20%, surpassing the stringent requirements of the 3-star certification for green buildings. The ventilation and air conditioning systems, as well as the water supply and drainage systems, extensively incorporate variable frequency technology. Lighting is equipped with an intelligent control system tailored to different functional settings, defining various scene modes and controlling individual lamps through separate circuits and zones to save electricity. The centre also features high-performance heating and cooling source units for the heating and air conditioning systems, surpassing the stringent requirements of the 3-star certification for green buildings. Photovoltaic panels are installed on the project roof according to specific conditions, enabling self-production and consumption of electricity, with the renewable energy output meeting approximately 2.79% of the building's annual total electricity consumption.



Full view of International Convention Hall of Guangzhou Baiyun International Convention Centre



3-star Green Building Certification

Case Sharing

**Guangzhou Baiyun International Convention Centre Phase II Project: Green Building Practice**

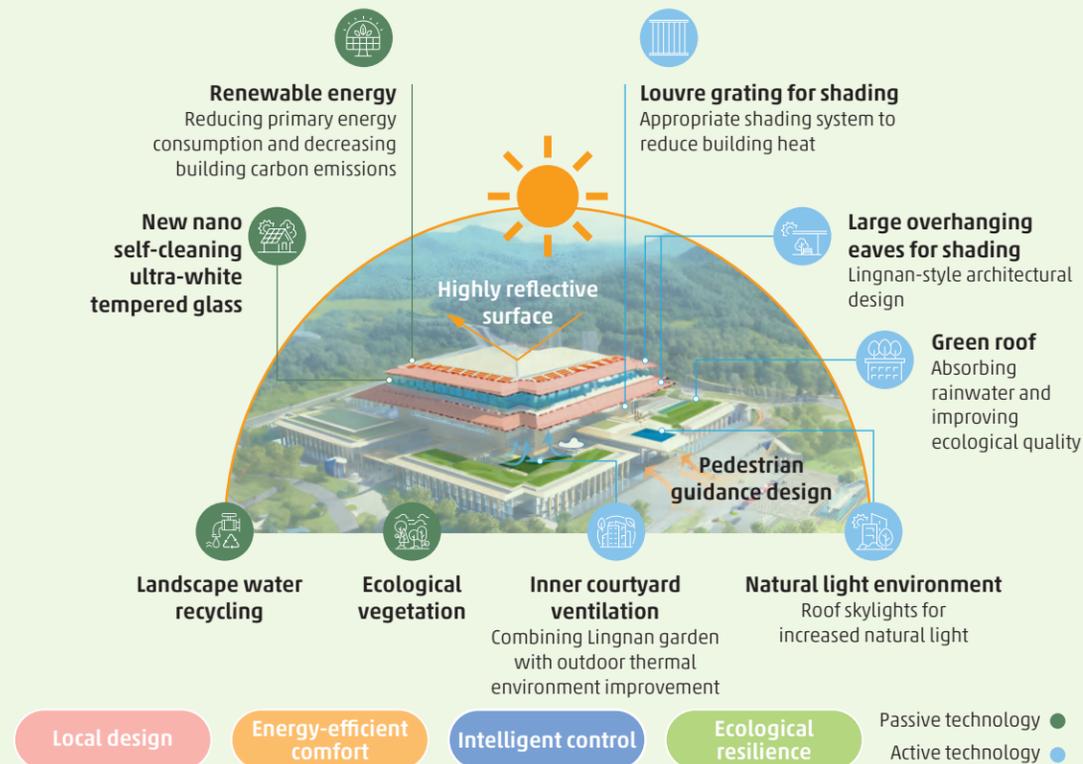


**3. Intelligent control:** Empowering smart management with leading technology for large public buildings to control energy consumption and carbon emissions

In terms of energy management, the project utilises BIM technology for design, construction, and routine operation management, achieving intelligent maintenance. In terms of construction, the project utilises prefabricated steel structure technology following principles of standardisation, factory production, assembly, integration, and informatisation. For operations and maintenance, an energy consumption monitoring system is set up to sub-meter energy and enable remote transmission, enhancing energy efficiency through data transmission, storage, and analysis via an energy management system. Moreover, an air quality monitoring system is installed to monitor PM10, PM2.5, and CO<sub>2</sub> concentrations, storing data for over a year to ensure indoor air quality. For carbon emission control, the project implements measures such as energy-efficient building design, intelligent energy management, use of renewable energy, and rooftop greening to reduce the building's carbon footprint.

**4. Ecological resilience:** Tackling sponge city design challenges to enhance building and site resilience

The project adheres to the principle of ecological priority, combining natural and artificial means to ensure urban drainage safety, employing the "infiltration, retention, storage, purification, utilisation, and discharge" strategies, utilising techniques like rainwater storage tanks, permeable pavement, and sunken green spaces to enhance rainwater filtration and purification capacity. The project is designed according to sponge city standards with low impact development (LID) rainwater system, including rooftop greening and permeable pavement, aiming to reduce runoff coefficients and beautify the environment, and collect rainwater for irrigation and garage washing to save tap water.



**ULTRA-LOW-ENERGY BUILDING SYSTEM**

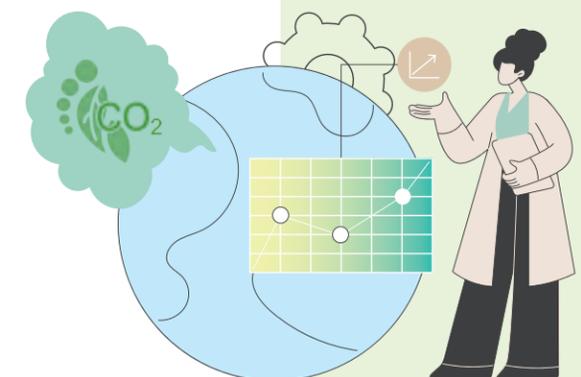
We strictly adhere to the requirements of the Technical Standard for Nearly Zero Energy Buildings (GB/T 51350-2019) and the Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Cold Winter Zone (JGJ134-2016) to establish a ultra-low-energy building system at Yuexiu Property, continuously improving energy efficiency and carbon reduction levels, enhancing building quality, and providing customers with green, low-carbon, and healthy residential and commercial products to contribute to achieving carbon peaking and carbon neutrality in the construction industry.

Guided by climate characteristics, we design building solutions that significantly reduce heating, air conditioning, and lighting demands through passive building design. We maximise energy equipment and system efficiency through active technical measures and fully utilise renewable energy sources to provide a comfortable indoor environment with minimal energy consumption. As of the end of the Reporting Period, Yuexiu Property has designed or constructed ten ultra-low-energy projects, serving as effective models for the real estate industry's transformation, upgrading, higher quality and efficiency, and high-quality development.

**Key Performance**

During the Reporting Period, we have newly added **3** ultra-low-energy building projects; the gross floor area of the newly added projects is **58,500** sq.m..

During the process of constructing ultra-low-energy buildings, Yuexiu Property has implemented multiple innovative technologies to improve energy efficiency and residential comfort. Efficient insulation materials such as extruded polystyrene (XPS) thermal insulation board and rock wool are used in the walls, along with the integration of insulation and decoration technology to reduce heat loss. To eliminate the thermal bridge effect, thermal bridge-breaking technology and materials with low thermal conductivity are specifically employed. The airtightness of the walls is enhanced through air sealing technology to reduce air exchange and further conserve energy. Furthermore, the selection of green exterior wall paint and microporous diatomaceous earth coatings not only enhances the building's appearance but also provides additional thermal insulation. An intelligent building management system has been introduced to optimise lighting, temperature control, and humidity management, thereby improving energy efficiency. Meanwhile, the installation of double or triple-glazed windows, efficient hot water system, and heating, ventilation and air conditioning (HVAC) technologies are applied to further reduce energy consumption. In equipment selection, priority is given to LED lighting and energy-efficient appliances with certifications. Moreover, by utilising renewable energy technologies such as solar photovoltaic panels and rainwater collection and recycling systems, sustainable water resource management is achieved.



Case Sharing

Ultra-Low-Energy Building Project in Zhongxing Community, Jing'an District, Shanghai



In terms of the ultra-low-energy building project in Zhongxing Community, Jing'an District, Shanghai, we reviewed the ultra-low-energy building standards in Shanghai, analysed key performance indicators, and effectively ensured the smooth construction of the ultra-low-energy building project through energy-saving measures in building layout planning, enclosure structure, airtightness, and thermal bridging measures, thereby promoting the overall energy conservation and consumption reduction in the building.



• SPONGE CITY DEVELOPMENT

To address the prominent issues of urban flooding disasters and water scarcity caused by climate change and extreme weather, the Group follows various national and local regulations related to sponge city. The sponge city design enhances the "four major" construction goals, starting from three aspects: "source reduction, process control and system treatment", and comprehensively applying techniques such as "infiltration, retention, storage, purification, use and discharge". By fully utilising the absorption, retention, and buffering effects of ecosystems such as buildings, roads, green spaces, and water systems, the goal is to achieve a city development approach based on natural accumulation, natural infiltration, and natural purification.

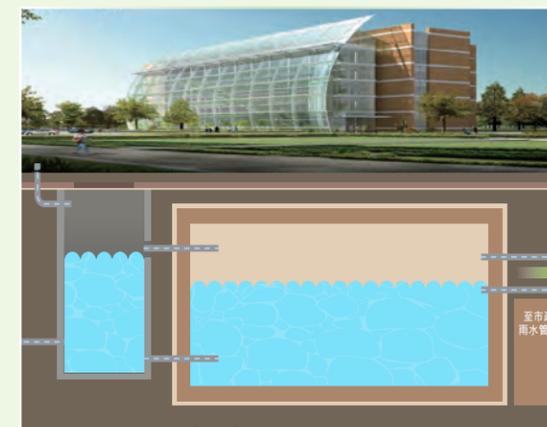


Case Sharing

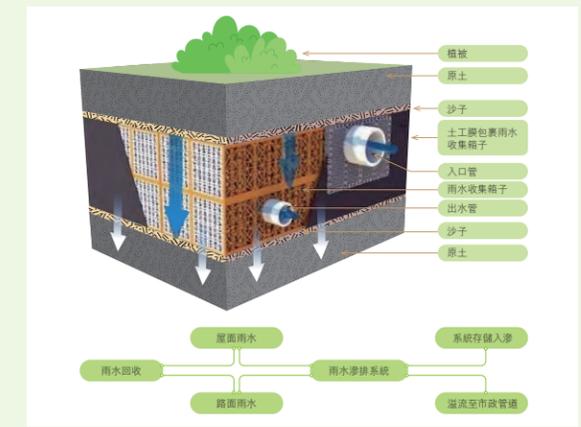
Case of Sponge City Building: Yuexiu iPARK Guangdong-Hong Kong Smart Valley



Yuexiu iPARK Guangdong-Hong Kong Smart Valley project is going to be a sponge city construction project. As one of the three pioneering areas in the Nansha Plan - the first large-scale demonstration project integrating industry and city in the Qingsheng Hub Area, with a total land area of 41,114 sq.m. and a gross floor area of 138,228 sq.m.. Through rainwater discharge facility, PP rainwater pool module, rainwater recycling tanks and water treatment equipment, the project realises hierarchical water reuse and rain-sewage diversion, facilitating the sponge city building in Nansha Community for Hong Kong People.



Rainwater harvesting diagram in sponge city



Rainwater treatment overview in sponge city



#### 4.2 ZERO CARBON BUILDING

We are well aware that the goal of transformation in the construction field is to achieve zero carbon building construction. Yuexiu Property hopes to use architecture as a carrier to implement the concept of zero energy consumption building and zero carbon building design. By employing strategies such as renewable energy, high-efficiency energy systems, and sustainable materials, we aim to achieve zero carbon emissions during the operational phase and effectively lead in green and low-carbon demonstration.

We are committed to developing and accumulating technologies for near-zero energy consumption and zero carbon buildings. By integrating 11 zero carbon technologies, we continue to refine Yuexiu Property's zero carbon product concept to provide customers with multiple choices and systematic zero carbon buildings. In 2023, we continued to optimise and establish Yuexiu Property's low-carbon technical methodology and participated in the compilation of technical standards such as the Evaluation Standard for Zero Carbon Office Buildings, the Carbon Emission Accounting Standard for Office Buildings, and the Standard for Calculating Energy Consumption and Carbon Emission of Shopping Mall Buildings, contributing low-carbon intelligence from Yuexiu Property to society.



#### Case Sharing

### Wuhan Yuexiu Fortune Centre Received the "Excellent" Certification for Net Zero Carbon Buildings



Wuhan Yuexiu Fortune Centre has been awarded the "Excellent" certification for Net Zero Carbon Buildings jointly issued by BRE and TÜV Rheinland, as well as the LEED v4.1 O+M Platinum certification, making it the first high-rise building in Hubei Province to achieve both the Net Zero Carbon certification and the highest LEED Platinum certification. The "Excellent" certification for Net Zero Carbon Buildings adopts the Net Zero Carbon standard developed by BRE in the UK, the Chinese Greenhouse Gas Emissions Verification Guidelines, and the TÜV Rheinland China certification system, to assess the comprehensive carbon emissions of the target building. Wuhan Yuexiu Fortune Centre has implemented a series of energy-saving measures such as setting up a building energy management platform, advanced energy sub-metering, and intelligent lighting retrofitting in the underground garage to achieve low-carbon operations.



Certificates of the "Excellent" certification for Net Zero Carbon Buildings and the LEED v4.1 O+M Platinum certification



Case Sharing

**Guangzhou International Commercial Centre Has Achieved the "Zero Carbon Intelligent Energy Saving Three-Star Standard" Building Certification**

Guangzhou International Commercial Centre has been awarded the "Zero Carbon Intelligent Energy Saving Three-Star Standard" building certification by the Guangzhou Association of Building Economy Promotion. The project implements multidimensional zero carbon building construction throughout the lifecycle from electricity, building materials, and facility equipment, by setting up a power monitoring system to coordinate electricity usage patterns and using green building materials such as hollow double-silver LOW-E glass to reduce energy consumption while ensuring efficient energy utilisation. Moreover, Guangzhou International Commercial Centre utilises variable frequency water pumps, variable induction faucets, low-drift water cooling towers, and induction sanitary ware, to achieve an overall water-saving rate of over 40%.



Guangzhou ICC "Zero Carbon Intelligent Energy Saving Three-Star Standard" building certification



**4.3 GREEN LEASING**

Green leasing is an extension of the full life cycle management of green buildings and is an important part of Yuexiu Property's sustainable development initiatives. We understand the significance of win-win cooperation and symbiosis with owners and tenants, as well as the importance of green collaboration. Therefore, through extensive operations and management, we deeply influence owners and tenants towards green production and lifestyle.

Action Aspect	Measures
Promote green leasing	<ul style="list-style-type: none"> <li>◆ Make specific agreements with property owners, tenants, renovators and other groups in maintaining environmental performance in renovation and operation;</li> <li>◆ Encourage tenants to adopt energy-saving and resource-recycling measures by signing the Green Tenancy Agreements with them;</li> <li>◆ Encourage owners and tenants to collaborate on sustainable development to improve the efficiency of leased buildings.</li> </ul>
Advocate green procurement	<ul style="list-style-type: none"> <li>◆ Issue the Green Initiative Letter to some office tenants under our management, guide owners towards green procurement, such as using cleaners and paper that meet the China Compulsory Certification (CCC) standard, Forest Stewardship Council (FSC) FSC-CoC certification, and HACCP food safety management system certification, and advocate the purchase of routine consumables meeting FSC-CoC certification and office equipment that meet energy-saving certification;</li> <li>◆ Encourage tenants to use environmentally friendly decoration materials, such as low-smoke halogen-free flame-retardant wires, boards compliant with E1 standards for flame retardancy and formaldehyde emission, paints and coatings meeting environmental label product technical requirements, and more the use of energy conservation and environmental protection lighting fixtures.</li> </ul>
Encourage low-carbon living	<ul style="list-style-type: none"> <li>◆ Owners and tenants are responsible for their energy consumption and water needs to promote energy and water conservation;</li> <li>◆ Encourage owners to carry out waste classification and recycling.</li> </ul>
Enhance environmental protection publicity	<ul style="list-style-type: none"> <li>◆ Through multimedia platforms, tenant manuals, company websites, public accounts, and various public channels, we actively promote environmental protection and low-carbon operation methods to raise environmental protection awareness among owners and tenants.</li> </ul>

**Key Performance**

By the end of the Reporting Period, the coverage rate of signing the Green Tenancy

Agreements in super Grade A office buildings is **100%**



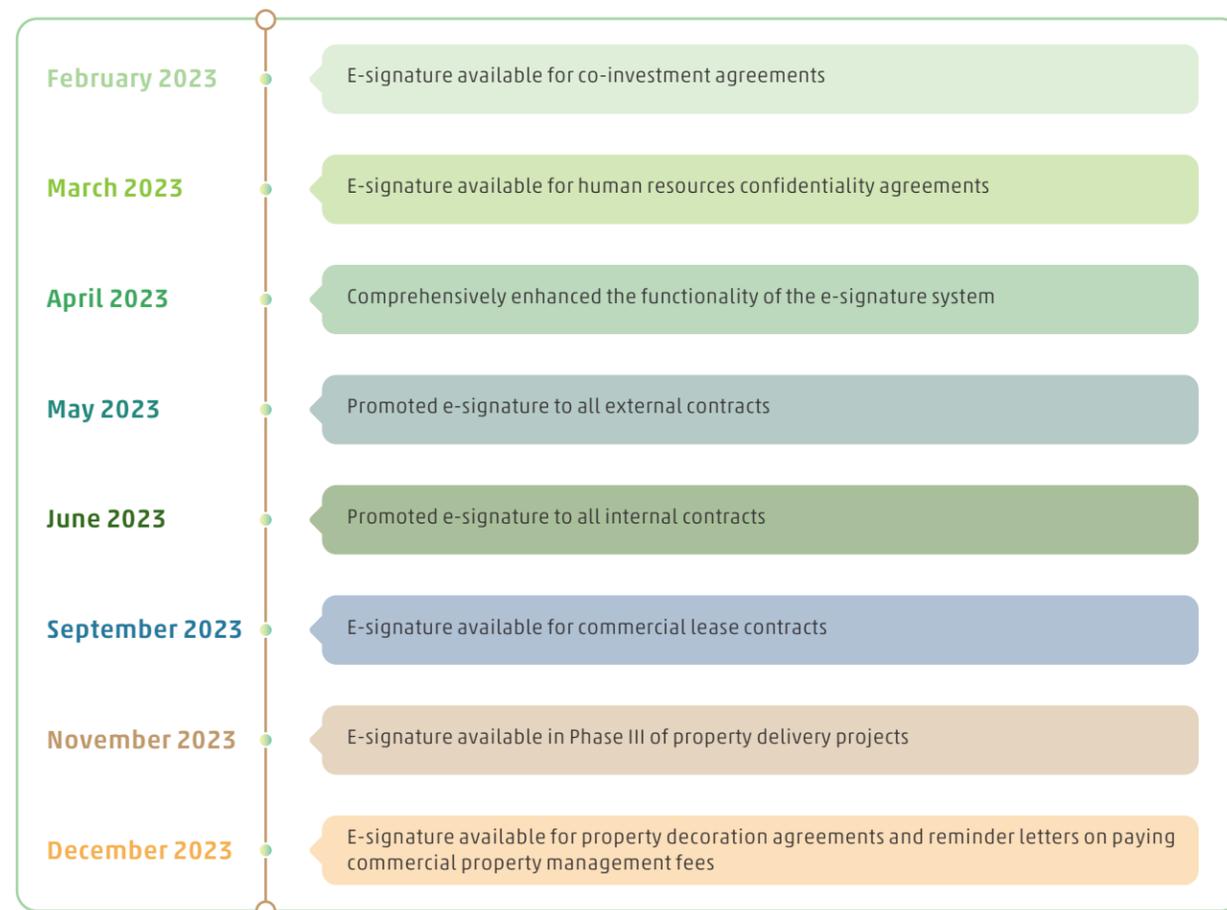
#### 4.4 GREEN OPERATIONS

We recognise that corporate operations are a major source of environmental impact. In line with our green development philosophy, we implemented a paperless operation and management system in 2023, which covers all processes of office documents from contract signing to external confirmations, effectively practising lean operations, and continuously promoting green and low-carbon operations.

We adopted electronic signature (e-signature) for 16 business scenarios, including marketing, property delivery, procurement and bidding, and visa changes, in order to raise the application rate of e-signature. We endeavour to apply e-signature to every segment and process of operations to ensure that e-signature is available for major internal and external documents of the Company.

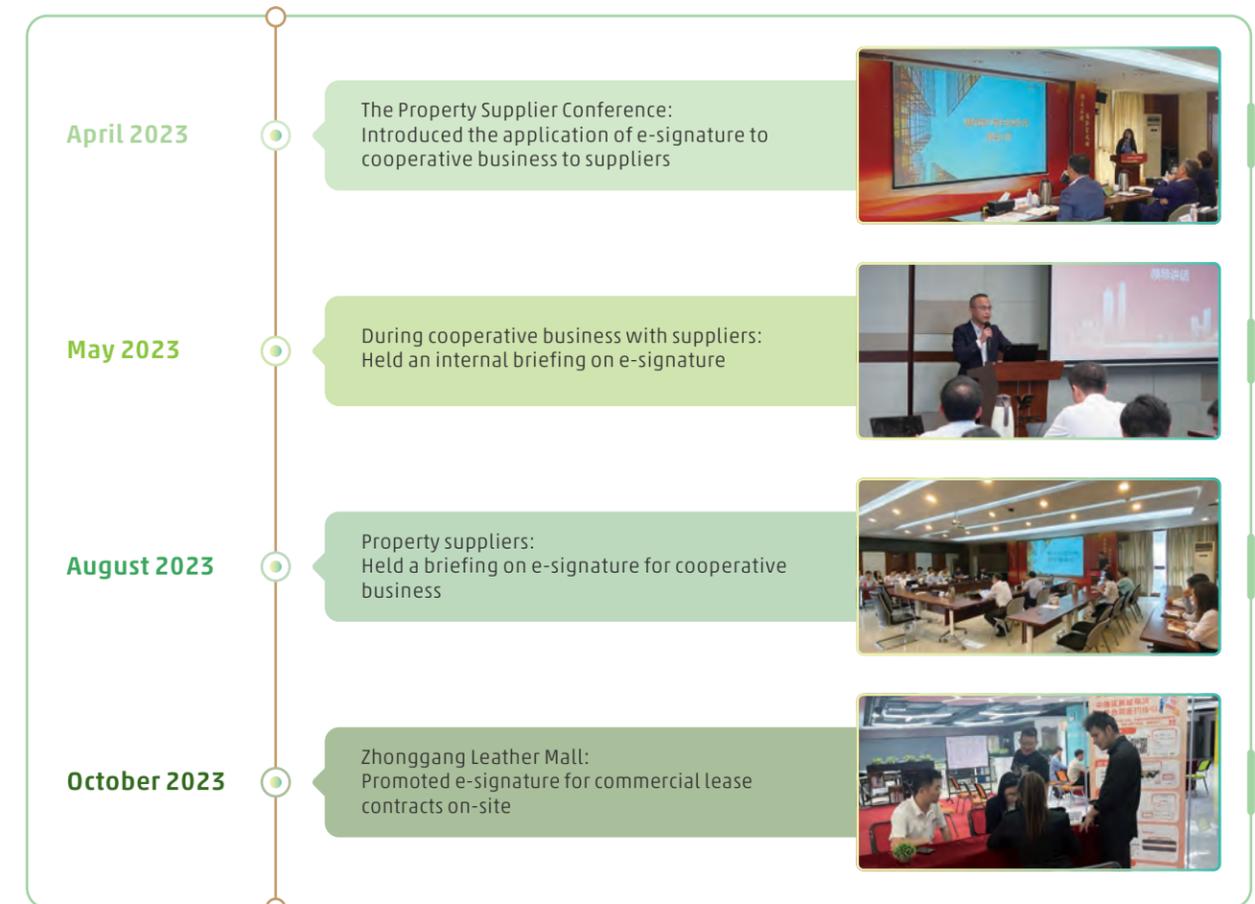
The extensive use of e-signature not only helps protect the environment, but also improves work efficiency and security, and reduces the cost and risk of paper document management. During this Reporting Period, the use of e-signature reduced the consumption of 225 trees in total and reduced carbon emissions by 13.52 tons, which was nearly five times as many as that in the same period last year.

##### Process of Promoting E-signature in the Company

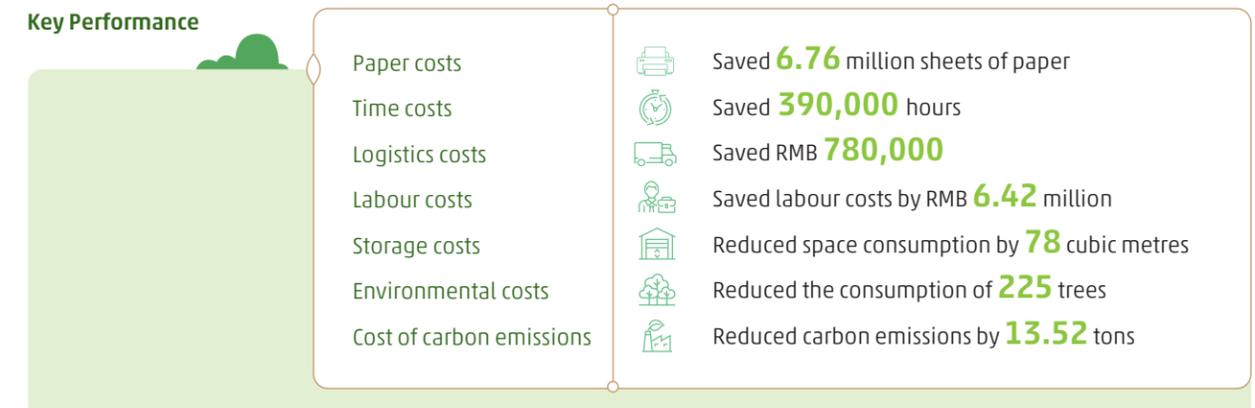


Additionally, we strive to extend paperless operations to every process of the value chain to reduce the use and waste of paper and the carbon emissions of the entire value chain. The Company can weaken its reliance on paper during business activities, and further reduce resource consumption and environmental pollution, by promoting e-signature to our suppliers.

##### Process of Promoting E-signature to Our Suppliers



##### Key Performance



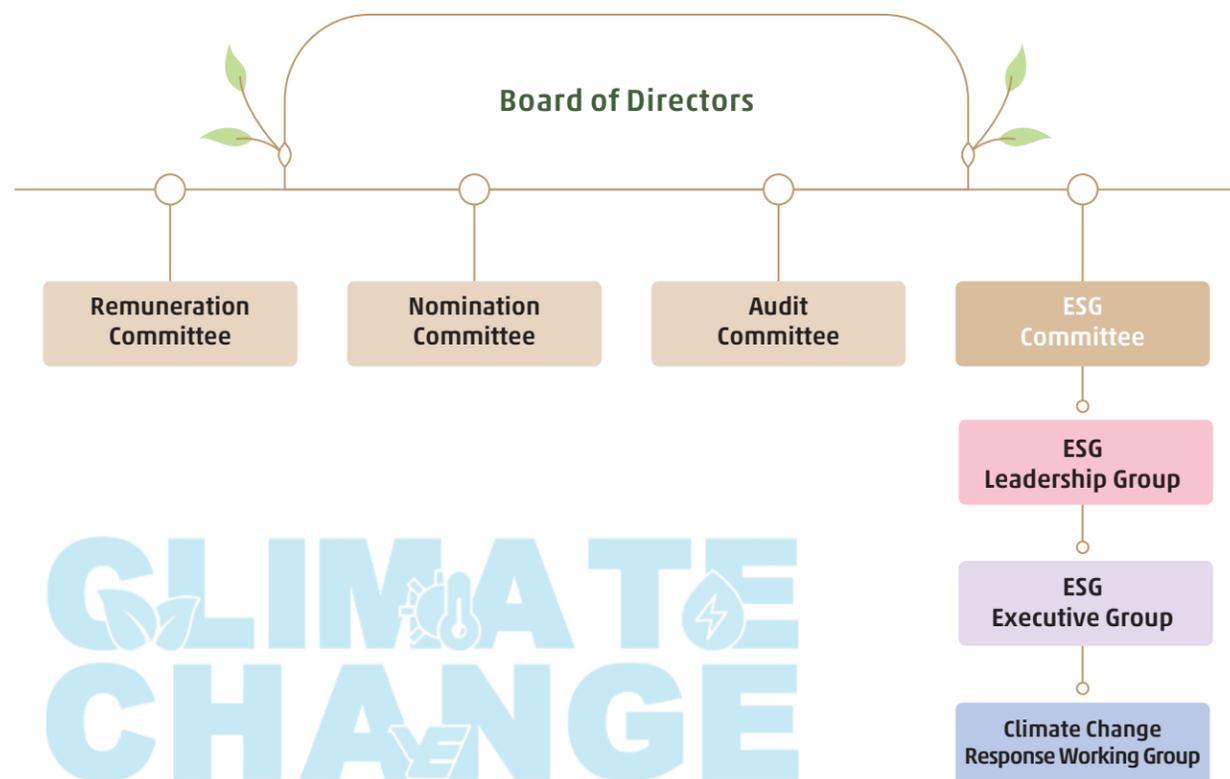
## 5. CLIMATE-RELATED RISKS AND OPPORTUNITIES

With the intensification of global warming, extreme weather phenomena such as high temperature and heat wave, sudden drought, heavy rainfall and flood, cold snaps and snowstorms occur frequently. The occurrence, potential risk, temporal and spatial distribution characteristics of frequency and intensity of extreme weather and climate events, and composition of composite disaster losses have undergone significant changes. The Global Risks Report 2023 lists "natural disasters and extreme weather events" as the second biggest risk facing the world over the next two years, after the soaring cost of living, and failure to address climate change would be the biggest risk over the next decade.

According to the *Blue Book on Climate Change of China 2023* released by the Climate Change Centre of the China Meteorological Administration in July 2023, the global average temperature in 2022 was 1.15° C higher than the pre-industrial (1850) level, and the period from 2015 to 2022 was the eight warmest years since meteorological observation records began in 1850. China is located in the East Asian monsoon region with complex and diverse climate types, which is the sensitive and significantly affected area of global climate change, with a significant increase in temperature compared to the global average. In recent years, China's extreme weather and climate events have been frequent and strong, with large numbers, wide impact areas, and increased intensity, setting historical records repeatedly.

### 5.1 CLIMATE TRANSITION PLAN - GOVERNANCE

We are well aware of the importance of taking action to mitigate the effects of climate change, and the Board of Directors of Yuexiu Property is committed to integrating sustainable development, including climate-related issues, into all aspects of its operations to promote sustainable development. The Board of Directors is ultimately responsible for managing climate-related risks and opportunities. Established in 2022, the "Climate Change Response Working Group" is fully responsible for climate change management and specific climate change risk identification, analysis and response, in response to global actions against climate change, with the goal of achieving net zero carbon emissions by 2060 or before.



The Board of Directors of Yuexiu Property considers sustainability issues as part of the Company's strategy development, identifies significant ESG factors and oversees the management and monitoring of significant ESG factors. The Board of Directors actively participates in discussions on climate-related initiatives and issues, and updates Yuexiu Property's 2030 Sustainable Development Master Plan.

In 2023, the ESG Committee is chaired by Mr. Lin Zhaoyuan, the Chairman of the Board, and comprises two Executive Directors and four Independent Non-executive Directors to assist the Board of Directors in overseeing the Group's management approach to sustainable development. The Committee assesses climate change-related risks and opportunities, sets key climate change targets, and regularly reviews performance.

Under the ESG Committee, the ESG Leadership Group is responsible for reviewing and assessing the response to climate change, identifying specific risks associated with climate change, and overseeing the implementation of climate change efforts. The ESG Executive Group is responsible for implementing specific climate change work tasks, discussing and considering climate-related risks and opportunities, and reporting to the ESG Committee and the Board of Directors in a timely manner by the ESG Leadership Group to promote the Group's overall sustainable development policy.

The Climate Change Response Working Group under the ESG Executive Group is responsible for using climate risk models to analyse the impact degree of climate risk on the projects in 29 operating cities of Yuexiu Property when the temperature rise is 1.5° C and 3° C, and to integrate the improvement of climate factors into the Company's strategy and operation work.

### 5.2 CLIMATE TRANSITION PLAN - GROUP LEVEL ANALYSIS

In 2023, Yuexiu Property conducted its first climate scenario analysis using a third-party platform (MSCI Climate Risk Model) covering all of Yuexiu Property's business locations to assess the climate performance and climate-related risks and opportunities of the Company and its affiliates (the same as the scope of this report). Meanwhile, Yuexiu Property updates its disclosure of climate-related risks and opportunities in accordance with the International Financial Reporting Standard Sustainability Disclosure Standard No. 2 (IFRS S2) - Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) and the *Guidance on Climate Disclosures* of Hong Kong Stock Exchange (HKEX).



### COMMITMENT TO NET-ZERO CARBON EMISSIONS BY 2060, ANALYSED UNDER 1.5° C AND 3° C SCENARIOS

Yuexiu Property carried out a climate-related risk and opportunity scenario analysis, considering the following four scenarios and conducting climate scenario assessment research to determine parameters and ranges.

	1.5° C scenario	3° C scenario
Physical Risks	> NGFS <sup>1</sup>   1.5° C   Orderly	> NGFS   3° C   NDC <sup>2</sup>
Transition Risks	> NGFS   1.5° C   Orderly	> NGFS   3° C   NDC > IPCC <sup>3</sup>   3° C   SSP <sup>4</sup> 2-4.5
Time range	> Present - 2050	
Coverage area	> All assets within the operation area > In 2023, it deployed its business in 29 cities of China, with 128 projects in the land reserve	

Yuexiu Property formulates strategies for climate-related risks and opportunities, based on all fields of the real estate lifecycle, and takes into account the impacts of physical and transition risks on our business from the entire lifecycle of construction. Moreover, we develop effective and direct countermeasures against the impacts to create comprehensive strategies for climate change governance.

<sup>1</sup> NGFS: The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)

<sup>2</sup> NDC: Nationally Determined Contributions (NDC)

<sup>3</sup> IPCC: Intergovernmental Panel on Climate Change (IPCC)

<sup>4</sup> SSP: Shared Socioeconomic Pathways (SSP)

Assessments and Measures for Physical Risk Impacts

Explanation of risk exposure level:

Low	Medium	High
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Type of Risk	Likelihood		Main Influencing Factors	Main Financial Impact	Our Countermeasures	
	1.5 °C	3 °C				
Chronic risks	<b>Extreme heat</b> 			<ul style="list-style-type: none"> <li>High temperature affects construction efficiency and increases the use of refrigeration equipment and energy consumption, so it is necessary to optimise investment strategy and promote energy-saving residential design.</li> </ul>	<ul style="list-style-type: none"> <li>Delays in the construction schedule can affect project delivery and cash flow; Increased energy consumption raises operating costs and reduces profits. Investments in climate change response will increase operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The construction plan can be adjusted to avoid outdoor work during the high-temperature season; technological innovations can be implemented to improve construction efficiency and quality. The energy-efficient design, high-efficiency insulation materials, and energy-efficient windows and doors can be used to minimise the dependency on air-conditioning.</li> </ul>
	<b>Extreme cold</b> 			<ul style="list-style-type: none"> <li>Extreme cold can affect the performance of building materials and structural safety, reduce construction efficiency, increase heating energy consumption, and cause problems such as frozen pipes and snow accumulation on roofs.</li> </ul>	<ul style="list-style-type: none"> <li>Building quality issues increase construction and maintenance costs. Elevated construction complexities extend the construction period, escalate costs, and impact project delivery and budgetary management. Energy consumption increases operating costs and squeezes profits. The rising cost of housing maintenance directly affects property operation.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Materials suitable for low temperature environment are selected. Quality control is strengthened to ensure structural safety. Energy-saving building design is promoted to reduce heating demand. An emergency response plan is developed to deal with freezing damage.</li> </ul>
	<b>Extreme rainfall</b> 			<ul style="list-style-type: none"> <li>Extreme rainfall necessitates additional measures to safeguard the construction sites and can cause damage to the house, such as roof leaks and basement flooding.</li> </ul>	<ul style="list-style-type: none"> <li>Extreme rainfall increases construction costs and property maintenance costs.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Flood control work should be deployed before the rainy season, equipped with materials, and inspections should be strengthened during the rainy season, optimising the layout of equipment in districts prone to low-lying and infiltration, and checking the safety of electrical circuits.</li> </ul>
	<b>Extreme snowfall</b> 			<ul style="list-style-type: none"> <li>Continuous snowfall can affect construction progress and project delivery, and extreme snowfall can also cause house damage.</li> </ul>	<ul style="list-style-type: none"> <li>Project delivery delays may trigger contract default penalties, affecting cash flow and subsequent plans; damage to houses caused by extreme snowfall increases repair costs and reduces property profit margins.</li> </ul>	<ul style="list-style-type: none"> <li>✓ An emergency response plan is developed to respond quickly to snowfall, the risk of extreme snowfall is assessed, and drills to improve emergency response are organised.</li> </ul>
	<b>Extreme wind</b> 			<ul style="list-style-type: none"> <li>Extreme winds increase insurance costs, causing damage to buildings and facilities that require substantial amounts of money to rebuild and repair.</li> </ul>	<ul style="list-style-type: none"> <li>Extreme winds lead to higher insurance premiums and increased operating costs, as well as direct losses (damage to buildings, equipment) and indirect losses (income loss during work suspension, increased operating costs).</li> </ul>	<ul style="list-style-type: none"> <li>✓ Building structures are strengthened to withstand extreme weather, comprehensive emergency preparedness and response plans are developed, and it is necessary to work with insurance companies to ensure adequate risk coverage.</li> </ul>

Explanation of risk exposure level:

Low Medium High

	Type of Risk	Likelihood		Main Influencing Factors	Main Financial Impact	Our Countermeasures
		1.5 °C	3 °C			
Acute Risks	<b>Coastal flooding</b> 	High	High	<ul style="list-style-type: none"> <li>After the floods, the government may enact new regulations requiring Yuexiu Property to improve flood protection standards, affecting development plans. Additional flood control measures such as elevating the ground level and strengthening drainage should be taken during construction to prevent or reduce property water damage, and building and equipment damage caused by flooding.</li> </ul>	<ul style="list-style-type: none"> <li>Development plans need to be adjusted to comply with new regulations, which increases costs and development cycles and affects return on investment. Additional engineering measures increase construction costs and affect cost control and profit. Repair and reconstruction increase maintenance costs and financial burdens.</li> </ul>	<ul style="list-style-type: none"> <li>Construction standards are improved, including flood control and drainage systems, flood contingency plans are developed, and flood control facilities such as embankments and foundation reinforcement are invested.</li> </ul>
	<b>Fluvial flooding</b> 	High	High	<ul style="list-style-type: none"> <li>With the decrease of land value in flood-prone areas, Yuexiu Property needs to adjust its development plan and avoid the construction in high-risk areas. Recovery and reconstruction after floods can take a long time and involve complex cleanup and repairs.</li> </ul>	<ul style="list-style-type: none"> <li>Frequent floods lead to a decrease in land value, affecting the attractiveness of investment. Re-planning is required to avoid high-risk areas, which increases costs. Post-disaster reconstruction is time-consuming, delaying project delivery and impacting revenue, which affects cash flow.</li> </ul>	<ul style="list-style-type: none"> <li>It is necessary to adopt diversified site selection strategies to develop projects in areas with lower flood risk, design flood-resilient buildings, and develop post-disaster reconstruction and recovery contingency plans to respond quickly and reduce long-term impacts.</li> </ul>
	<b>Tropical cyclones</b> 	High	High	<ul style="list-style-type: none"> <li>Typhoons result in suspension of outdoor operations and equipment damage. Strong winds damage buildings and infrastructure. Hurricanes and typhoons cause supply chain disruptions, affecting the supply of building materials.</li> </ul>	<ul style="list-style-type: none"> <li>Typhoon damage needs to be repaired, increasing the cost of construction and repair, and affecting the supply of materials, resulting in higher costs.</li> </ul>	<ul style="list-style-type: none"> <li>Meteorological warnings are monitored in anticipation of tropical cyclone arrival. Advanced warning notices are promptly disseminated, triggering the contingency plans. Safety hazards are meticulously assessed, while precautionary measures are implemented. In the event of a tropical cyclone, flood and typhoon prevention is carried out in accordance with meteorological warning signals and emergency procedures.</li> </ul>
	<b>Wildfires</b> 	High	High	<ul style="list-style-type: none"> <li>Wildfires may lead the government to tighten land-use planning approvals, leaving Yuexiu Property to face longer waiting periods for development permits or to need to adjust its design to meet new safety requirements. Wildfires produce smoke and harmful gases that seriously pollute air quality and affect health.</li> </ul>	<ul style="list-style-type: none"> <li>Strict land planning approvals after wildfires can lead to delays in development permits and increased costs. Air pollution from wildfires causes illness among employees and raises the Company's health insurance premiums.</li> </ul>	<ul style="list-style-type: none"> <li>Professional risk management teams are established to assess and develop fire prevention and response strategies. Innovative design and fire prevention technologies are adopted and sustainable building materials are used to reduce fire risks and increase the resilience of housing structures.</li> </ul>
	<b>Low river flows</b> 	High	High	<ul style="list-style-type: none"> <li>Low river flows may result in water scarcity, affecting the water supply for projects undertaken by Yuexiu Property. Degradation of river ecosystems may lead to increased environmental compliance requirements, and water scarcity has the potential to diminish the value of riverbank property.</li> </ul>	<ul style="list-style-type: none"> <li>The cost of acquiring alternative water sources increases. The environmental compliance costs for property projects increase, and water scarcity has the potential to diminish the value of riverbank property, consequently affecting the asset value of Yuexiu Property.</li> </ul>	<ul style="list-style-type: none"> <li>Water scarcity risk assessments are conducted, water-saving management measures are implemented, and adaptive planning is adopted to ensure the water sustainability of the project.</li> </ul>

Assessments and Measures for Transition Risk Impacts

Explanation of risk exposure level:

Low	Medium	High
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	Type of Risk	Likelihood		Description of Potential Impacts	Main Financial Impact	Our Countermeasures
		1.5 °C	3 °C			
Policy and Legal Risks	Strategic national policy and regulatory trends under "3060" initiative are tightening	High	High	<ul style="list-style-type: none"> <li>Yuexiu Property's carbon reduction costs and difficulties increase. It needs to invest in carbon offset and renewable energy. Facing high initial investment, long payback periods, and technological limitations, we need additional research and development or expensive technology.</li> </ul>	<ul style="list-style-type: none"> <li>Increased initial investment in carbon reduction costs and renewable energy design can lead to lower margins and higher cash outflows, while improved building environment performance can also lead to lower profits and higher cash outflows in the short term.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Carbon emissions are reduced and energy efficiency is improved by influencing upstream companies to purchase green building materials and clean energy, incorporate renewable energy in the design phase, and improve building energy efficiency and retrofit.</li> </ul>
	Increasing stringency of green building standards	High	High	<ul style="list-style-type: none"> <li>Additional costs and budgets are incurred for green certification to meet national requirements for healthy community planning and green building policies, as well as to ensure that the property meets technical standards for energy conservation and carbon reduction.</li> </ul>	<ul style="list-style-type: none"> <li>Meeting planning requirements, green building policies and criteria for healthy communities may lead to additional costs, increased fixed assets, and potential long-term liabilities. Additionally, there may be increased cash outflows from investment activities.</li> </ul>	<ul style="list-style-type: none"> <li>✓ By investing in green building and compliance, budgeting certification costs, and developing new technologies, building sustainability is enhanced and national healthy community standards are met.</li> </ul>
	Implement carbon pricing in the markets where we operate	Medium	Medium	<ul style="list-style-type: none"> <li>Due to carbon taxes or carbon pricing and increases in electricity costs. Yuexiu Property needs to invest resources to comply with relevant requirements, including monitoring and reporting carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased operating costs due to carbon taxes and higher electricity costs, as well as additional expenses and higher production costs resulting from compliance with carbon pricing mechanisms, could affect income statements and cash flows.</li> </ul>	<ul style="list-style-type: none"> <li>✓ By adapting carbon pricing to improve energy efficiency, developing carbon reduction strategies, optimising supply chain management and establishing carbon emission monitoring systems, operating costs and carbon emissions are reduced.</li> </ul>
	Increasingly strict disclosure requirements of regulatory authorities	Medium	Medium	<ul style="list-style-type: none"> <li>More resources are needed to ensure environmental data accuracy to meet high government requirements, including additional personnel training, system upgrades, and third-party audit costs, while facing the risk of non-compliance with disclosure requirements and increasing ESG management complexity.</li> </ul>	<ul style="list-style-type: none"> <li>The increased cost of complying with the government's demanding environmental data disclosure guidelines, including resource investment and potential risk of non-compliance, as well as the increased complexity of ESG management.</li> </ul>	<ul style="list-style-type: none"> <li>✓ ESG management systems need to be established and implemented to ensure data is accurate and timely, policies and procedures are updated, and third-party verification may be required to fulfil disclosure requirements.</li> </ul>
Technology Risks	Development of green building technologies	High	High	<ul style="list-style-type: none"> <li>There are technical challenges and expertise needs in promoting green buildings, while the immaturity of the green building materials supply chain may affect the supply stability and project schedule, but green low-carbon buildings may bring higher value in the market.</li> </ul>	<ul style="list-style-type: none"> <li>While the adoption of green building technologies entails increased R&amp;D and training costs, as well as the costs and risks associated with an immature supply chain, green low-carbon buildings can also bring increased asset values and financial benefits.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Investing in green building technologies requires cost-benefit analysis, regular training of staff to enhance expertise, and risk management strategies to address potential risks.</li> </ul>
	Development of energy sector technologies	Medium	Medium	<ul style="list-style-type: none"> <li>Energy costs go up and the stability of energy supplies goes down. New energy technology research and development is the key to maintaining competitiveness, but we need to be vigilant about the uncertainty in technological development.</li> </ul>	<ul style="list-style-type: none"> <li>The adoption of non-fossil and renewable energy sources may increase costs and lower profits, while the uncertainty of energy supply and emerging energy technologies has an impact on operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Energy efficiency is improved through regular energy audits and long-term planning, the financial impact of renewable energy technologies is assessed at the initial stage of investment, and emerging energy technologies are monitored to adjust energy use and investment strategies.</li> </ul>

Explanation of risk exposure level:

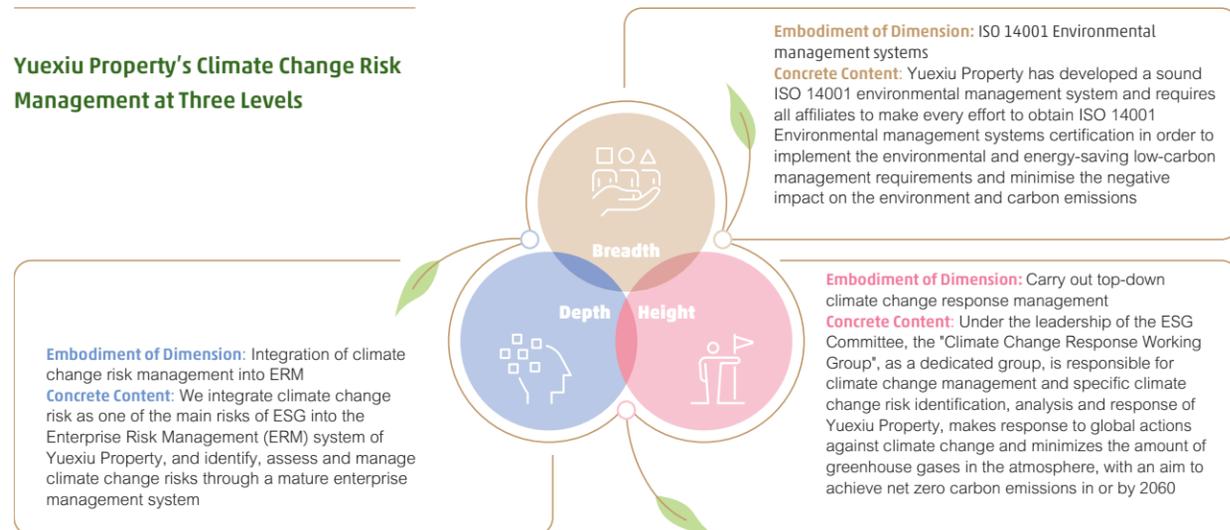
Low	Medium	High
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	Type of Risk	Likelihood		Description of Potential Impacts	Main Financial Impact	Our Countermeasures
		1.5 °C	3 °C			
Market Risks	Customers shift their preference to low-carbon consumption.			<ul style="list-style-type: none"> <li>It is necessary to reduce carbon emissions to meet customer demand for low-carbon products, or it may lead to customer loss. Green assets attract green tenants and guests, bringing additional green rental income.</li> </ul>	<ul style="list-style-type: none"> <li>There may be financial pressures in efforts to reduce carbon emissions, but a shift to green assets has the potential to boost rents, reduce costs, increase asset values, and enhance market and financing advantages.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon emissions are managed and costs are controlled through carbon audits and energy consumption reduction measures, while green buildings are developed to attract tenants and revenue is raised through green rent premiums.</li> </ul>
	Increasing demand for climate-resilient properties			<ul style="list-style-type: none"> <li>While investing more in green building development, there may be risks of increased capital expenditures and declining property values with weak climate resilience, lower revenues, and higher insurance costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment in green product development may lead to cash flow pressure, while depreciation of properties without climate resilience may lead to negative financial effects such as asset impairment and revenue decline.</li> </ul>	<ul style="list-style-type: none"> <li>Capital expenditure pressures on green building projects are eased through financial planning and government support, and measures are taken to enhance the value of properties with weak climate resilience, and reduce the risk of depreciation.</li> </ul>
	There is an increased demand from tenants for energy efficiency and data transparency			<ul style="list-style-type: none"> <li>To meet tenants' demands for energy efficiency, Yuexiu Property may need to allocate additional investments in existing commercial projects. This could include upgrading building facilities, installing energy-saving equipment, and enhancing building maintenance practices.</li> </ul>	<ul style="list-style-type: none"> <li>Additional investments in energy efficiency improvements may result in increased capital expenditures and operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Yuexiu Property will conduct a thorough evaluation of the costs associated with upgrading and renovating commercial projects. Potential funding sources, including rental income, will be carefully considered.</li> </ul>
	Investor concern			<ul style="list-style-type: none"> <li>The need for more rigorous reporting may increase manpower and time costs and may lead to higher financing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increased investor demand for climate advocacy and more rigorous reporting may result in heightened operating, reporting, and capital costs for Yuexiu Property, while investor divestment may reduce available capital.</li> </ul>	<ul style="list-style-type: none"> <li>The report can be prepared in accordance with an internationally recognised framework to maintain high transparency of climate information and foster trust with investors and stakeholders.</li> </ul>
Supply Chain Risks	Raw material prices fluctuate			<ul style="list-style-type: none"> <li>The cost of the energy transition may drive up the price of building materials and the instability caused by the price fluctuation of low-carbon and green building materials.</li> </ul>	<ul style="list-style-type: none"> <li>Construction costs rise, profits decrease, financial costs increase, and profit margins fluctuate. The use of green building materials may lead to higher procurement costs and changes in return on investment.</li> </ul>	<ul style="list-style-type: none"> <li>We need to analyse the impact of the low-carbon transition on building material costs, study market trends, invest in green building material technologies, and diversify our supply chain to reduce risks.</li> </ul>
	Supply chain management risks			<ul style="list-style-type: none"> <li>Investment in green/sustainable supply chains can be increased to address supply chain instability caused by climate-related risks to suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Green supply chain investment may lead to higher short-term procurement costs and uncertain investment returns for Yuexiu Property, as well as additional management costs and supply chain instability caused by weak climate risk management of supply chain partners.</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain partners with good environmental performance and green technology capabilities will be chosen, and environmental risks will be assessed and partner performance will be continuously monitored to improve the overall supply chain's green capabilities.</li> </ul>
Reputational Risks	Goodwill and litigation cases and negative publicity events			<ul style="list-style-type: none"> <li>Reduced customer demand for Yuexiu Property products and services may damage brand image.</li> </ul>	<ul style="list-style-type: none"> <li>Declining customer preferences and a tarnished brand image could both reduce Yuexiu Property's operating income, putting pressure on the Company's finances by increasing public relations and financing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Market research and customer insights will be used to identify and meet consumer needs, while enhancing the brand image and communicating in a timely manner to mitigate negative effects during PR crises.</li> </ul>

### 5.3 CLIMATE TRANSITION PLAN - RISK MANAGEMENT

We have established a comprehensive climate change risk management framework through three main mechanisms. Our Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuejian Engineering Management Co., Ltd., Guangzhou City Construction Development Engineering Cost Consulting Co., Ltd., Guangzhou City Construction & Development Design Institute Co., Ltd., Yuexiu Property Management Co., Ltd., and Yuexiu Apt Parking Co., Ltd. have obtained ISO 14001 environmental management system certification, enabling us to identify and mitigate climate-related risks and opportunities through a well-established institutional system, ensuring that we address climate change risks and opportunities across all our business scopes. Additionally, we integrate climate change risks into our overall risk management process, conducting in-depth identification, assessment, and response planning of climate change risks through thorough auditing and risk identification mechanisms, so as to constantly enhance risk control. We have established a dedicated Climate Change Response Working Group responsible for formulating and executing strategies, tracking indicators, and enhancing management related to the overall climate change risks and opportunities of Yuexiu Property, examining the climate change management level of Yuexiu Property from a strategic perspective, effectively exploring deep-seated climate change risks, researching climate change opportunities in business details, and enabling Yuexiu Property to better adapt to future climate change.

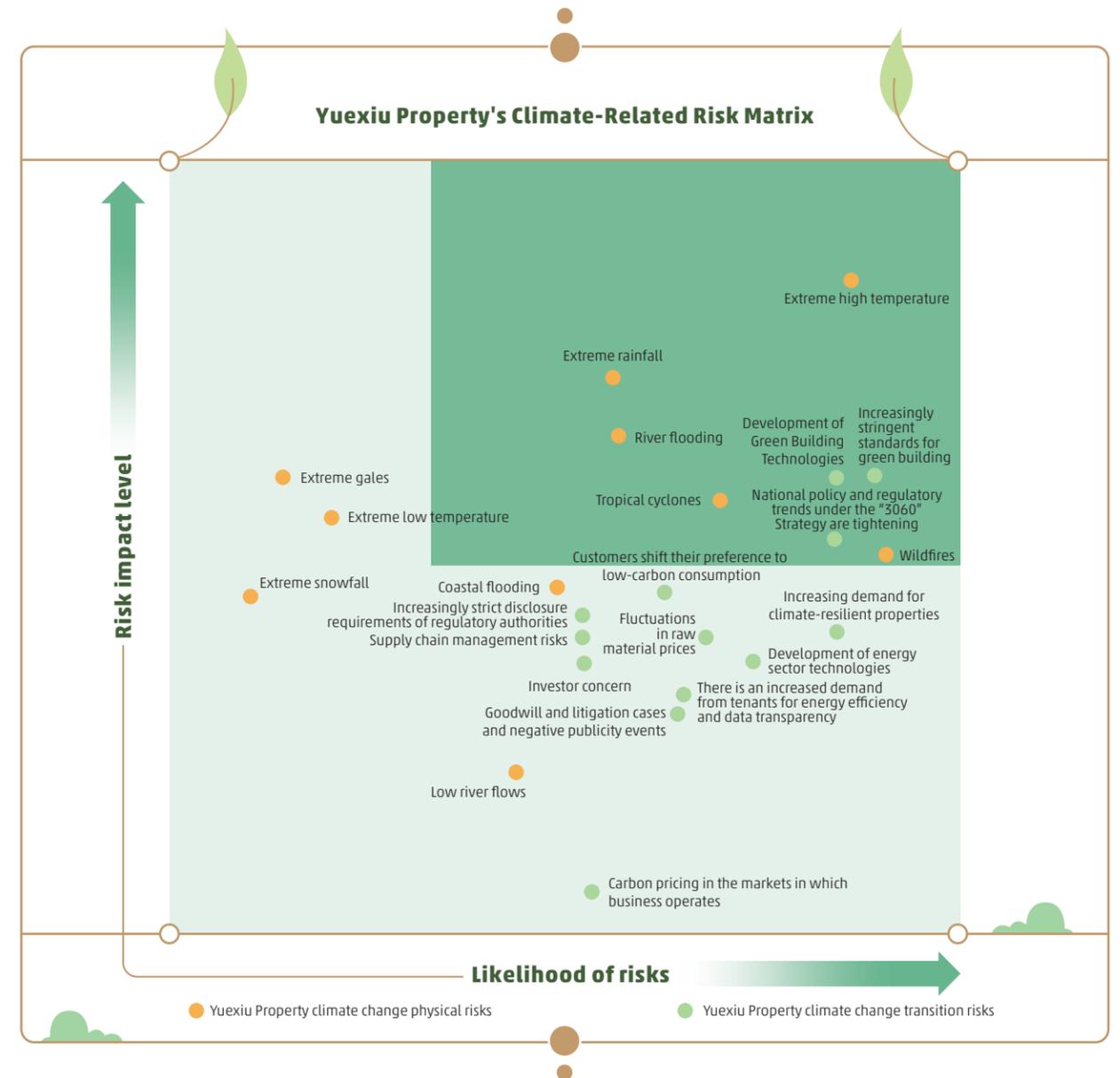
#### Yuexiu Property's Climate Change Risk Management at Three Levels



- Risk Prioritisation**

We prioritise risk through quantitative and qualitative assessments to optimally allocate resources and mitigate risks. We distributed assessment questionnaires to directors and senior management and conducted interviews with key personnel from 12 business departments, including the Product and Customer Research Centre, Capital Operations Department, Cost Procurement Centre, Engineering Technology Centre, and Strategic Investment Centre, to comprehensively understand and evaluate individual risks and opportunities from multiple perspectives. Key personnel from business departments assessed the factors contributing to risks and opportunities, current/planned measures and control measures, adaptability, future risks, and discussed the potential impacts of risks or opportunities on our financial performance (revenue/expenditure) and financial position.

We incorporate assessment results into actuarial risk models to predict the potential impacts of climate-related risks, prioritising them based on the degree of climate risk impact (from business department communications and questionnaire surveys) and climate risk likelihood (from scenario analysis). The related matrix diagram and results are detailed below.



### 5.4 CLIMATE TRANSITION PLAN - INDICATORS AND TARGETS

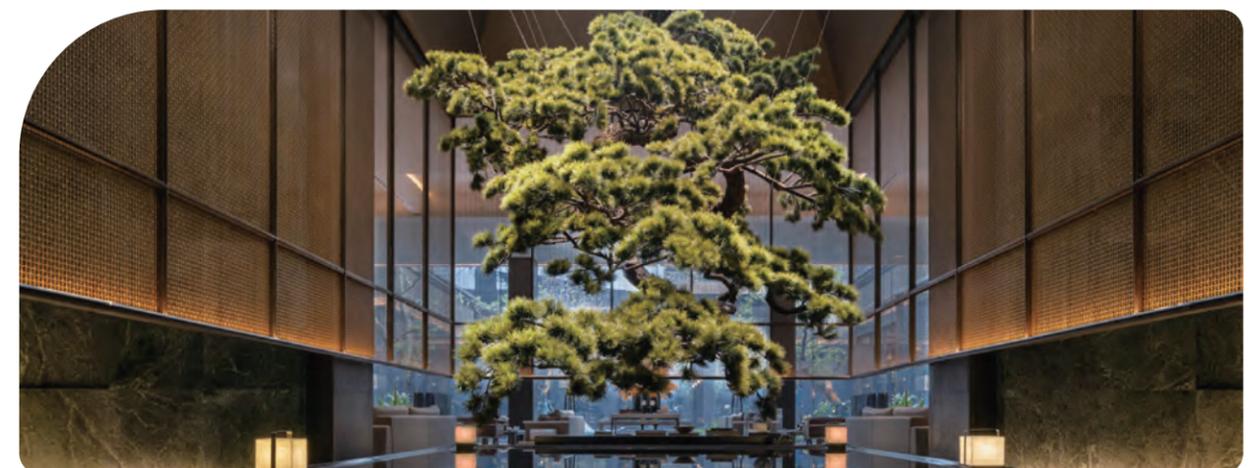
To ensure trackable and effectively reviewed climate change response process, Yuexiu Property sets a series of indicators for control and incorporates them into the ESG management system for regular analysis and business adjustments. Based on these effective indicators, Yuexiu Property has established a series of relevant targets (please refer to "Overall Planning Objectives and Performance for the Sustainable Development of Environment and Product Life Cycle 2030" section of this Report) to guide us towards continuous improvement in our performance. These targets serve as a compass for enhancing our performance while facilitating our review of the execution of climate change risk management.

Indicator	Progress in 2023
<p><b>Greenhouse gas emissions and energy consumption</b></p> <ul style="list-style-type: none"> <li>The carbon emission intensity per unit area for public construction projects to reduce by 44% compared to 2019 levels by 2030.</li> <li>The carbon emission intensity per unit area for residential construction projects to reduce by 23% compared to 2019 levels by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>GHG emission intensity (per unit area) has reduced to 24% as compared to 2019</li> </ul>
<p><b>Renewable energy generation</b></p> <ul style="list-style-type: none"> <li>Purchase of over 500,000 kWh of green power certificates by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Guangzhou Yuexiu Urban Construction Jones Lang LaSalle Property Services Co., Ltd. purchases 50,000 kWh of green power certificates</li> </ul>
<p><b>Water resources</b></p> <ul style="list-style-type: none"> <li>Water neutrality will be achieved in or by 2060</li> <li>We will complete water risk stress assessments for 100 percent of the area of operation by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Water risk stress assessment plan in place</li> <li>In 2023, Guangzhou International Financial Centre conducted a water risk stress test</li> </ul>
<p><b>Circular economy</b></p> <ul style="list-style-type: none"> <li>Implement paperless office and separate collection and recycling of wastes</li> </ul>	<ul style="list-style-type: none"> <li>The use of e-signatures reduced the consumption of 225 trees and 13.52 tons of carbon emissions, an increase of nearly five times compared to the same period last year.</li> </ul>
<p><b>Green building</b></p> <ul style="list-style-type: none"> <li>By 2030, we will strive to achieve 100% green building 2-star certification for all new construction projects.</li> <li>By 2025, we will strive to ensure 100% of new buildings are designed to at least 1-star green building standards</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, 9 new green building projects were added to residential projects, with a total gross floor area of 1,333,300 square meters</li> <li>By the end of 2023, a total of 163 residential projects had been completed or were under construction, with a total gross floor area of 26,676,300 square meters.</li> </ul>

• **Supply Chain Engagement and Low-carbon Initiatives**

Scope 3, or supply chain emissions, is an important area of focus for Yuexiu Property's "Double Zero" strategy, and we will focus on and work on some key areas of Scope 3, including the following:

1. We will set up a "Green Supply Chain Working Group" to establish low carbon management of the supply chain at the level of ESG governance structure and promote low carbon operation of the whole lifecycle of buildings.
2. In terms of commercial projects, Yuexiu Property will actively cooperate with tenants to reduce carbon emissions from downstream energy consumption, including expanding the scope of green leasing to more projects, forming a common concept of energy saving and carbon reduction with tenants, carrying out holistic energy saving operations, and advocating a green and low-carbon culture.
3. In terms of residential projects, Yuexiu Property will adopt low-carbon materials and optimise design through cooperation with suppliers, require contractors to use low-carbon and energy-saving processes, and promote supply chain participation and implementation of low-carbon measures to achieve lower carbon emissions and more efficient utilisation of environmental resources.
4. By strengthening ESG screening of suppliers, Yuexiu Property will ensure that the supply chain supports and executes low-carbon strategies in the overall project. Yuexiu Property will regularly carry out ESG assessment of supplier products, inspect energy-saving measures of contractors, and continuously promote low-carbon management in production and operation.



# CHAPTER 2 HUMAN CAPITAL

UN Sustainable Development Goals (SDGs):



GRI Standard:

2-7, 2-27, 2-30, 201-3, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-2, 406-1, 407-1, 408-1, 409-1



## CHAPTER 2 HUMAN CAPITAL

### Management policy:

Yuexiu Property regards talent as a core asset of enterprise development and the source of our long-term competitiveness. Adhering to the principle of being "people-oriented", the Company has established a comprehensive talent development strategy system to ensure the sustainable development of human capital through continuous optimisation of management practices. To this end, the Company has clarified the responsibilities and authority of functional departments, and established a comprehensive set of management systems and assessment mechanisms. These components include the Key Talent Management Regulations, as well as a comprehensive and quantitative performance indicator system to monitor the progress of system implementation.

To ensure the sustainable development of Yuexiu's human capital, we have taken specific measures to optimise the organisational structure, adopt new perspectives, enhance each team's capabilities, and develop the corporate culture. The Company regularly gathers and analyses human resources data in accordance with its governance system and annual plans, and assesses the consistency of actual results with the intended objectives. It also identifies and assesses potential risks in a timely manner to mitigate the adverse effects of risks.

We regard human capital management as a component of our core competitiveness, and ensure the consistency of human resources and business objectives through strategic planning. At the same time, by standardising and implementing successful practices, promoting them to all fields, conducting a root cause analysis of problems, and formulating improvement plans, we continue to enhance the sustainability of our human capital and ensure sound corporate development.

### The laws and regulations or standards that the Group follows in talent management are as follows:

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



### Major internal policies of the Group's talent management:

<b>Employee Remuneration and Benefits</b>	Management Rules on Employee Remuneration Incentive System Performance Management Rules Implementing Rules on the Management of Remuneration and Benefits
<b>Diversity and Inclusion</b>	Board Diversity Policy Position Management Rules
<b>Employee Training and Development</b>	Management Rules on Talent Evaluation and Application Management Rules on Staffing Management Rules on Key Talent Development Training Management Rules
<b>Employee Safety and Health</b>	Occupational Health Management Rules Occupational Sanitation Management System Health and Safety Policy "Three Simultaneous" Management Rules on Construction Projects Administrative Measures on Work Safety Management Measures of Work Safety Accountability Management Standards for Work Safety Standardisation of Real Estate Development Enterprise Forms Detailed Implementation Rules for Classified Safety Risk Control Guidelines for Notification and Transfer of Work Safety Issues Management Rules for Safety of Related Parties Emergency Response Plan for Productive Safety Accidents Guidelines for the Management of Security in Office Areas
<b>Employee Rights Protection</b>	Management Measures for Labour Contracts



## 1. 2030 HUMAN CAPITAL SUSTAINABILITY OVERALL PLANNING OBJECTIVES AND PERFORMANCE

2030 Objects	2023 Performance
<p><b>Employee Diversity</b></p> <ul style="list-style-type: none"> <li>Provide a safe, fair, inclusive, and positive working environment</li> </ul> 	<ul style="list-style-type: none"> <li>Achieved ✓</li> </ul>
<p><b>Human capital development</b></p> <ul style="list-style-type: none"> <li>Provide employees with competitive compensation and benefits to enhance their personal competitiveness</li> <li>Continuously update training systems and increase the number of hours of employee participation in training</li> </ul> 	<ul style="list-style-type: none"> <li>Further Improvements to the Talent Development System</li> <li>Average training hours of senior management increased by <b>23%</b> compared to 2022</li> </ul>
<p><b>Human Rights</b></p> <ul style="list-style-type: none"> <li>Strict adherence to the United Nations Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, the Guiding Principles on Business and Human Rights, and the International Labour Standards of the International Labour Organization (ILO).</li> <li><b>0</b> tolerance for of forced labour and child labour</li> </ul> 	<ul style="list-style-type: none"> <li>There were no violations of international norms, such as the United Nations Universal Declaration of Human Rights, and national laws</li> <li><b>0</b> child labour and forced labour</li> </ul>
<p><b>Occupational health and safety</b></p> <ul style="list-style-type: none"> <li>Create a safe working environment for all employees and strive to achieve the goal of "<b>0</b> Injury" safety protocol</li> <li><b>100%</b> coverage rate of health examinations for employees</li> </ul> 	<ul style="list-style-type: none"> <li><b>0</b> accident with direct liability for work safety above the major level in Property Segment</li> <li><b>0</b> internal public security incidents in Property Segment</li> <li><b>0</b> fatality at construction sites</li> <li><b>100%</b> coverage rate of health examinations for employees</li> </ul>

### Plans for 2024



- The Company will introduce a comprehensive welfare system, which covers the entire lifecycle of employees, fosters career development throughout their professional journey, and extends benefits to their entire family. This holistic and compassionate benefits system ensures all-round coverage, depth, support, and consideration towards our employees, safeguarding their rights and interests;
- The Company will pursue "**Zero Injury**" safety goals for all employees and investigate setting non-zero goals (e.g. lost time incident rate (ITIR), injury rate per 1,000 people, etc.) for additional safety indicators for employees;
- Promote the construction of an employee mental health system, enhance the coverage of **Employee Assistance Program (EAP)** at the employee level, and reduce mental health risks.

## 2. PEOPLE-ORIENTED WORK ENVIRONMENT

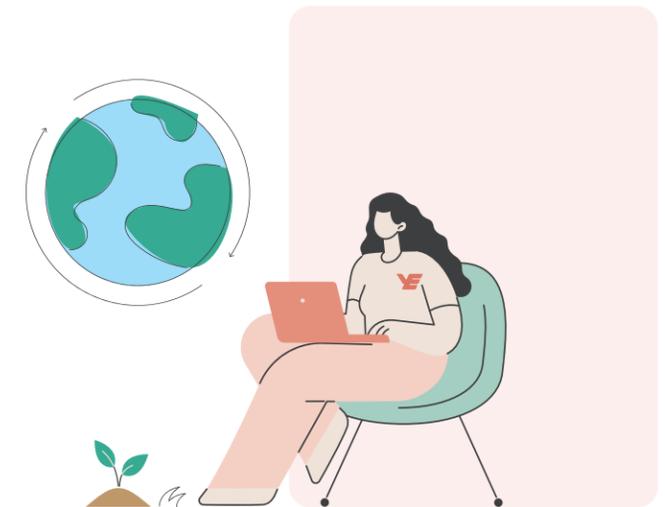
Yuexiu Property upholds the value of being "People-oriented". We understand that the growth and health of our employees are vital to the sustainable growth of the Company, and we are committed to providing a safe and healthy working environment for our employees. We endeavour to focus on the management and protection of each employees' physical and mental health. An equal, diverse, and inclusive corporate culture is a key driver for innovation and progress, so we encourage employees from all walks of life to grow together and create a corporate atmosphere that respects differences and stimulates potential.

In order to support the career development of every employee, we have invested significant resources in tailoring training and promotion systems to enhance their professional skills and comprehensive quality. In doing so, we provide employees with a platform to display their talents and realise their self-worth. We believe that through continuous effort and innovation, employees can fully showcase their potential within Yuexiu Property. They will promote the Company's development while realising their value. At the same time, we also prioritise the work-life balance of our employees and provide a variety of welfare and care measures to help them thrive in a welcoming and harmonious environment.

Through this people-oriented management philosophy, we aim to cultivate a positive, dynamic work environment that ignites enthusiasm among employees, boosts productivity, and attracts and retains top talent. By doing this, we strive to propel the Company towards greater heights. We firmly believe that with the joint efforts of all employees, Yuexiu Property will be able to continue to innovate, achieve sustainable development, and create more value for society.

### 2.1 POLICIES AND OBJECTIVES

- Improve training systems and increase employee training hours.
- Provide a safe working environment for employees and related parties.
- Achieve the "Zero Injury" safety goal and "Zero Malicious Psychological Well-Being-Related Incidents" mental health goal.
- Following the principle of "Employing Talents From All Over The World" to actively recruit diverse talents.
- Improve the accuracy of talent evaluation and develop a personal value evaluation system.



## 2.2 OUR RESPONSIBILITY

- Protect the basic rights and interests of employees: Ensure that employees enjoy statutory working conditions and benefits.
- Focus on employee safety and health: Provide a safe working environment and prevent occupational diseases.
- Promote employee growth and development: Provide training and learning opportunities for employees.
- Establish harmonious labour relations: Provide equal treatment to every employee and establish a fair and balanced appraisal and promotion mechanism.
- Respect for employee diversity: Respect the diversity of employees in terms of culture, ethnicity, gender, age, etc., and foster a non-discriminatory work environment.
- Maintain the spiritual well-being of employees: Protect the mental health of employees and establish a positive corporate culture and working atmosphere.
- Continuous improvement and feedback: Regularly assess and improve the work environment and listen to employees' opinions and suggestions.

## 2.3 METHODOLOGY AND ACTION PLAN

### *Talent management system:*

- Build a personal value creation evaluation system, thoroughly examine the effectiveness of the compensation structure, and ensure precise allocation of incentive resources.
- Conduct a multidimensional and comprehensive analysis of personnel structure, horizontally compare the analysis results, and implement corresponding management measures.
- Introduce a comprehensive welfare system that spans the entire employee lifecycle.
  - Encourage all employees to participate in open competitions and reclassify them based on individual abilities and contributions.
  - Establish performance indicators to assess the efficiency of per capita input and output.



## 2.4 STAKEHOLDER ENGAGEMENT

A high-quality work environment has a direct and far-reaching impact on employee well-being, productivity, and innovation. Therefore, we place great importance on collecting feedback on the work atmosphere, office facilities, and commuting conditions, via regular employee communications. This feedback mechanism is critical to our deeper understanding of our employees' needs and satisfaction. They are the starting point and foundation for enhancing our work environment.

Employee feelings and involvement are important motivators for improving the work environment. We encourage our employees to actively communicate their opinions and suggestions. We are committed to taking prompt measures and addressing problems in response to each concern raised. To ensure that our work environment remains competitive, we will compare ourselves to industry best practices and continuously draw inspiration from the positive experiences of our industry peers.

We also attach great importance to communicating with our stakeholders to understand their definitions and expectations of an ideal work environment. We share our experiences and best practices with our partners, suppliers, and other businesses, by engaging in discussions on providing a high-quality work environment. We believe that by adopting this open and collaborative approach, Yuexiu Property can create additional value for all stakeholders and contribute to the sustainable development of the Company.

## 3. OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OH&S)

Yuexiu Property is committed to creating a safe and healthy working environment for its employees, and continues to enhance their sense of safety by continuously improving the relevant management system. We strictly adhere to the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other relevant laws and regulations. We actively optimise our Health and Safety Policy and internal management system to establish a sound health and safety management system, ensuring its effective operation and improvement.

The Board of Directors bears the ultimate responsibility for occupational health and safety performance. The senior management and mid-level managers across the Company are accountable for our safety production indicators. The performance of safety production Key Performance Indicators (KPIs) directly impacts the performance evaluation of Yuexiu Property's management. The ESG Committee, ESG Leadership Group, ESG Executive Group, and Safety Management Department regularly identify and review occupational health and safety risks within the Company. They assess key indicators and provide regular reports to the Board of Directors and senior management. The Board of Directors and senior management then review specific indicators related to occupational health and safety to ensure continuous monitoring and improvement of occupational health and safety standards.



### 3.1 INTERNATIONAL STANDARD CERTIFICATION

During the reporting period, Yuexiu Property and its affiliates obtained ISO 45001 Occupational Health and Safety Management System Certification, all certifications are currently valid, and the coverage rate is gradually increasing. Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuejian Engineering Management Co., Ltd., Guangzhou City Construction Development Engineering Cost Consultancy Co., Ltd., Guangzhou City Construction & Development Design Institute Co., Ltd., Yue Xiu Apt Parking Limited, Yue Xiu Property Management Limited, have obtained ISO 45001 Occupational Health and Safety Management System Certification.

#### ISO 45001 Occupational Health and Safety Management System Certification



Guangzhou Yuexiu Property Development Co., Ltd.



Guangzhou Yuejian Engineering Management Co., Ltd.



Guangzhou City Construction Development Engineering Cost Consultancy Co., Ltd.



Guangzhou City Construction & Development Design Institute Co., Ltd.



Yue Xiu Apt Parking Limited



Yue Xiu Property Management Limited



### 3.2 INTERNAL AND EXTERNAL AUDITS

The Company regards internal and external audits as a key means of ensuring the effective operation and continuous improvement of the ISO 45001 Occupational health and safety management system certification. In terms of management, the Company has established clear occupational and health safety policies and objectives to identify and control potential health and safety risks through regular risk assessments. We also provide comprehensive training and awareness programmes to ensure that employees comply with regulations and actively participate in occupational health and safety matters. Based on the management content, we conduct an annual internal audit of the occupational health and safety management system. Management reviews the system and makes internal adjustments based on the audit results to ensure the continuous suitability, adequacy, and effectiveness of the system. External audits are conducted every three years by an independent third party to assess compliance and ensure that the Company's management system aligns with the ISO 45001 international standard. These audits continuously promote the optimisation and improvement of the Company's management system.

### 3.3 RISK MANAGEMENT OF OH&S HAZARDS

Identifying OH&S hazards and assessing risk are key components of Yuexiu Property's OH&S management system. The Company places great emphasis on managing occupational health and safety risks. Based on the Health and Safety Policy, we optimise the Occupational Health Management System, Occupational Hygiene Management System, "Three Simultaneous" Management Rules on Construction Projects, and other relevant policies. These systems clearly define the objectives, tasks, responsibilities, and requirements of safety production management. They aim to prevent and control potential safety risks effectively. We regularly conduct hazard identification and risk assessment activities. We review the implementation of specific measures and establish a risk management process that encompasses identification, assessment, response, corrective action, and monitoring. This closed-loop risk control process ensures the effective operation of the occupational health and safety management system.



Case Sharing

A Case of Safety and Civilized Construction Inspection

To ensure safety, the executives of the Group and Company personally conducted **248** safety inspections. These inspections covered aspects such as the resumption of work and production, special protective periods, and wind and flood control. These efforts aim to enhance the safety awareness of key personnel and ensure the implementation of safety responsibilities. In 2023, the management led a team to conduct per-holiday safety inspections in the Guangzhou Pazhou Shade project, Haiyuehui (Xiwan Road) Elderly Care Apartment under Health Care Company and Weimin Health Care Hospital (為民康養醫院).

In order to promote a culture of safety, the Company has established safety training cabins and publicity boards to unify and standardise safety practices in its projects.



Safety Check



Safety Check



Safety Culture Corridor



Safety Training Publicity Boards



3.4 DISSEMINATION AND TRAINING

We attach great importance to occupational health and safety training and ensure that all employees and related parties receive safety training by arranging regular safety empowerment seminars. In addition, to foster a positive safety atmosphere where "everyone takes responsibility and actively participates in safety production", we publicise the "Top Ten Actions for Safety Month" and hold monthly "Safety Production Accompanies Me" education and exams. In 2023, the safety education exams covered a total of 300,000 participants. Yuexiu Property issues a safety disclosure to contractors before their engagement in projects and oversees the implementation of safety education and training for them. Semi-regular checks on the quality of safety training are conducted to ensure that contractors maintain high standards of OH&S training for their employees, newly hired personnel, and labour teams.

Key Performance

During the reporting period,  
 Approximately **300,000** individuals participated in safety education exams,  
 and **1,200** individuals were rewarded for their performance;  
 A total of **23,000** individuals have engaged in regular learning activities on  
 the important theories and discourses of General Secretary Xi Jinping;  
 Safety education sessions delivered to **3,111** new employees;  
 Certified safety education delivered to **440** individuals;  
 Specialised safety education delivered to **7,377** individuals.

Case Sharing

Joint Community Fire Emergency Drills to Enhance Fire Safety Awareness

Guangzhou Yuexiu Property City Renewal Co., Ltd., together with the Xiancun Sub-district Office of Tianhe District, Tianhe District Fire and Rescue Brigade and Jockey Club, jointly organised training on emergency handling of initial fires and emergency drills on fire extinguishing and evacuation. These sessions successfully enhanced the community's awareness of fire safety and emergency response capability. The event focused on the theme of "Safety for All, Emergency Response for All". It covered various activities, including initial fire emergency response training, safety commitment signing, fire extinguishing and evacuation drills, fire extinguishing exercises, and evacuation experiences. All activities achieved their intended goals, effectively enhancing the safety awareness and ability of community residents to respond to sudden fires. They demonstrated the joint commitment of all parties to improve community safety levels.



Fire Drill Activity

### 3.5 MEASURES TO REDUCE THE RISK OF SERIOUS DISEASES

In order to reduce the risk of serious illness, the Company has taken several measures to safeguard the health of its employees. To strengthen employees' health awareness and prevent potential health risks, we provide annual health examination benefits for our employees. In 2023, the coverage rate of employee health examinations was **100%**, ensuring that every employee received a comprehensive physical examination. In addition, we also regularly organise voluntary gynaecological examinations for female employees. As part of our daily health and safety measures, we have piloted the provision of employee medical kits, which are equipped with essential medications to meet the emergency medical needs of our employees.



### 2023 Performance



Number of work-related fatalities in Property Segment (persons)

**0**



Total number of days lost due to work-related injury in Property Segment (days)

**536**

### 3.6 MEASURE OUR SAFETY PERFORMANCE

The Company follows a principle of comprehensive coverage when monitoring occupational health and safety performance. This ensures that all employees involved in day-to-day operations, including full-time and part-time staff, receive adequate attention and necessary safety protection from the Company during their work. To continuously improve our occupational health and safety performance, we have implemented an adaptive monitoring mechanism to strengthen our occupational health and safety standards and optimise our standard operating procedures. This mechanism aims to reduce the risk of accidents and injuries and to safeguard the safety and health of our employees.



## 4. HUMAN RIGHTS

Yuexiu Property considers the protection of human rights as a core part of its corporate social responsibility. The Company is committed to upholding human rights in its business activities and respects local cultural differences, aiming to achieve harmonious development between its business and society. We embrace the United Nations Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, the Guiding Principles on Business and Human Rights, and the International Labour Standards of the International Labour Organization (ILO). We are committed to opposing child labour and forced labour, actively creating employment opportunities, respecting employees' freedom of association, ensuring fair remuneration, and fostering a non-discriminatory and positive work environment. We strictly adhere to labour-related laws and regulations in the places where we operate. We have established policies such as the Yuexiu Property Employee Manual, which sets clear guidelines in the field of human resources management, including employee recruitment, prohibition of child labour and forced labour. We uphold the highest standards of human rights and labour rights and have implemented an Employee Rights Protection Policy. Our commitment is to create a fair, equal, and safe working environment where every employee receives the respect and protection of their rights.

### 4.1 COMBATING CHILD AND FORCED LABOUR

Yuexiu Property has formulated the Management Measures for Labour Contract and the Sustainable Procurement Policy to strictly prohibit any form of child labour and forced labour in any of its affiliates and related parties in the value chain. During the reporting period, there were no lawsuits or violations involving the use of child labour or forced labour within the scope of Yuexiu Property.

The Company's Human Resources Department, as well as the Legal Department and other relevant departments, continuously standardise key aspects of human resources management, including recruitment, termination, and working hours. We sign formal labour contracts with all of our employees, in which we clearly stipulate the rights and obligations of both parties. These include the details of the position, workplace, working hours, and salary, firmly safeguarding the legitimate rights and interests of our employees.



### 4.2 CREATE EMPLOYMENT OPPORTUNITIES

The Company focuses on providing employment opportunities for vulnerable groups and recent graduates, creating an inclusive work environment, enhancing the talent pool and promoting social stability and sustainable development.

<p><b>Scope</b></p> <p>Providing employment opportunities for vulnerable groups</p> 	<p><b>Progress</b></p> <p>To make employment accessible to vulnerable groups and enhance their social participation and self-sufficiency, we provide employment opportunities for people with disabilities based on the actual development situation. We have dedicated staff responsible for this initiative to ensure that individuals with disabilities receive fair treatment in recruitment, promotion, and other aspects of their employment.</p>	<p><b>Outcome</b></p> <p>In 2023, the Company provided five job positions for people with disabilities.</p>
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<p><b>Scope</b></p> <p>Diversified positions for new graduates</p> 	<p><b>Progress</b></p> <p>We consistently focus on and support the employment needs of college students, providing them with abundant job opportunities across the Group. These positions span various fields, including project management, functional management, engineering management, customer service, and more. By promoting the employment of college students, we not only bring fresh talent into the company but also strengthen our existing talent pool.</p>	<p><b>Outcome</b></p> <p>In 2023, the Company recruited over 130 recent graduates with a bachelor's degree. Additionally, we also hired over 150 graduates from vocational and technical colleges.</p>
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### 4.3 RESPECT FOR FREEDOM OF ASSOCIATION

Yuexiu Property attaches great importance to employees' freedom of association and protection of their rights and interests, and is committed to creating an open and transparent working environment. When developing regulations and policies that affect employee rights, the Human Resources Department closely collaborates with the labour union, ensuring that each policy and regulation is fair and reasonable. To ensure that employees have a full understanding of the content and impact of new policies, we publicly announce the policies through employee representative meetings before the official implementation, inviting all employees to participate in discussions and provide valuable feedback. This is conducted to protect their right to know and participate in such policies.

Yuexiu Property strictly follows the relevant national laws and regulations, and regularly reviews and updates the policies and service systems for the protection of employees' rights and interests. We sign Collective Contracts with the labour union every three years as a means of protecting the legitimate rights and interests of our employees, ensuring that the content of the contract remains relevant and adaptable.

### 4.4 COMPENSATION AND BENEFITS

Yuexiu Property implements the remuneration concept of "reflecting position value, market-oriented, motivating excellence and focusing on the front line". The Company positions employee compensation and benefits management as a core part of its human resources strategy. We adhere to the principle of equal pay for equal work and regularly update the Compensation and Benefit System to ensure that our employees receive compensation that matches market competitiveness.



In order to motivate our employees, especially for positions that contribute significantly to profit and value creation, we have implemented a performance-oriented compensation incentive mechanism to increase the motivation of our employees. Under the premise of ensuring the fairness of employees' remuneration, in 2023, the Company updated the Performance Management System and the Performance Management Rules, adopting the evaluation method of OKR (Objectives and Key Results) + KPI (Key Performance Indicators) to comprehensively assess the performance of employees. In addition, we have enhanced the feedback and complaint mechanism of our performance management system to ensure that employees receive timely and objective performance feedback.

Yuexiu Property provides all employees with the mandatory five social insurance and one housing fund in accordance with the law. The Company ensures that employees have the right to take statutory holidays off. Yuexiu Property also offers various commercial insurance options, additional holidays, and other welfare benefits to enhance employees' well-being.

<b>Social security</b>	Pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund
<b>Commercial insurance</b>	Accidental death/disability, accidental medical care, hospitalization benefit, critical illness, outpatient/inpatient medical care, sickness death, female illness, and female maternity
<b>Vacation entitlements</b>	National statutory public holidays, annual leave, employment injury leave, and special leave (marriage leave, maternity leave, paternity leave, and bereavement leave).
<b>Other benefits and facilities</b>	Annual health examinations, cell phone communication subsidies, holiday benefits, recreational and sports activities, mother and baby rooms, and childcare facilities.

### 4.6 POSITIVE WORK ENVIRONMENT

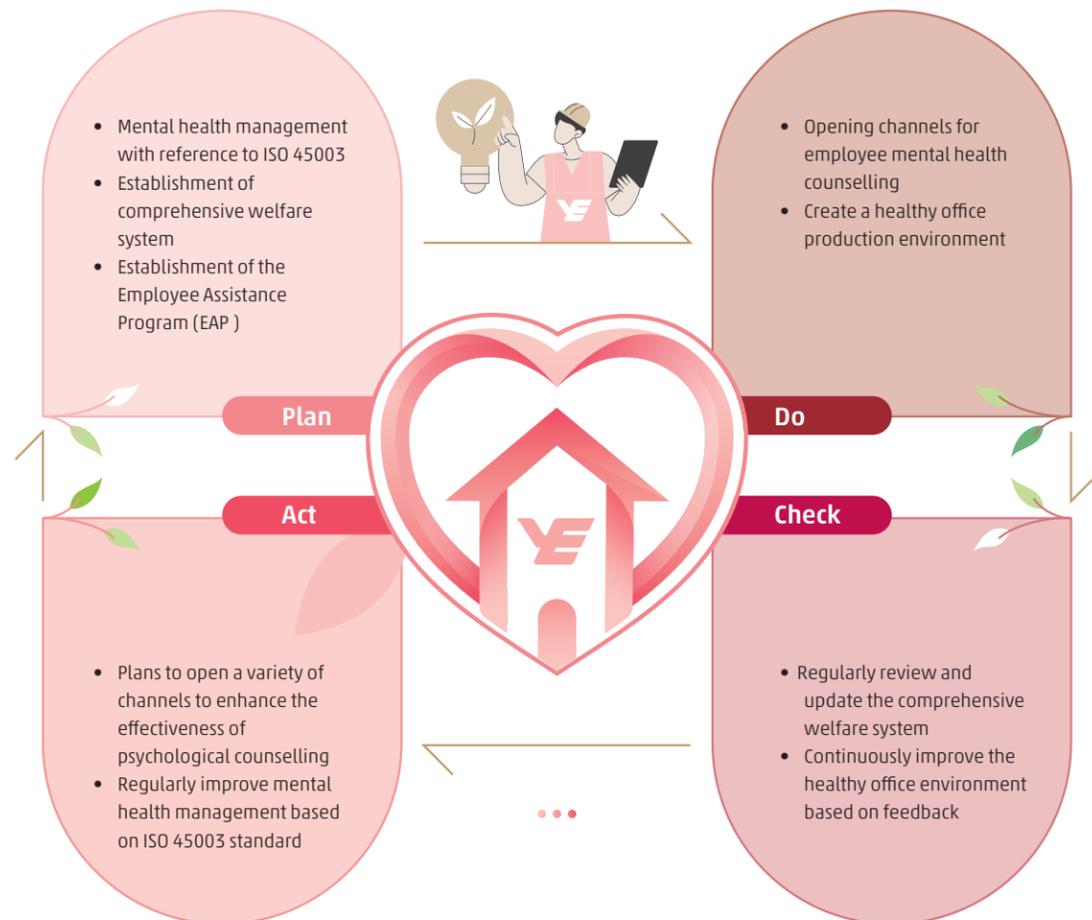
Yuexiu Property understands the importance of employee mental health to the overall quality of work and life. Mental health is increasingly recognised as a major challenge to health, safety and well-being at work: stress, overwork, anxiety and depression, among others, ultimately result in financial loss and negative personal impact. Mental health involves the way work is organised, social factors, and the work environment. Therefore, we strive to adhere to the **ISO 45003 Standard for Psychological Health and Safety at Work**. We aim to identify social and psychological risks and hazards that may impact employees and take effective measures to reduce these risks and improve employee well-being.

## ISO 45003 Psychological Health and Safety at Work

The first global standard giving practical guidance on managing psychological health and safety at work

We recognise that mental health and wellbeing is a multifaceted issue. Promoting the wellbeing of our employees and developing long-term strategies and initiatives to address the root causes of their mental health issues is an important part of creating a mentally healthy and safe workplace. We continue to enhance our employee

mental health protection measures and programmes around the PDCA cycle in ISO 45003:2021 Occupational Health And Safety Management-Psychological Health And Safety At Work-Guidelines For Managing Psychosocial Risks.



The PDCA cycle in ISO 45003:2021 Occupational Health And Safety Management-Psychological Health And Safety At Work-Guidelines For Managing Psychosocial Risks

01

✓ Risk assessment and management:

We identify and assess factors that affect the psychosocial well-being of our employees and implement controls to reduce these risks. We assess the potential sources of stress that employees may encounter in their work, such as workload, work environment, performance expectations, long working hours, or lack of social time. Additionally, we also evaluate employees' ability to cope with stress. In addition, we regularly assess employees' career plans and development needs. We strive to understand the potential setbacks and challenges they may encounter in their career development process. By doing so, we can provide support and assistance to help employees navigate these obstacles.

02

✓ Management system:

We have established a Health and Safety Policy that includes the management of employees' psychological well-being. Through institutional safeguards and implementation measures, we aim to create a supportive and psychologically healthy work environment for our employees. The system covers a wide range of aspects, such as mental health promotion and education, psychological counselling and services, psychological assessment and monitoring, psychological crisis intervention mechanism, work-life balance, and employee care and support. These aspects aim to improve employees' mental health literacy, and identify and solve psychological problems in a timely manner, thereby promoting the simultaneous improvement of employees' mental health and work performance.

03

✓ Review and Improvement:

We are committed to conducting regular reviews of the effectiveness of our social and psychological health management practices. We establish a continuous improvement cycle to determine whether adjustments or enhancements are needed. This includes evaluating the implementation of policies, as well as monitoring and analysing the psychological well-being of our employees. Throughout this process, we review the "zero suicide rate". We are not only committed to actively preventing suicides, but also to providing all-around psychological support and care for our employees through the implementation of the Employee Assistance Program (EAP), which enhances a harmonious and happy working atmosphere.

04

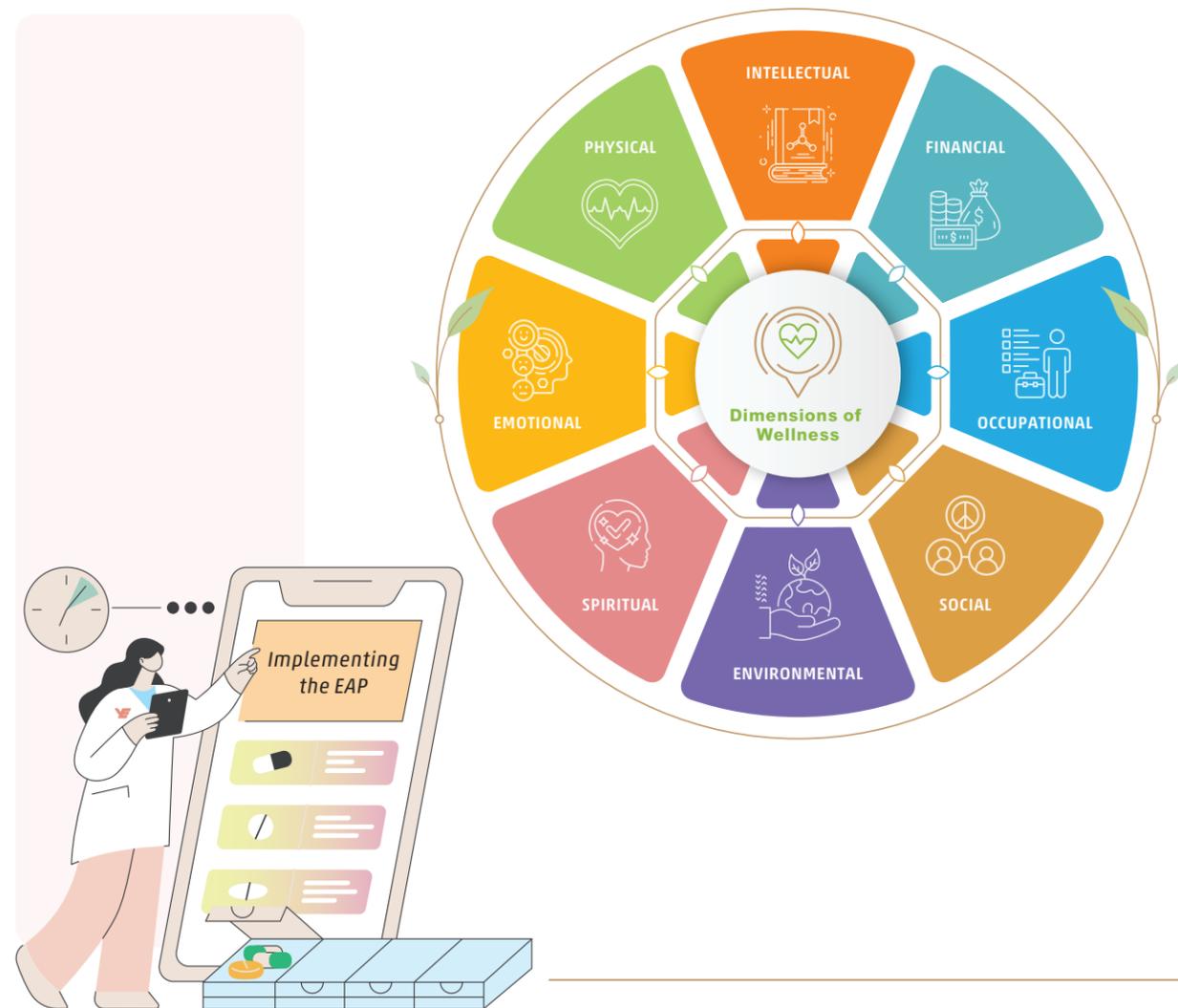
✓ Enhancement of external cross-border cooperation:

We will actively work with professional mental health service providers to provide psychological counselling, psychological assessment and psychotherapy services to our employees. It also conducts mental health training and seminars to enhance employees' knowledge of mental health and their ability to cope with stress.

We provide daily psychological counselling services to our employees, including, but not limited to stress management, emotional adjustment, personal relationships and work-life balance, to help employees resolve psychological confusion at work and in life. We also provide emotional and psychological guidance and detoxification, to enhance their mental health and sense of well-being.

**In 2023, the Company officially launched the EAP to provide employees with a full range of psychological support and services.**

The programme includes a series of mental health education and training activities to increase employees' awareness and understanding of mental health and help them develop healthier work and life habits. Through these activities, employees learn how to better manage their emotions and stress, build positive relationships, and ultimately achieve a better work-life balance. We hope that through implementing the EAP, we can effectively enhance the mental health and job satisfaction of our employees, improving their overall well-being and work efficiency. During the reporting period, there were no incidents of employee suicide attributed to psychological issues within the Company.



## 5. TALENT DEVELOPMENT

A well-established talent training and development system is one of the essential factors for the steady growth of Yuexiu Property. Therefore, we have established a comprehensive "four-sphere integrated" talent training system. We are dedicated to attracting and retaining talent by offering competitive salaries and benefits. Meanwhile, we advocate an inclusive culture to ensure that every employee feels welcome and respected in the workplace and can reach his or her potential on an equal footing. Our training and development programs are designed to create a supportive learning environment for employees. By instituting a two-way career development path, we encourage employees to actively improve their professional skills or management capabilities in pursuit of career fulfilment and personal growth. We aim to continuously optimise human resources management to reduce talent turnover rates and build a solid foundation for the Company's long-term success.

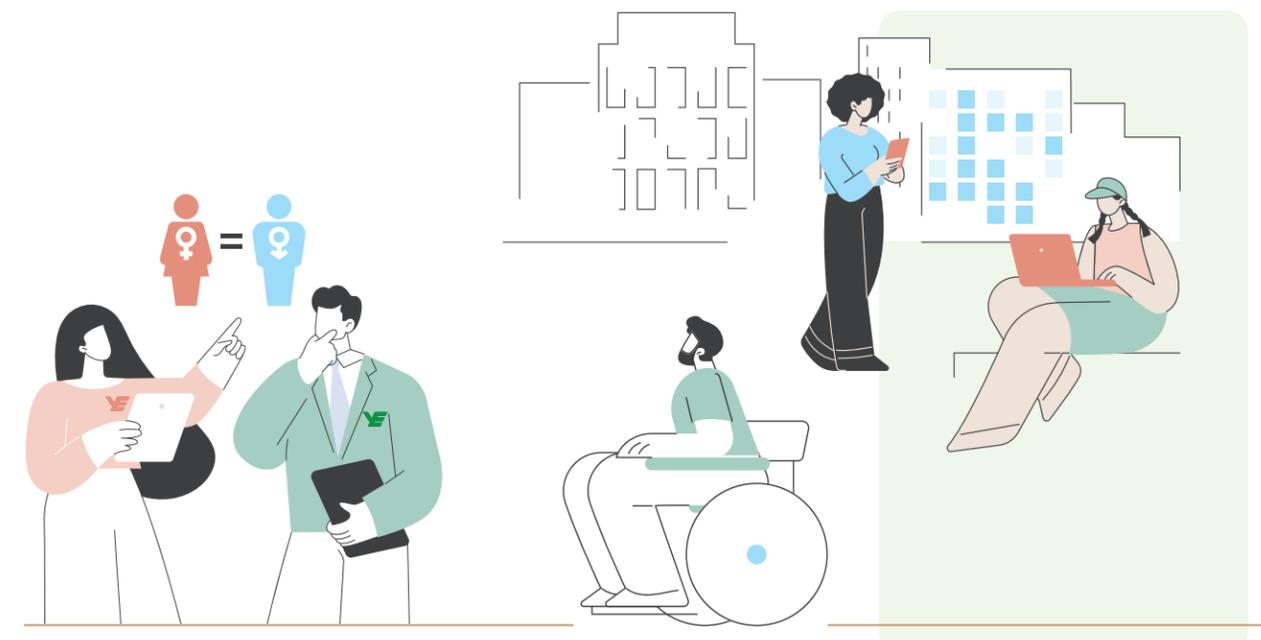
### 5.1 DIVERSITY AND EQUALITY

Yuexiu Property strives to create a fair and inclusive work environment, and firmly opposes any form of discrimination based on gender, age, race, nationality, religion, or other personal factors. We ensure that all employees and candidates receive equal job opportunities and encourage suppliers and partners to adhere to the principles of equality and diversity, promoting equal employment practices together.

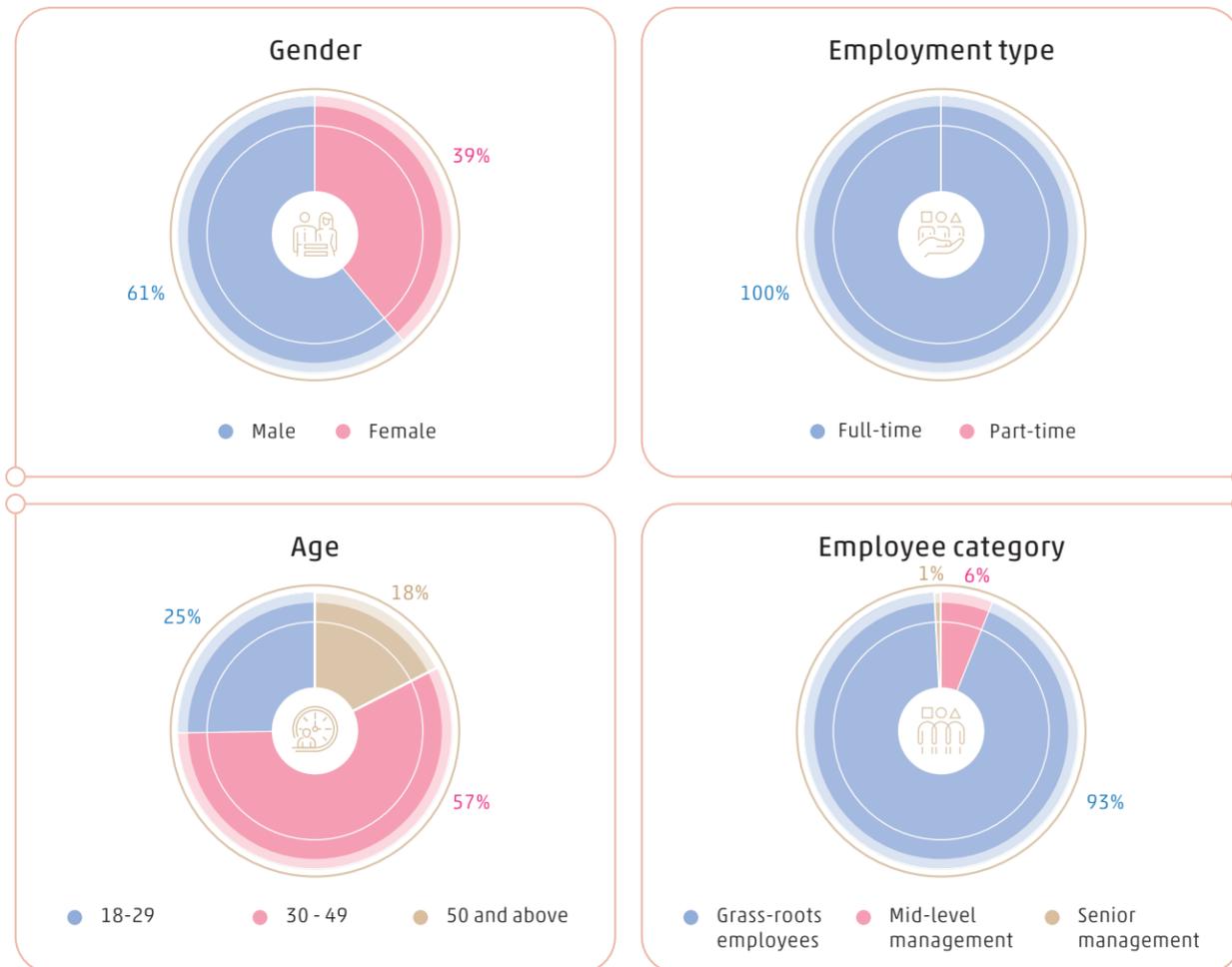
We offer special employment support to people with disabilities and actively provide them with job opportunities. Any form of physical or mental discrimination, harassment, or insult is strictly prohibited. During the reporting period, Yuexiu Property was unaware of any incidents of reported discrimination and harassment within its operations.

With our commitment to building a diverse workforce and constructing a diverse talent pool, every employee has a fair chance of development and a broad space for growth.

Moreover, we adhere to the principle of equal pay for equal work within our operations. The average difference in performance-based pay between male and female employees remained at a low level during the reporting period.



In 2023, Yuexiu Property's employees were as follows:



### 5.2 EMPLOYEE COMMUNICATION AND EXCHANGE

We emphasise communication with our employees, and respect their freedom of association. By opening up internal communication channels, and standardising our internal complaint procedures, we strive to solve the difficulties employees encounter in work and life. We have established the following communication mechanisms and channels:

<p>Employees are kept abreast of major corporate issues through employee care activities, emails, visits, and other means.</p>	<p>Additionally, timely feedback is provided to employees on their individual performance via internal performance management mechanisms to assist them in improving their work.</p>	<p>We collect and solicit employee feedback and suggestions through departmental meetings, staff activities, and other means, and provide feedback accordingly.</p>
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In 2023, Yuexiu Property conducted multidimensional surveys and communication with employees to learn about their views on current jobs. Based on employees' feedback, we have enhanced employee care initiatives at Yuexiu Property, aiming to improve employee satisfaction continually.

### 5.3 ATTRACTION AND RETENTION OF TALENT

To enhance talent management proficiency, we formulated and implemented the Position Management Policy, the Management Measures for Talent Evaluation and Application, and the Management Rules on Staffing. These efforts standardise the recruitment process, refine staffing mechanisms, and strive to build a diverse and efficient workforce. Meanwhile, the Company adopts a strategy that values both internal promotion and external recruitment, offering competitive compensation and benefits to attract and retain talent.

<p><b>Scope</b> Interviewer Empowerment</p>	<p><b>Progress</b> By organising interviewer training and empowerment activities, we enhance their professional capabilities and help them better understand and adhere to Yuexiu Property's talent philosophy, thereby increasing our attractiveness to top candidates.</p>	<p><b>Outcome</b> Professional interviewers can boost the Company's image and reputation, attracting more high-calibre candidates.</p>
<p><b>Scope</b> Human Resources Risk Management</p>	<p><b>Progress</b> We regularly analyse our workforce structure by tracking employees' age, years of service, seniority, rank, and turnover rate. Through horizontal benchmarking analysis, we promptly identify human resources risks and address any anomalies to adapt to the rapidly changing environment. These efforts help resolve employee turnover issues, ensuring the rational use of resources and the sustainable development of the enterprise.</p>	<p><b>Outcome</b> As of 2023, we have created talent profiles for nearly 100 front-line positions at the headquarters and completed iterations of the job qualification manual.</p>
<p><b>Scope</b> Talent Succession System</p>	<p><b>Progress</b> The Company has established the Key Talent Management Regulations to identify highly-skilled individuals through "Talent Assessment" and track them using the "Talent Billboard" and "Talent Profile" systems. The Company begins reserving alternative candidates three to five years in advance to prepare for the retirement of key employees. This supports effective management of human resources risks and ensures the steady development of the enterprise.</p>	<p><b>Outcome</b> In 2023, 12 mid to senior-level executives were appointed, with an annual key talent onboarding rate of 97%.</p>



We are committed to creating an efficient and flexible working environment through precise human resources planning and our digital workspace platform, Ywork.me. This environment not only enhances employee job satisfaction but also helps attract and retain outstanding talent, supporting the Company's sustainable development.

Key Performance

During the reporting period,

The number of users on Ywork.me reached **24,383** with an activation rate of **99.8%**;

**37,560** online documents were created, marking a year-on-year growth of **4.5** times;

**1,634** knowledge hubs were created in total;

**62,559** video conferences were held, up **32%** year-on-year;

**59,181** new contracts were signed and templates were referenced

**22,110** times throughout the year;

By the end of 2023,

Ywork.me had cumulatively reduced carbon emissions by **11,000** tons, achieving the target of ten thousand tons of carbon emission reduction.



5.4 EMPLOYEE BENEFITS

In 2023, we consulted the opinions of union representatives and updated the Implementing Rules on the Management of Remuneration and Benefits, updating the employee benefits and security system. In addition to the basic benefits such as five social insurances and one housing fund, annual leave, and statutory holidays, we also provide supplementary benefits such as union visits and holiday gifts based on the individual needs of employees. Furthermore, we organise cultural and sports activities, such as themed sports events, frisbee, badminton, basketball, and the East China regional football tournament. We also have interest groups such as the employee choir to enrich employees' leisure time and enhance their sense of happiness and belonging.

Case Sharing

Summer Coolness and Chinese New Year Special Visit Activities



During the peak summer season, to ensure the health and working environment of employees, the Company organised the "Summer Coolness" activity. Necessary cool beverages and medicines were provided to frontline employees to address discomfort caused by high temperatures. The activity covered 12,800 individuals, and 27,200 cool drinks and medicines were distributed, with a total value of RMB1,063,100.

During the Chinese New Year, we conducted a comprehensive survey of staff working on New Year's Eve and Lunar New Year's Day at our managed projects. We went to the front lines to show care for 12,800 persons, and allocated a special subsidy of RMB52,000.



Delivering Cool Comforting Activity in Summer



Case Sharing

The City Construction & Development Design Institute Hosted a Series of Cultural and Sports Activities to Enhance Team Cohesion



The City Construction & Development Design Institute hosted the "Forty Years of Craftsmanship, Embarking on a New Journey" Fun Sports Day and the "Embarking on a New Journey, Working Together to Excellence" Badminton Competition. These events fostered mutual understanding and teamwork among employees, enhanced employee cohesion and team spirit, and advocated for a healthy and active lifestyle.



Fun Sports Day for Employees

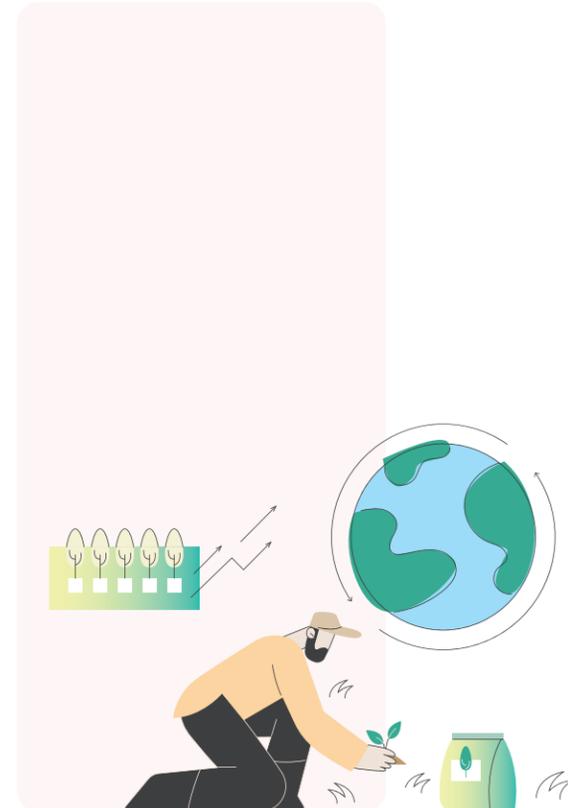
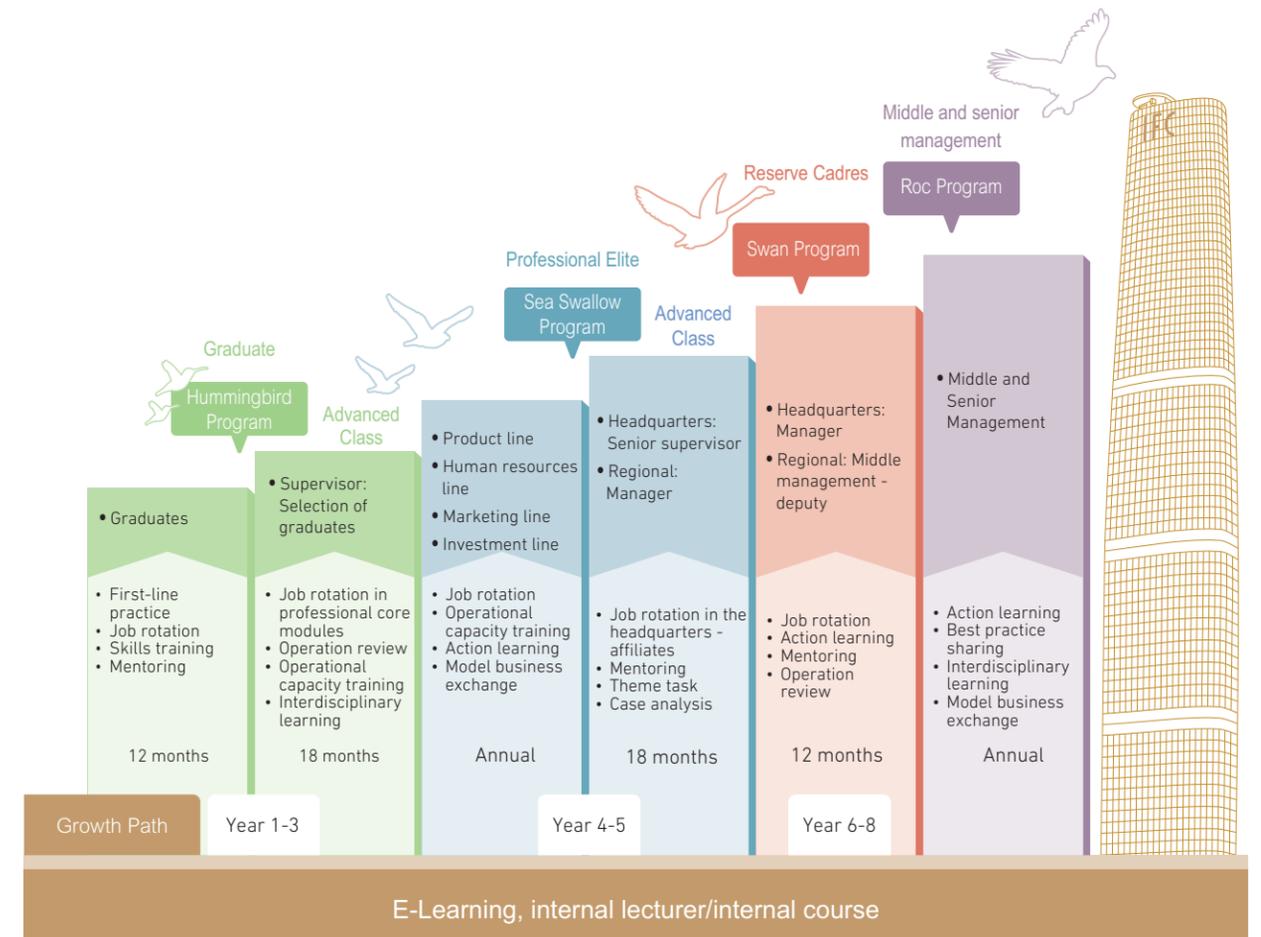


Badminton Competition

5.5 TRAINING AND DEVELOPMENT/FUTURE-ORIENTED WORKFORCE SKILLS ENHANCEMENT

Training and development, as well as enhancing employees' future skills, have become key issues for Yuexiu Property. We strive to unlock employee potential through diverse training guidance and development plans, and provide employees with growth and development platforms through a diversified career advancement system.

The Company has established a comprehensive training system to offer tailored courses and enhance performance assessment and outcome tracking. Through four branded projects, the "Hummingbird Programme", the "Sea Swallow Programme", the "Swan Programme", and the "Roc Programme", we continuously enhance employees' professional skills and management abilities. In addition, the Company has also engaged external lecturers and each employee receives 200 hours of standard training per year to ensure that every employee has ample opportunities for learning and development. In 2023, the Company launched the fourth phase of the "Swan Programme" to train employees to become urban or major project managers with comprehensive skills and professional qualities through job rotation, project practice, and thematic action learning.



Yuexiu Property adheres to the principle of “virtue and talent, with virtue as the priority” in its talent selection, and believes that “merit prevails regardless of origin” to ensure fair competition and talent priority. We promote the philosophy of being “career-oriented, choosing the right candidate for the right role, and having a compatible workforce”, ensuring that jobs are well-matched with individual capabilities. In 2023, the Company updated the Selection and Employment Rules for Middle and Senior-level Talents and formulated the Cadre Selection Rules, guiding the selection and appointment of talents to uphold the principles of inclusiveness, diversity, and emphasis on ethics and actual performance.

Our fair and equitable promotion mechanism provides employees with clear career development paths. The Human Resources Department conducts talent assessments annually, and comprehensively evaluates employee performance and overall qualities through performance appraisals and 360-degree feedback. The senior management team collaborates with employees to develop work improvement plans and determine future development directions. In 2023, we carried out organisational structure reforms, including regional consolidation, departmental adjustments, and open competitions. While ensuring fairness and transparency in the process, we encouraged all employees to participate. Additionally, based on individual capabilities and contributions, we reclassified employee positions and ranks to motivate employee enthusiasm.

Key Performance

During the reporting period,  
 The total number of courses on the “Yue Learning” online learning platform exceeded **4,216**;  
**780** internal instructors, including **115** instructors rated three stars or above;  
**1,834** new courses were added this year;  
**83** premium courses were updated;  
 The average number of clicks exceeded **5,600** ;  
 The average learning time per person was **33.65** hours.



Case Sharing

Promotion of Asset Management Talent Development

At the 2023 BOMA China, the Guangzhou IFC project was awarded the BOMA China COE and BOMA International 360 Dual “Renewed” Certification. Meanwhile, three BBSP® (BOMA BEST Professional Manager of Sustainability) members of Guangzhou IFC obtained individual qualifications and underwent annual professional learning and assessment. Two employees became CMCPI™ (International Commercial Real Estate Professional Managers). At the annual conference, Yuexiu Commercial Real Estate Investment & Management presented on how to drive asset value enhancement through talent strategies, demonstrating its leading position in talent empowerment and asset management.



Individual Qualifications

Case Sharing

Talent Profiling Seminar to Enhance Talent Management Capabilities

In 2023, City Renewal Group held a seminar to discuss the talent profiles of core business positions and clarify employment standards. The seminar reinforced the understanding of talent capabilities and behavioural traits, and the updated talent profiles were used for talent selection and appointment. Managers and the HR Department will translate the results of the seminar into specific talent profiles to enhance the capability of the talent team and support performance growth.



Talent Profiling Seminar

# CHAPTER 3

## SOCIAL RELATIONS AND HARMONY

UN Sustainable Development Goals (SDGs):



GRI Standard:

2-8, 2-27, 203-1, 203-2, 308-1, 308-2, 413-1, 414-1, 414-2, 416-1, 417-1



## CHAPTER 3 SOCIAL RELATIONS AND HARMONY

### Management Approach:

We understand the importance of harmonious social relations, and we are committed to minimising our negative impact on society throughout every aspect of our business operations. We believe that promoting supply chain management, upgrading urban quality, facilitating education and recreation, carrying out rural revitalisation, and innovating community space is the way for Yuexiu Property to realise its corporate social responsibility and promote the harmonious development of society.

In terms of supplier management, we have formulated the Yuexiu Property Company Limited Supplier Code of Conduct and the Yuexiu Property Company Limited Sustainable Procurement Policy to regulate the performance and sustainability of our supply chain. In terms of social welfare, we have set up the Rural Revitalisation Office to actively promote the revitalisation of rural areas in Bijie, Guizhou Province. We are gradually expanding our education and recreation businesses to fill the gaps in the demand for the education of children and young people and the recreation of the elderly in society, in order to create a social atmosphere in which young people have a place to grow up in, and the elderly have a place to inhabit. We have also actively promoted the adjustment of urban spatial layout and innovation in community public space to provide the public with more quality and convenient public services.

The Board of Directors and the ESG Committee hold the highest responsibility for the above work and operations. They meet regularly to monitor and review progress and deficiencies in the direction of the work. The ESG Leadership Group and relevant departments or affiliates formulated corresponding plans, carried out specific work, regularly reviewed work issues and reports, and made continuous improvements to promote Yuexiu Property. In doing so, they provided more positive roles to society and contributed to its harmonious development.

### Laws, regulations, or standards followed at the social level of the Group:

- Law of the People's Republic of China on Bid Invitation and Bidding
- Charity Law of the People's Republic of China
- Law of the People's Republic of China on Donations for Public Welfare
- Civil Code of the People's Republic of China
- Construction Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests
- Opinions of the General Office of the State Council on Promoting the Sustainable and Sound Development of the Construction Industry
- Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings
- Circular of the State Council on Promoting the Sustainable and Sound Development of the Real Estate Market
- Several Opinions on Advocating Modernisation of Housing Industry and Improving Housing Quality
- Regulatory Measures on the Sale of Commercial Houses



### The Group's major internal policies at the social level:

#### Responsible supply chain management

- Management Measures on Bidding and Procurement
- Management Rules on Construction Suppliers
- Supplier Management Rules for Non-Construction Projects
- Pre-recruitment Work Manual on Construction Suppliers
- Management Rules of Bid Evaluation Experts and Bid Evaluation Expert Pools for Construction Projects
- Strategic Procurement Results Management Rules
- Management Rules for Bid Invitation and Procurement for Non-construction Projects
- Management Rules for Bid Invitation and Procurement for Construction Projects
- Guidelines on Risk Management of Bid Invitation, Procurement and Bid Determination for Construction Projects
- Guidelines on Performance Risk Management for Suppliers in Construction Projects
- Guidelines on Risk Prevention and Control for the Application of Strategic Procurement Results of Construction Projects
- Management Rules for Bid Invitation and Procurement Platforms
- Management Rules for the Application of Employer Supplied Items
- Management Rules for Supply Chain Platforms
- Guidelines for the Whole Process Management of Suppliers in Construction Projects
- Guidelines for Brand Access and Selection Management of Recommended Materials for General Contractors
- Guidelines for the Admission and Expansion of Non-Construction Suppliers
- Guidelines for the Management of Bid Invitation and Procurement Inspection of Construction Projects
- Supplier Code of Conduct
- Sustainable Procurement Policy

#### Improvement of customer service quality

- Management Measures for Customer Relationships
- Detailed Provisions on Customer Complaint Management
- Guidelines for Customer Ambassador Services
- Rules on Customer Resource Management and Synergies
- Enjoy Club Management Rules
- Manual of Members of Enjoy Club
- Rules of Recommend House-purchasing of Members of Enjoy Club



# 1. 2030 SOCIAL RELATIONSHIP SUSTAINABILITY OVERALL PLANNING OBJECTIVES AND PERFORMANCE

2030 Objectives	2023 Performance
<p><b>Supply chain management</b></p> <ul style="list-style-type: none"> <li>Build a digital supply chain and optimise the ESG management of the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Yuexiu Property's bidding and purchase platform has been awarded "Level 3 Safety Level Protection Certification", the highest national certification for non-bank institutions</li> </ul>
<p><b>Rural revitalisation</b></p> <ul style="list-style-type: none"> <li>Continuously deepen the counterpart support work in Bijie, Guizhou, and cultivate at least two or more regional specialty industries</li> </ul>	<ul style="list-style-type: none"> <li>We encouraged the Marriott Group to perform the operational management duties for the Fairfield by Marriott Bijie to enhance the quality of local eco-tourism</li> <li>In 2023, we invested a total of RMB2.89 million to promote the development of products related to rural revitalisation</li> </ul>
<p><b>Urban renewal</b></p> <ul style="list-style-type: none"> <li>By 2030, complete at least 10 urban renewal projects to enhance the appearance and functions of the city</li> <li>Focus on the protection of historical and cultural heritage and realise the organic combination of old city transformation and historical inheritance</li> </ul>	<ul style="list-style-type: none"> <li>Through urban renewal and urban micro-renovation, the spatial layout of cities was improved and optimised</li> <li>Each year, the Company allocates RMB25 million to the "Spring Breeze Action", focusing on renovating equipment in old communities to improve the living standards of residents and the urban environmental quality</li> </ul>
<p><b>Community value</b></p> <ul style="list-style-type: none"> <li>Provide multi-level and multi-dimensional community building and management programmes to promote community building and support residential development</li> </ul>	<ul style="list-style-type: none"> <li>We provided various levels of in-depth services for young people, the elderly and children, including long-term rental apartments, recreation and education, reflecting the role of a state-owned enterprise</li> </ul>
<p><b>Customer satisfaction</b></p> <ul style="list-style-type: none"> <li>Create multi-level and rich categories of liveable and healthy living system products to enrich customers' choices</li> <li>Continuously improve customer satisfaction score to reach 99.80</li> </ul>	<ul style="list-style-type: none"> <li>We continued to build the "Yes My Life" YES Healthy Living System</li> <li>In 2023, the overall satisfaction score for each of Yuexiu Property's business formats reached an average of 99.48</li> </ul>

## Plans for 2024



- We will conduct and expand supplier training coverage and work to increase supplier training coverage to **100%**
- We will increase the total amount invested in consumption-based poverty alleviation to over RMB3 million
- We will continue to communicate with the government to develop new urban renewal projects
- We will increase customer satisfaction average score to **99.5**

## 2. SUPPLY CHAIN MANAGEMENT

Yuexiu Property complies with the *Law of the People's Republic of China on Bid Invitation and Bidding* and other related laws and regulations, and continuously improves and optimises our procurement management system. The Company adheres to the principle of fairness and impartiality in procurement activities. It resolutely opposes and eliminates any use of improper means such as forgery, impersonation, and publication of false information. We actively promote responsible sourcing and fully integrate ESG concepts and requirements into the enterprise's entire procurement process to reduce ESG-related risks in the supply chain. At the same time, we are committed to leading the digital and sustainable development of the industry chain, improving the transparency and efficiency of the supply chain through digitalisation and process optimisation.

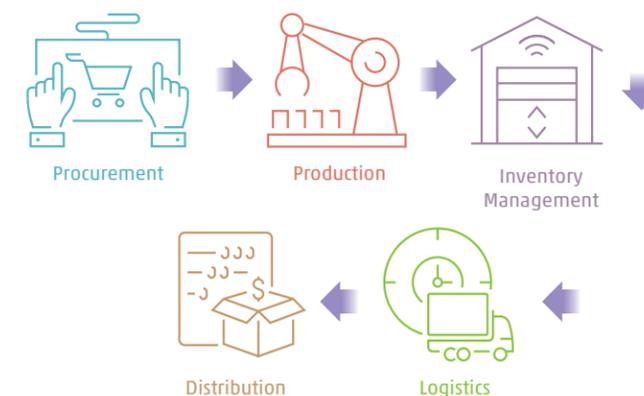
### 2.1 DIGITAL MANAGEMENT OF SUPPLY CHAIN

With the rapid development of information technology, digital supply chain management has become a key means to improve efficiency, reduce costs, and enhance transparency. We have fully adopted a digital procurement platform centred around three core modules: supplier management, the bidding and procurement process, and e-mall. Traceable management of the whole process of bidding is achieved by recording each link of "invitation, reply, opening, evaluation and determination" of bidding. Since 2022, Yuexiu Property's bidding and purchase platform has awarded the "Level 3 Safety Level Protection Certification", the highest national certification for non-bank institutions, which has been in effect continuously during the reporting period.



Yuexiu Property's Bidding and Purchase Platform Was Awarded "Level 3 Safety Level Protection Certification"

At the same time, we use information technology and data analytics to optimise all aspects of the supply chain, including procurement, production, inventory management, logistics and distribution. Through the digitalisation of the supply chain, we have realised the visualisation and real-time sharing of data in each link of the supply chain. This helps us to better monitor supply chain operations, more accurately forecast demand, and improve the transparency and synergy of the supply chain. This helps us achieve the goal of quickly responding to changes in the market.



## 2.2 SUPPLIER MANAGEMENT SYSTEM

We have established a sound supplier management system, covering procurement, supplier selection review, performance evaluation, risk prevention and control, to implement all-round management of suppliers. Through the constraints of multi-part suppliers and the fine control of the overall process, we ensure the stable and long-term sustainable development of our supply chain.

### • SUPPLIER SELECTION REVIEW

We conduct comprehensive qualification reviews of potential suppliers from multiple dimensions, such as historical cooperation, credit, qualification, ability to undertake, and willingness to cooperate, to ensure that the basic selection standards of the supplier are strictly controlled. In order to assess in-depth the qualification performance, performance capability and risk prevention measures of suppliers, we have established a special inspection team responsible for conducting comprehensive inspections and on-site reviews of suppliers' qualifications. The inspection team also refers to public information from authoritative channels such as the "National Enterprise Credit Information Publicity System", "Credit China", and "National Public Service Platform for Construction Market Supervision" during the evaluation process. Inspection results are summarised and scored online through our digital bidding and purchase platform, and detailed inspection reports are automatically generated to ensure transparency of information and credibility of results.

### • SUPPLIER PERFORMANCE ASSESSMENT

We regularly assess the contract performance of our suppliers and give them comprehensive scores in a number of dimensions, such as safe and civilised construction, on-site management, project progress, quality control, and customer service. For important issues such as labour rights protection and occupational health and safety, we have implemented stringent assessment criteria to ensure that the severity of relevant violations is accurately reflected. In order to ensure fairness and transparency throughout the assessment, we provide suppliers with a formal complaint channel to safeguard their legitimate rights and interests. Suppliers who have objections to the assessment results can fill out the "Appeal against the Result of Supplier Performance Assessment" for online feedback and appeal via the online platform.

In addition, the Company promotes the incorporation of diversified information into the assessment system. This includes the assessment results of third-party professional assessment institutions, objective quantitative indicators of internal process management, and feedback from owners. Through the comprehensive application of the digital bidding and purchase platform, data can be directly imported, thus improving the efficiency and objectivity of supplier assessment and ensuring that the assessment results more accurately reflect suppliers' actual performance.

01



Regular inspection

Regular inspection is carried out every quarter for closed-loop evaluation, supervision, and review through quantitative indicators on the multi-dimensional aspects of regional supplier management, compliance of quality of bidding and purchase, and analysing and warning the existence of environmental and social risks of suppliers.

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02



Dynamic inspection

Dynamic inspections are conducted once every two months to identify the judicial and operational risks of suppliers and affiliated enterprises through the bidding and purchase platform, analyse potentially abnormal situations such as integrity risks, infringement of employee rights and interests in suppliers, and provide early warning in a timely manner.

### • SUSTAINABLE PROCUREMENT

Based on relevant national and industry standards, we have constructed a comprehensive supply chain ESG management programme to continuously improve our sustainable performance in the supply chain. We work closely with our upstream and downstream supply chain partners to promote the process of sustainable development and ensure that the green development of the supply chain is synchronised with our business strategy. In July 2023, we updated our *Yuexiu Property Company Limited Sustainable Procurement Policy* (for more details, please visit our official website: [www.yuexiuproperty.com](http://www.yuexiuproperty.com)) to further strengthen our sustainable supply chain management framework.

01



Supplier ESG Admission Criteria

- We promote responsible sourcing and further raise the threshold for supplier access: making ESG qualifications an important consideration in the bidding process and ensuring that these requirements are implemented by implementing a supplier spot check and verification mechanism.
- For key suppliers (e.g., strategic suppliers in the material category), we have strengthened in-depth verification of their ESG management implementation, including but not limited to ISO system certification and labour management, to ensure that our supply chain maintains a high standard and compliance in the ESG dimension.

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02



Supplier ESG Support Programme

- We actively carry out ESG-themed supplier training activities, transmit green supply chain concepts to suppliers through thematic training sessions, and provide suppliers with a platform for exchanging environmental protection technologies.

## 2.3 ENHANCE AUDIT RISK CONTROL

Yuexiu Property has issued and strictly enforced the Management Measures on Bidding and Procurement and the Implementation Rules for Bidding and Procurement, which strictly regulate the procurement activities of projects and highlight the standardisation and transparency. At the same time, we have clarified a series of compliance requirements and risk control bottom lines that must be complied with in the whole process of procurement business. We ensured that the key points of business compliance and control are effectively implemented in various business scenarios, such as cooperative resource management, bidding procedures, and the formulation of procurement programmes.

### • SUPPLY CHAIN BUSINESS ETHICS

We are committed to enhancing accountability and ethical standards in our procurement activities by requiring all suppliers to sign an Integrity Agreement to strengthen integrity management in the supply chain. **In 2023, we maintained a 100% supplier Integrity Agreement signing rate.**

In 2023, we maintained a

100%



supplier Integrity Agreement signing rate.

In order to further enhance the transparency and supervisory efficiency of supply chain integrity work, we have conducted a system interface with the "Sunshine Procurement Information Dissemination Platform for Guangzhou State-owned Enterprises" to realise the automatic exchange, push, and release of relevant information. This strengthens the supervision of key procurement matters and ensures the openness, fairness, and transparency of procurement activities.

At the same time, we strengthened integrity management in the supply chain through regular supplier integrity exchange meetings. We took the initiative to introduce Yuexiu Property's integrity management system to our suppliers and shared past cases of investigation and prosecution of business ethics violations to enhance suppliers' awareness of integrity risks and the importance of compliance. In addition, we provide several complaint and reporting channels to ensure that suppliers receive timely support and assistance in the event of non-compliance. We will continue to focus on and promote integrity construction in our supply chain to ensure that all business partners work together to adhere to high standards of ethics and compliance.

Case Sharing

Cross-departmental Training on "Sunshine Cooperation and Adhering to Bottom Lines"

In 2023, Yuexiu Property's Cost Procurement Centre held over nine training sessions on the theme of "Sunshine Cooperation and Adhering to Bottom Line" for non-construction business departments of regional companies such as Digital Intelligence Development Centre, marketing, and commercial management departments, emphasising the awareness of integrity and compliance in business activities, with a cumulative total of over 1,000 participants.



Thematic Training Session Site



Key Performance

During the Reporting Period,  
**100%** of suppliers signed the Integrity Agreement;  
**100%** coverage of integrity training for enrolled suppliers involved in the bidding process.



SUPPLY CHAIN RISK CONTROL

In order to deepen the risk governance of the whole supply chain, we have formulated management systems such as the Guidelines on Risk Management of Bid Determination for Construction Projects, Guidelines on Risk Management of Construction Project Performance, and Guidelines on Risk Prevention and Control for the Application of Strategic Procurement Results of Construction Projects, which cover the whole construction process from bid determination to performance. They also cover the utilisation of strategic procurement achievements to identify the potential environmental and social risks and clarify the key risk control nodes and reduce risk exposure in supply chain operations, creating a more sustainable and responsible supply chain system. We have also improved our supplier behavioural management system (including suspension, locking, removal and blacklist management) and optimised the detailed management of our project execution team. This has been complemented by the introduction of Yuexiu Group's risk prevention and control tool "Qixinbao", in order to enhance the effectiveness of risk identification and management of our suppliers in the areas of environmental protection, labour rights and interests, business ethics and product quality.



- Optimisation of "blacklist" management of supplier behaviour**  
 For the significant adverse risks in the supplier's performance, the corresponding suspension, locking, removal and blacklist management mechanism was formulated, and the warning and accountability mechanism was improved.
- Refined management of key supplier project management teams**  
 We carried out refined management and control of key supplier project management teams, dynamically monitored the implementation of the project manager team, implemented lean supplier management, and improved the management quality.
- Introduction of the risk prevention and control tool Qixinbao**  
 Qixinbao, a risk prevention and control tool, has been fully introduced into the supplier module of the bidding and purchase platform. It provides multi-dimensional risk prevention and control and monitoring of the supplier's environmental and social factors such as business, finance, justice, news and public opinion, and the status of affiliated enterprises, strengthening our ability to check the third-party risks of suppliers.

2.4 SUPPLY CHAIN CARBON MANAGEMENT

Supply chain carbon management is important to the Company's carbon reduction goals as we actively take steps to reduce carbon emissions in the supply chain. Yuexiu Property uses carbon emissions as an important indicator in the assessment of supply chain partners, and encourages suppliers to adopt low-carbon production methods and reduce non-essential packaging in order to achieve green development together.

In material procurement, we will give priority to locally produced products to reduce carbon emissions during transportation. During the supply chain construction process, we are committed to reducing our environmental carbon footprint, actively promoting the procurement of green and low-carbon materials, and adopting reusable fencing materials at construction sites to minimise resource wastage. At the same time, we strictly regulate the use of materials such as steel, timber and concrete at construction sites, prioritise the selection of low-emission and clean-energy-using machines and equipment, and reduce the rate of quota loss to reduce the waste of consumables and energy during the construction process.



### 3. POSITIVE IMPACT ON SOCIETY

Yuexiu Property has always been committed to achieving mutual benefits and win-win outcomes for both its own development and society at large, actively assuming the responsibility to drive community development and social progress. The Company strongly supports the Yuexiu Public Welfare Foundation, co-ordinates resources from all parties, and organises various social charity activities. Additionally, we actively respond to community needs and residents' appeals, focus on rural revitalisation and urban renewal, spare no effort in supporting youth education and care for the elderly, and personally participate in charitable causes. Through concrete actions, we aim to bring about positive changes in society, contributing to the realisation of a beautiful vision for sustainable development across the entire community.

We firmly believe that by investing in social projects, we not only enhance the long-term value of the Company but also generate a positive impact on society. We endeavour to measure the economic and non-economic returns of our investments in social benefits, helping us fully understand the impact of our investment in social welfare projects on society. This understanding allows us to better adjust and optimise our charitable strategies.

Moving forward, we will continue to refine our strategies and methods for investing in social benefits, enhance our investment returns and social impact, and maintain close communication and cooperation with all stakeholders, jointly creating sustainable social value.



### 3.1 SUPPORT RURAL REVITALISATION

As a national key development strategy, rural revitalisation carries the historic mission of achieving shared prosperity. As a responsible state-owned enterprise, we have established the first rural revitalisation office among Guangzhou's state-owned enterprises, dedicated to promoting and deepening the work of rural revitalisation, empowering rural industrialisation, enhancing the level of infrastructure construction, expanding effective product channels, and forming a closed-loop industrial development.

**Scope**

Rural industrial revitalisation

**Progress**

To fully respond to the national rural revitalisation strategy, we are deeply engaged in the industrial revitalisation work in Bijie, Guizhou Province. After in-depth research, we identified the burgeoning demand for eco-tourism in the area, yet noticed a mismatch between rural hotel resources and tourist needs. Seizing this opportunity, we initiated the planning and operational management of the Fairfield by Marriott Bijie.

**Outcome**

It became the first high-standard international brand in Guizhou Province to integrate production and education in a training base. Leveraging the management resources of the Marriott Hotel Group, we aim to elevate the overall eco-tourism standards in Bijie.

**Scope**

Rural talent cultivation

**Progress**

In addition to industrial revitalisation, we focus on uncovering rural talents and enhancing the quality of the rural economy. Utilising the advanced and mature training system of the Marriott Talent Incubation Alliance, we provide local students with practical training opportunities, helping them acquire practical skills and enhance their employability. This project effectively integrates industry assistance, educational support, employment assistance, and talent support, contributing to local rural revitalisation and high-quality economic and social development.

**Outcome**

Since March 2023, we have welcomed two groups of practical training students, totalling 75 individuals, who have completed 5,068.5 hours of practical training.

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Scope

Rural infrastructure construction



Progress

For rural infrastructure construction, we assisted the Lvshui Village Committee from Longtou Town, Zhanjiang City, Guangdong Province in establishing smart stations, introducing computer teaching platforms to Longtou Town Middle School, and helping to build the corridor book bar at Longtou Town Central Primary School, thereby enhancing local educational resources and the level of education.

Outcome

In 2023, we donated RMB1 million to support the rural revitalisation of Longtou Town, Zhanjiang led by the Guangzhou Municipal Housing and Urban-Rural Development Bureau, providing opportunities for rural areas to improve education and infrastructure.

Scope

Promote consumption revitalisation

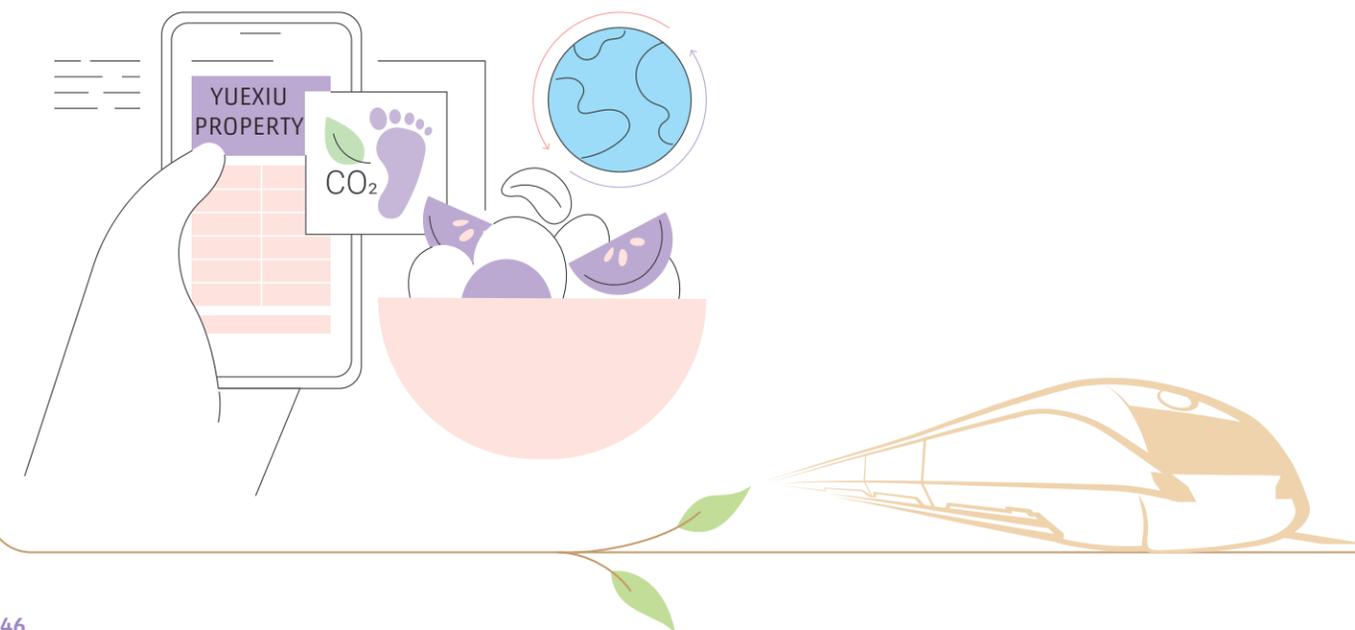


Progress

We also strongly support the development of products related to rural revitalisation, promoting the growth of products under rural revitalisation. We will continue to focus on the development needs of rural areas and contribute more to society through practical actions.

Outcome

In 2023, we invested a total of RMB2.89 million to promote the development of products related to rural revitalisation.



Case Sharing

Yueke Online Platform: Innovation in Poverty Alleviation through Consumption



In the process of rural industrial revitalisation, Yuexiu Property is committed to helping good products expand their sales channels. Through in-depth research, Yuexiu Property has carried out counterpart support and strategic cooperation with Guizhou, set up the "Yueke Online Platform" specifically for rural revitalisation products, published information on rural revitalisation agricultural products on the platform, and organised a series of online agricultural product promotion live broadcast activities to encourage more employees and community members to buy quality rural products, and help realise the sales of the products.



3.2 URBAN QUALITY IMPROVEMENT

Yuexiu Property is steadfast in its mission to elevate the quality of urban living, viewing urban renewal and the synergistic development of regional industries as its duty. Leveraging our six core strengths-innovative institutional mechanisms, unique business models, a mature TOD development system, a comprehensive technological R&D system, robust urban integrated operational capabilities, and a rich array of industrial supporting resources, we fervently advance the development of the TOD model.

By optimising urban spatial layouts, implementing high-quality urban environmental improvement projects, and enhancing residential amenities, we strive for an all-encompassing elevation of urban vitality, addressing urban maladies while supporting the sustained and healthy economic growth of regions, and leading cities towards high-quality development. We actively undertake urbanisation and urban renewal projects mandated by governments at all levels. We embark on extensive urban renewal initiatives involving large tracts of residential land, industrial parks, and dilapidated urban areas to provide the public with superior urban infrastructure and foster high-quality urban development.



Scope

Micro-renovation of older communities



Progress

To create more liveable and sustainable urban environments, beyond our extensive urban renewal efforts, we undertake micro-renovation projects in older communities facing conditional constraints. Through a series of innovative urban renewal measures, we promote the overall development of cities and enhance the quality of life for residents.

Outcome

Each year, the Company allocates RMB25 million to the "Spring Breeze Action", focusing on upgrading the facilities and equipment for communities to improve the living standards of residents and the overall urban environmental quality.

Scope

Renovation of outdated community facilities



Progress

Our focus is on renovating the greening environments and public areas of old communities, rejuvenating facilities, and periodically inspecting the results to ensure their sustainability and positive impact. In 2023, based on changes in community needs, we paid special attention to the intelligent transformation of outdated systems, upgrading energy equipment to enhance efficiency and achieve energy-saving goals.

Outcome

Over RMB20 million was invested in maintenance funds for the transformation of 370 items, modernising the community, conserving resources, and propelling the city towards a more sustainable and smarter future.

Case Sharing

Lirendong Village Cooperative Renovation Project



Yuexiu Property signed a renovation cooperation agreement with Lirendong Village, adopting a collaborative approach to comprehensively renovate the Village, which spans an area of 162.23 hectares. In 2023, the private housing contract rate in Lirendong Village exceeded 80% within six months, setting a record for old village renovation in Guangzhou, with a planned total gross floor area of approximately 3,910,000 square metres. The first financing plot has been officially recorded, and demolition work across the Village has commenced synchronously.



Visualisation of Lirendong Village renovation effect

Case Sharing

Nanyang Electric Appliance Factory Mixed Renovation Project



The Nanyang Electric Appliance Factory and its surrounding area's renovation project mark Guangzhou's first mixed renovation project involving an old city, pioneering a new model of "government-led, public-private partnership, and community participation". Adopting the approach of "old factory + old city, comprehensive renovation + micro-renovation", it seeks to chart a new path for urban renewal. Covering a renovation area of 36,300 square metres, the Project aims to establish a landmark building cluster in the Greater Bay Area, focusing on technology, finance, and intelligent manufacturing. Through the creation of flexible shared public spaces and the revitalisation of cultural heritage buildings, it aspires to build a "multi-dimensional vibrant neighbourhood". In 2023, the Project's zoning plan, regulatory detailed plan, and implementation scheme received approval, with the contract rate surpassing 90%.



Ground-breaking ceremony of the Nanyang Electric Appliance Factory project

### 3.3 EDUCATION AND YOUTH DEVELOPMENT PROMOTION

As a part of the Guangzhou-based state-owned Yuexiu Group’s real estate segment, we actively introduce high-quality educational resources, injecting new vitality into the educational landscape of the Tianhe District. Our strategy of providing advanced educational facilities ahead of residential development reflects our commitment as a state-owned enterprise and significantly empowers the development of the local area. Yuexiu Property aspires to enable our customers to access high-quality education nearby, continuing our investment in educational infrastructure to create greater social value and foster long-term community development.

In 2023, we consistently engaged in developing new public kindergartens and schools in multiple projects, providing ample kindergarten, primary and secondary school institutions to meet the educational needs of the surrounding community residents to the greatest extent possible.

#### Scope

Educational donations



#### Progress

Since 2020, Yuexiu Property and its affiliates have made targeted donations to improve educational quality, including campus construction, teacher training, and special education activities.

#### Outcome

In 2023, Yuexiu Property and its affiliates have actually donated up to RMB200 million.

#### Scope

Introduction of prestigious school resources for community



#### Progress

We have successfully introduced more prestigious school resources in some of our projects. For instance, the nine-year continuous schooling system school in the Yuexiu Tianhe Grand Mansion project will join the Guangzhou Middle School Education Group as an excellent member school, developed and managed by Guangzhou Middle School. We plan to introduce the “Qian Xuesen” class, implementing the “Dacheng Intelligent Education” system to dedicated to cultivating well-rounded talents. For projects without their own schools, we actively coordinate to ensure that the children of our home owners can attend nearby schools, thereby resolving the schooling issue for our residents’ children.

#### Outcome

Since 2018, Yuexiu Property has brought prestigious school resources to 14 communities, benefiting over 60,000 home owners and providing more than 25,000 high-quality public school places.

#### Case Sharing

### Creating the High-quality Preschool Education Brand “Yue Mei Le”



By leveraging our advantages in resource integration, we explore a preschool education industry development model that aligns with Yuexiu’s characteristics. We have entered into strategic cooperation agreements with well-known institutions such as Guangzhou Women and Children’s Medical Centre and Guangzhou Normal School of Pre-school Education, co-establishing a new model of preschool education that combines medical care, music characteristics, public welfare, and state-owned enterprise operations. Under this model, we have successfully nurtured the “Yue Mei Le” preschool education brand, opening Yue Mei Le (Xinghan) Kindergarten and Yue Mei Le (Yihai) Kindergarten.

During the “14th Five-Year Plan” period, we will actively respond to government calls, meet the kindergarten and nursery needs of our main projects, enrich community education services, and export high-quality preschool education resources. We will continue to integrate premium industry resources, playing an active role as a state-owned enterprise in promoting harmonious social development and contributing to China’s early childhood education industry.



Yue Mei Le (Xinghan) Kindergarten

#### Case Sharing

### Little Dreamer’s Journey: Plant Science Research Camp



We have a long-standing focus on children’s education, aiming to break the limitations of traditional educational spaces by integrating education and care into the daily activities of the community. On 23 September 2023, a plant science research camp was successfully held in Hangzhou Yuexiu Xingyuecheng & Twinkle Mansion. Through the thoughtfully planned “Little Dreamer’s Journey” series of activities, with plant science as the medium, classrooms were extended into nature, enriching children’s knowledge and adding colour and joy to their growth journey.



Summer natural interesting classroom

Plant Science Research Camp

### 3.4 CARING FOR ELDERLY RESIDENTS

In response to China's increasingly severe ageing demographic, we proactively fulfil our social responsibilities and are committed to providing high-quality elderly care services. For this reason, in 2017, we established Yuexiu Health Care Industry Company, adhering to the mission of "reimagining elderly life, co-creating a beautiful life", dedicated to providing human-centred elderly care products and services. Through industrial operation, we continuously optimise our care for elderly people.

#### Scope

Integrated medical and elderly care model



#### Progress

Combining international experience with local practices, we continuously introduce advanced elderly care concepts and resources from Japan, France, Taiwan, and other regions, focusing on an integrated medical and elderly care service model. Through our "Hai" series, "Yi Yuan" series, and "Lang Gao" series product lines, we offer comprehensive high-quality healthy ageing services, including living, medical care, nursing, dining, and entertainment.

#### Outcome

As at 2023, Yuexiu Health Care can provide nearly 8,000 elderly care beds to society, offering senior citizens higher quality and more convenient services, thus enhancing their quality of life in their later years.

#### Scope

Yuexiu Health Care Volunteer Team



#### Progress

We are fully aware that many elders cannot access institutional elderly care. Therefore, we established the Yuexiu Health Care Volunteer Team, centred around the "3+X" elderly care model (integrating institutional, community, and home-based services). Through volunteer service, we further improve the social elderly assistance system, providing home-based services to the elderly and allowing them to enjoy elderly care services without leaving home. The volunteer team comprises employees from Yuexiu Health Care Industry Company, actively participating Yuexiu Group employees, and enthusiastic individuals from all walks of life, forming a vibrant team. The team's services include festival activities, poverty alleviation, emotional comfort, home visits, home safety education, community medical services, lectures, and smartphone classes for elders, aiming to provide comprehensive support and care for the elderly.

#### Outcome

The Health Care Volunteer Team recruited 100 new volunteers, accumulating over 100 hours of service, benefiting more than 1,000 individuals.

#### Case Sharing

### Health Care Volunteer Service Activities



In 2023, in partnership with the Guangzhou Volunteers Association, we hosted over 50 public welfare events, including "revolutionary film watching" in Guangzhou, volunteer services throughout thousands of homes in the community, group outings, and new and old volunteers exchange days, allowing the elderly to enjoy entertainment and interaction.

Throughout the year, the Health Care Volunteer Team recruited 100 new volunteers, accumulating 632 hours of service and benefiting more than 1,000 individuals. The volunteer activities not only strengthened community cohesion but also raised public awareness of elderly care issues, encouraging more people to pay attention to and participate in public welfare.



Yuexiu Health Care Volunteer Team



Charitable Medical Consultation

## 4. INNOVATIVE COMMUNITY SPACE

A community is a space where residents engage in the most activities outside their homes. Due to a deep understanding of the significance of community space to property owners and tenants, we hope that with the innovation of ideas and concepts, more individuals can enjoy a cosier community atmosphere and acquire higher emotional value and spiritual nourishment in their communities.

We also attach importance to the health impacts of communities and office spaces on property owners and tenants. We have carried out in-depth WELL certification for commercial projects, among which, Yuexiu Financial Tower and Guangzhou International Commercial Centre have obtained the WELL Mid-term Certification at Platinum level, and continued to provide property owners and tenants with a healthy, high-quality community atmosphere, and comfortable office space.

### 4.1 THE DESIGN OF PUBLIC AREAS ASSURES SMOOTH COMMUNICATION FOR ITS OCCUPANTS

In response to residents' changing needs for quality of life, we uphold a strategy of long-term, high-quality development, launch diversified community living experiences through carefully branded community activities, and build a vibrant communication platform to create warm neighbourhood relations for property owners and tenants of different ages. At the same time, we attach great importance to the customer experience in our office buildings and strive to create a comfortable, high-quality office environment. We believe that a community is not a cold physical space, but should be a harbour of warmth, communication, and fun.

Case Sharing

Yuexiu Star Home: "S-T-A-R" Service Star System Creates a Rental Life Accompanied by Love



Adhering to the original aspiration of "housing for all", Yuexiu Star Home has formed a unique "S-T-A-R" service star system through the standardisation and systematisation of its four core operational capabilities. Its excellent service quality and warm companionship have helped urban youth realise their lives and dreams and enhanced the cohesion of the communities and the sense of well-being of the occupants.

- Operational capability accompanied by love: Enhance the living experience with humanised services;
- Safe and practical product capability: Ensure that our housing products are both safe and able to meet the practical needs of the occupants;
- Online and convenient technological capability: Enhance service efficiency and residential convenience with technological innovation;
- Trustworthy brand capability: Enhance occupants' trust and satisfaction through honest operation and brand building.

We prioritise tenants' living experience, breaking the traditional concept of "living", and carefully plan and organise diversified community activities, such as holiday celebrations, the Star Life Cultural Festival, weekend film appreciation, and free star-warming services. In addition to a comfortable and secure living experience, tenants can feel the warmth of home and jointly create a community space full of love and care.



Free star-warming services



Holiday surprises

Case Sharing

Yuexiu Office Ecosystem YUE OFFICE: Creating a Healthy and Positive Office Environment



Guangzhou International Finance Center has created a healthy and positive office environment through the practice of Yuexiu Office Ecosystem (YUE OFFICE). A variety of community activities, including sports, music, culture and other themes, are organised to enrich the spiritual and cultural life of white-collar workers, promote their physical and mental health, and enhance community vitality and cohesion. Meanwhile, we provide a series of exclusive benefits, covering a wide range of living areas, such as catering, beauty salon, tourism and accommodation, and transportation and travel for the office population by linking up with retail, hotels, apartments, and other business formats, making the life of the employees more diversified and fun.

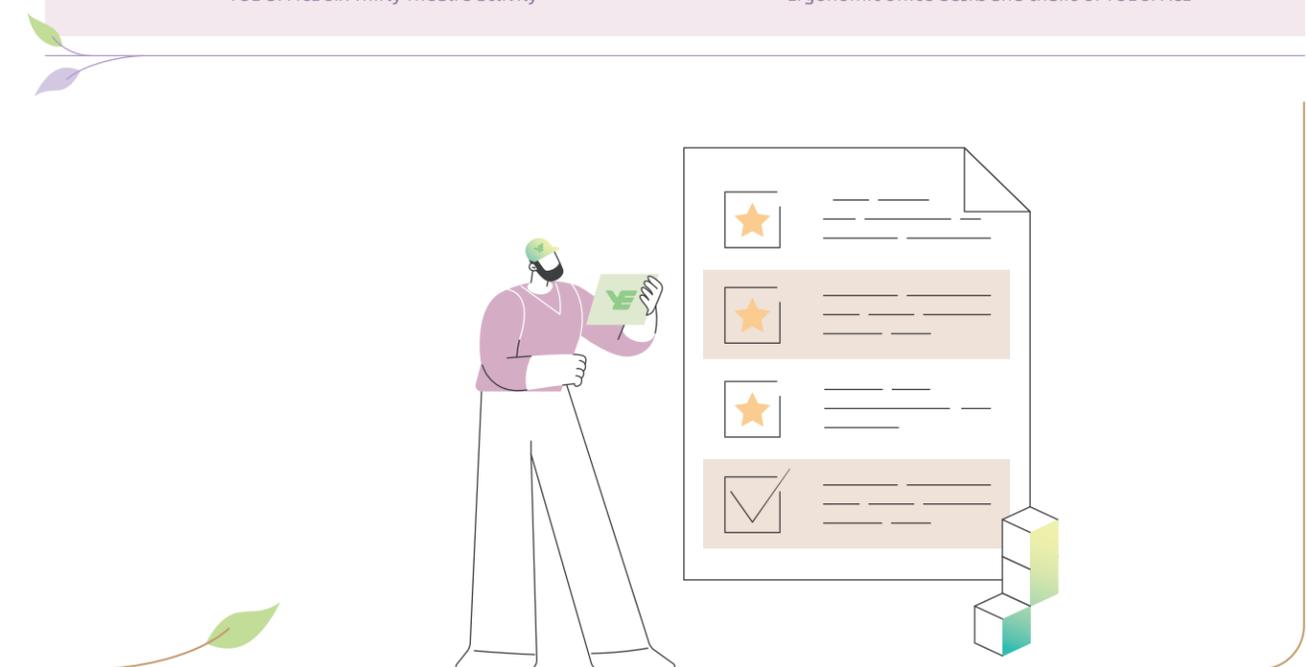
YUE OFFICE focuses on the health and comfort of the office environment. We have equipped the shared office space YUE SPACE with ergonomically designed office desks and chairs, which can be freely adjusted according to individual needs. This can effectively optimise the office experience, reduce physical and mental fatigue of the workforce personnel, and create an office environment conducive to health and efficiency.



YUE OFFICE Six Thirty Theatre activity



Ergonomic office desks and chairs of YUE SPACE



## 5. CUSTOMER SATISFACTION

Adhering to the concept of "Quality and Beauty" and driven by lean management, Yuexiu Property has continued to enhance product quality. The Group actively complies with the Construction Law of the People's Republic of China, the Product Quality Law of the People's Republic of China and the Regulation on the Quality Management of Construction Projects. It has also formulated multiple policies and procedures, including the Yuexiu Property Guidelines on Quality Management of Construction Projects, the Management Rules of Standard Delivery Process, the Management Rules of Quality Control, the Guidelines for Internal Acceptance of Products, and the Management Rules of Product Quality Assurance and Maintenance, to ensure compliance with the ISO 9001 Quality management system standard and internal quality standards. As a real estate enterprise committed to urban development, Yuexiu Property will continuously adhere to the business philosophy of high standards, humanisation and co-development, striving to launch high-quality residential products of the Yuexiu Healthy Living series to build a harmonious and warm living environment.

We actively carry out quality system certification work. During the reporting period, the ISO 9001 Quality Management System Certificate obtained by the affiliates of Yuexiu Property were all within the validity period, the Group's Guangzhou Yuexiu Property Development Co., Ltd., Guangzhou Yuejian Engineering Management Co., Ltd., Guangzhou City Construction Development Engineering Cost Consulting Co., Ltd., Guangzhou City Construction & Development Design Institute Co., Ltd., Yuexiu Property Management Limited and Yuexiu Apt Parking Limited. have obtained ISO 9001 Quality management system certification, with coverage progressively increasing.

**ISO 9001 Quality Management System Certificate**



Guangzhou Yuexiu Property Development Co., Ltd.



Guangzhou Yuejian Engineering Management Co., Ltd.



Guangzhou City Construction Development Engineering Cost Consulting Co., Ltd.



Guangzhou City Construction & Development Design Institute Co., Ltd.





Yuexiu Property Management Limited



Yuexiu Apt Parking Limited

## 5.1 PRODUCT QUALITY

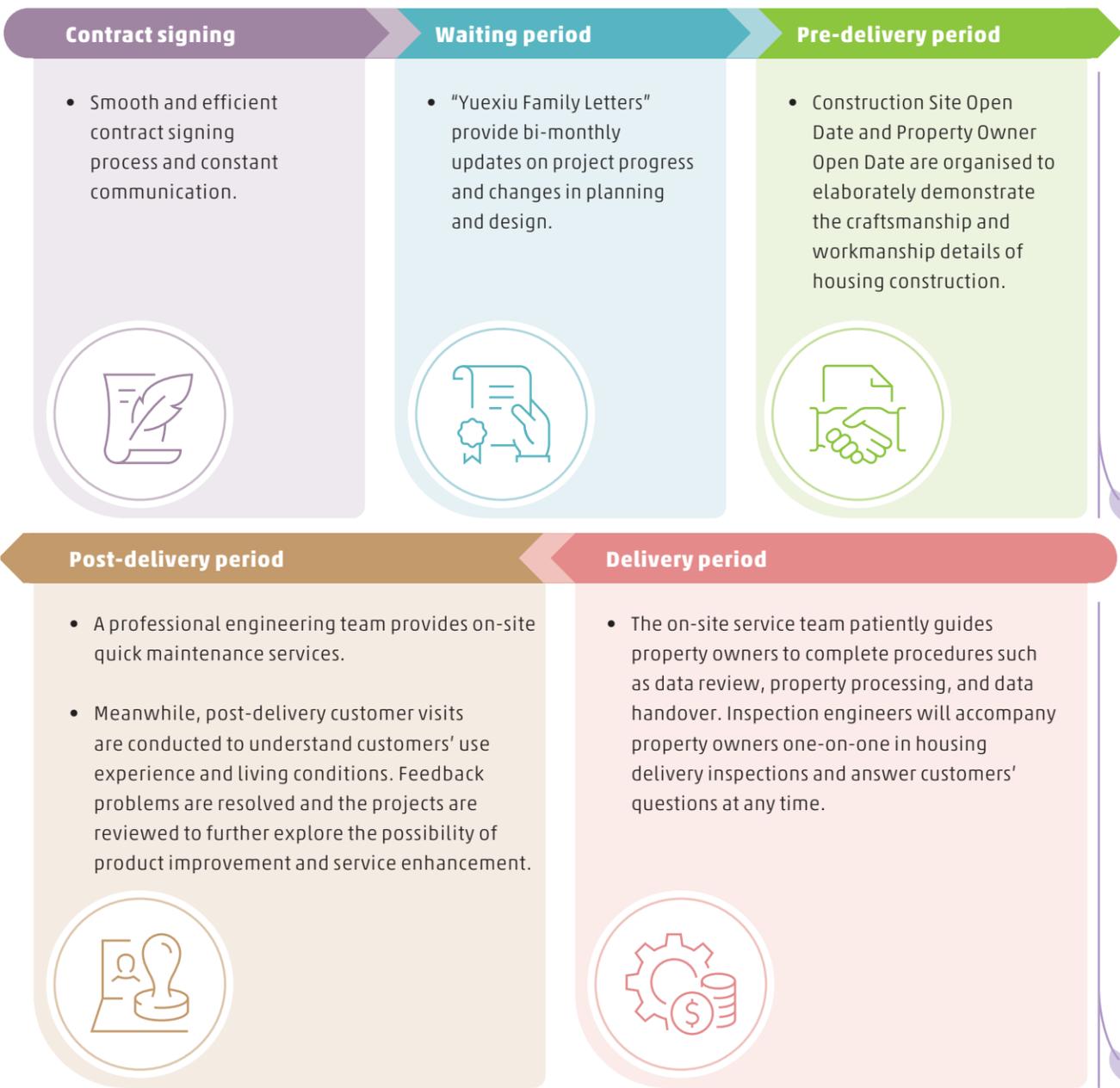
Adhering to a customer-oriented concept and the corporate culture of long-termism, we are committed to providing quality products and services to our customers. As the core of "Yes My Life" YES Healthy Living System, engineering strategic procurement adheres to the principle of "Good Brand, Strong Quality Control" in the selection of materials and equipment. This enhances the quality of residential products and ensures the leading position of Yuexiu's products in the market. We have taken multiple measures to ensure product quality, created a "moat" for high quality, continuously improved product capability, satisfied the diversified needs of our customers, and promoted the high-quality development of the industry.

<p><b>Good brand</b></p> 	<ul style="list-style-type: none"> <li>Through in-depth market research and strict supplier assessment procedures, we have established cooperative relationships with over 300 quality brands in the industry to ensure comprehensive coverage of the lifecycle of real estate construction. This spans from civil engineering, mechanical, and electrical aspects to refined decoration and landscaping and meets the diversified needs of our customers.</li> </ul>
<p><b>Strong quality control</b></p> 	<ul style="list-style-type: none"> <li>We have established strict technical and quality standards higher than national or industry standards, and conducted several rounds of rigorous testing on suppliers' raw materials to ensure their durability. For example, hardware hinges need to pass 200,000 open and close tests, and switch panels must pass 20,000 operation tests;</li> <li>In terms of environmental protection standards, an ultra-low content of formaldehyde is required for wood flooring, cabinets, coatings and other materials. The formaldehyde emissions of selected high-quality plates must also reach the national E1 standard and the even more stringent ENF standard.</li> </ul>
<p><b>Double quality inspection</b></p> 	<ul style="list-style-type: none"> <li>First, suppliers are required to provide detailed quality inspection information and technical disclosure, offer focused training on newly introduced categories of materials and new processes, and continuously monitor their delivery effectiveness in the projects;</li> <li>Second, the acceptance quality of delivered materials is ensured by unannounced inspections and on-site inspections conducted jointly by the supply chain platform and third-party organisations.</li> </ul>

We insist on high-quality product delivery, ensure that the project quality meets customer expectations, and offer whole-procedure barrier-free delivery services. From contract signing to final housing delivery, we keep our customers informed of the housing construction progress in ongoing communication and work hand-in-hand with them to facilitate the quality delivery of the communities.



**Whole-procedure product delivery**



**5.2 COMMERCIAL AND RESIDENTIAL CUSTOMER SATISFACTION**

Yuexiu Property adheres to the orientation of customer needs, continuously optimising the service ecosystem, creating an excellent customer experience, and implementing an internal assessment system centred on customer satisfaction. We regularly hold bi-annual customer satisfaction interpretation meetings, where issues concerned by customers are deeply discussed and improvement measures are put forward accordingly. Meanwhile, the effective resolution of problems is guaranteed through meeting minutes and the follow-up supervision mechanism.

In addition, we have engaged professional third-party organisations in regular customer satisfaction surveys to ensure that the quality of our services is objectively and fairly evaluated. The surveys are conducted in the form of questionnaires. These questionnaires combine 70% online and 30% face-to-face offline surveys, with the content covering a wide range of key business areas such as routine operational services, public environment, equipment and facilities, property services, transportation accessibility, and marketing and promotional activities, to ensure that our services fully meet the needs of our customers.

In 2023, the overall satisfaction score for each of Yuexiu Property's business formats reached an average of



**CUSTOMER SATISFACTION MANAGEMENT**

In 2023, we upgraded the customer satisfaction management strategy and shifted the management focus from conventional post-event reactive management to ex-ante preventive risk control. We adjusted resource allocations, i.e., inputting 80% of our efforts to identify and prevent potential problems and 20% to respond to immediate customer problems. Meanwhile, we collect customer demands extensively starting from the product design phase to ensure that the product design and functions will meet market expectations. We plan to incorporate product design satisfaction into the customer satisfaction indicator system and further strengthen the preventive risk management strategy. With a continuously optimised ex-ante risk management strategy, we will respond more quickly to customer demands, improve service quality and efficiency, and create a more excellent experience for our customers.

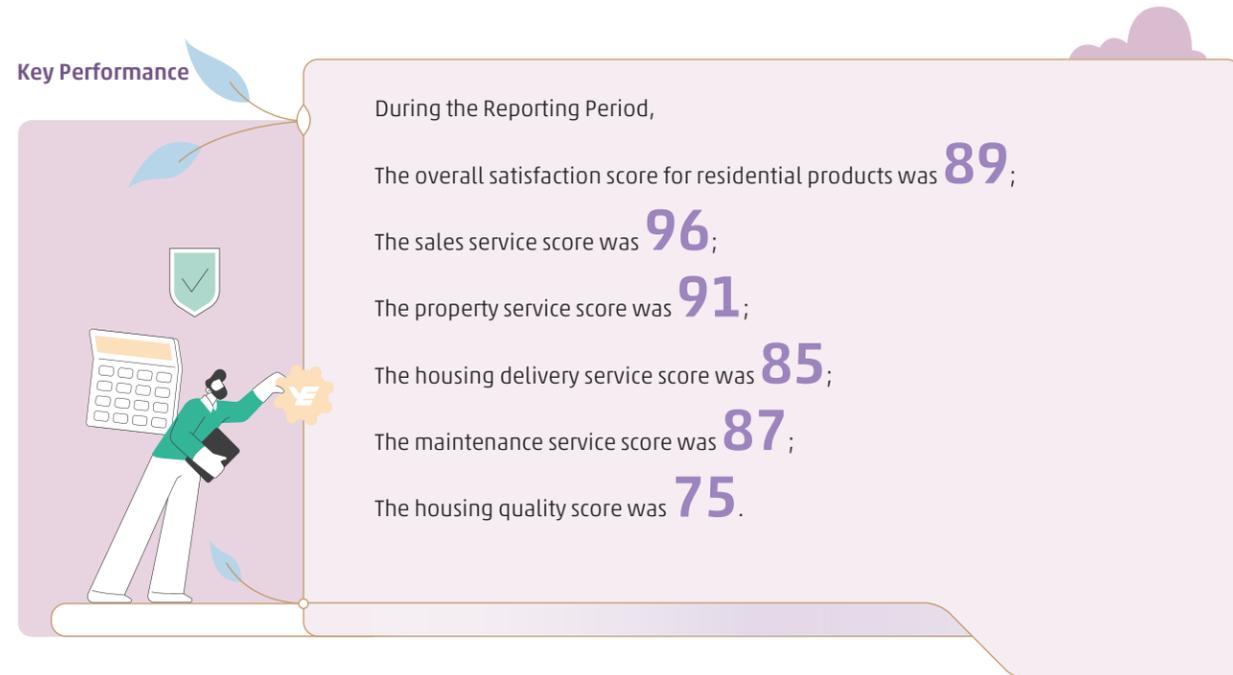
We attach great importance to customer feedback and have developed and implemented the Detailed Provisions on Customer Complaint Management, which serves as a clear working guideline for us to ensure smooth communication with, and quick response to, our customers. Furthermore, we have established the Long-term Response Mechanism for Customer Demands and the Upgraded Mechanism for Complaint Resolution. These aim to solve problems repeatedly urged by customers that remain unresolved for long periods, improve the efficiency of complaint handling and service quality, and enhance customer trust and satisfaction.



◆ CUSTOMER SATISFACTION SURVEY

In 2023, we improved the third-party survey methodology for customer satisfaction by changing the common centralised survey method to a combination of 70% centralised and 30% distributed surveys. Roughly 70% of the surveys are conducted on customers during specific time periods, while the remaining 30% are conducted by randomly sending survey questionnaires to customers at uncertain time points throughout the year. The “centralised and distributed” synchronous survey arrangement can enhance the authenticity and randomness of the surveys, and reflect more accurately the satisfaction of end customers with Yuexiu Property’s products. In addition, this change will reduce manipulative behaviours that may occur in normal periodic surveys, such as communicating with customers in advance to obtain higher scores.

According to the results of the 2023 customer satisfaction survey, Yuexiu Property’s overall satisfaction score for its residential products was 89, with the scores for sales services, property services, housing delivery and maintenance services maintaining a high rating in business-specific areas. This indicates that our customers are satisfied with the quality of our services. It is also a driving force for our continuous improvement and innovation.



5.3 RESPONSIBLE MARKETING

We are devoted to practising fair, transparent, legal, and ethical marketing activities, safeguard our customers’ right to be fully informed, and endeavour to provide truthful and effective services. The Group strictly abides by the Advertising Law of the People’s Republic of China and has formulated a series of management regulations and operation guidelines covering online and offline marketing, advertising regulation, and marketing supplier procurement to standardise the workflow of our employees. In response to challenges and business development needs in recent years, we created new management guidelines in 2023, such as the Marketing Business Risk Control Regulations and the Sales Tool Management Guide, which defined the norms and principle requirements for the giving of gifts, management fees, and parking space vouchers. We also updated the Guidelines for the Management of Bulk Properties and Guidelines for the Management of Bulk Sales to strengthen anti-corruption measures. Yuexiu Property has been awarded the honour of “Good Faith Operation Enterprise of Guangdong Province” for 20 consecutive years, which is a symbol of our excellence in enterprise integrity management.

• MARKETING CONTENT REVIEW

We are aware that the content accuracy and authenticity of the publicity materials such as external sales documents and advertising are crucial to the reputation of a company. Thus, we have set up a complete marketing information review and control system, covering projects on sale of the Company throughout all areas. In order to ensure the accuracy and standardisation of sales documents, we have formulated the Guidelines for the Management and Operation of Sales Documents. This outlines in detail the operation norms and management standards for the preparation of documents, approval requirements, execution, change management, and each process of the signing procedure.

For advertising content review, regional companies follow the Operational Guidelines on Review of Advertising Practices and establish internal review procedures based upon local conditions. The procedures involve collaboration among different departments such as the Legal Department, the Customer Relations Department, the Project Management Department, and the Design Department, which ensures that the marketing data are legally compliant, authentic, and reliable.





**GREEN MARKETING**

For the implementation of the green concept in the sales process, we stipulate that before each project begins, the Design Department should collate an introduction of product highlights such as the use of green building materials, energy conservation and emission reduction. It must then issue them to front-line sales staff to raise consumers' awareness of and attention to green buildings and environmentally friendly products and convey to consumers our commitment to and practice of environmental protection.

Meanwhile, all slogans and video sales content used in the sales process must be strictly reviewed by the relevant departments to ensure the accuracy of the information and consistency with the green marketing strategy. We will continue optimising the green marketing strategy and support environmental protection and sustainable development with practical actions.

**MARKETING INSPECTION AND REVIEW MECHANISM**

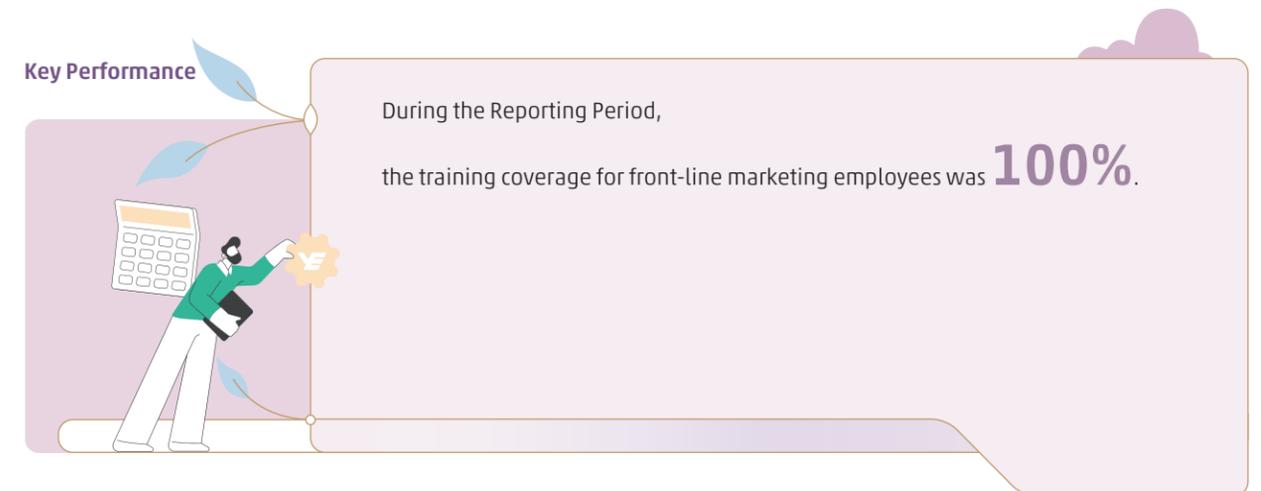
Since the implementation of the inspection mechanism for marketing business by Yuexiu Property in 2019, we have regularly organised and carried out marketing inspections, focusing on the five major types of sales field management, process policy compliance, cost and procurement management, sales back-office management and online marketing, and covering 62 key marketing links. In 2023, under the unified coordination of the Headquarters and led by the Marketing Centre, regional companies carried out inspections of compliance management in the form of mutual inspections.

2023		
Review Item	Quantitative Performance	Work Content
Field cross-inspection	Covering 55 projects	The problems identified are summarised in an inspection report and sent to regional companies for rectification.
Regulatory inspection	Multiple projects	Integrity check of parking space information publicity and standardisation of supporting housing layout information output.
Secret visits by third-party organisations	Over 100 times	Salesperson's wordings are inspected and timely rectification and punishments are performed when risk points are identified.

**RESPONSIBLE MARKETING TRAINING**

We are deeply aware of the important role of responsible marketing in an enterprise's sustainable development. This year, we made it one of our work priorities to enhance the consciousness of the front-line sales staff regarding responsible marketing. To this end, we have repeatedly organised and carried out a full range of thematic marketing training to ensure that 100% of the Company's front-line marketing staff can participate in relevant training.

From the thematic training on responsible marketing that covers all perspectives of responsible marketing, such as service skills, etiquette training, social responsibility, and consumer rights protection, front-line staff can fully realise the importance of responsible marketing and actively practice it during their actual work. Our marketing team continues to refine their business capabilities from training and become more responsive to market changes and customer needs. Furthermore, the training also focuses on service level improvement and allows our team to synchronously transmit the Company's values and brand image while offering quality services to our customers.





# CHAPTER 4 ORGANISATION AND INNOVATION

UN Sustainable Development Goals (SDGs):



GRI Standard:

2-15, 2-25, 205-1, 205-2, 206-1, 405-1



# CHAPTER 4 ORGANISATION AND INNOVATION

## Management Approach:

We are committed to ensuring the highest standards of governance practice throughout every operational aspect of the Company, driving digital transformation and constructing a high-quality corporate operating model. At the same time, we place significant emphasis on safeguarding our intellectual property and continuously enhancing our organisational and innovative capabilities.

Yuexiu Property has established a comprehensive corporate governance system and consistently monitors and scrutinises various risks in governance. The Company actively promotes the independence and diversification of the Board of Directors to facilitate more thorough discussions and decision-making in significant matters. Concurrently, we continuously strengthen our business ethics, requiring all employees to adhere to Yuexiu Property's commercial ethical standards, thus mitigating the adverse effects of corruption, fraud, and other malignant behaviours that could affect the stable development of Yuexiu Property. We refine the risk management process and incorporate ESG risks into overall management, comprehensively evaluating the risk control level from both operational and ESG perspectives.

We have formulated a series of digital transformation and intellectual property protection systems and procedures and actively implemented them in the Company's operations. The Board of Directors bears the highest responsibility for Yuexiu Property's digital transformation efforts and is managed overall by the Digital Management Committee for all digital business and work. In 2023, we launched a digital procurement platform and an ESG management system, using digital tools to continuously enhance our ESG and supply chain management capabilities.

## Major internal policies of the Group's corporate governance:

### Responsible Governance

- Articles of Association
- Directors List and Their Roles and Functions
- Authority Scope of the Remuneration Committee
- Policy for Board Members Diversity
- Authority Scope of the Audit Committee
- Authority Scope of the Nomination Committee
- Procedures for Shareholders to Nominate Candidate Directors
- Management Measures for Labour Contract
- Comprehensive Risk Management Measures
- Internal Audit Regulations
- Compliance Management Measures

### Business Ethics & Anti-Corruption

- Administrative Rules for Integrity Supervisors
- Accountability Management Measures
- Guidelines for Overall Disposal of Issue Reflections
- Reward and Penalty Management Rules
- Fund Management Measures
- Detailed Rules of Three Official Expenditures
- Guidelines for Daily Supervision, Inspection, Problem Discovery, Notification, and Clue Transfer

## Laws and regulations or standards that the Group's corporate governance shall comply with:

- Company Law of the People's Republic of China
- Anti-Money Laundering Law of the People's Republic of China
- Anti-Monopoly Law of the People's Republic of China
- Anti-Unfair Competition Law of the People's Republic of China
- Interim Provisions on Prohibition of Commercial Bribery
- Copyright Law of the People's Republic of China
- Trademark Law of the People's Republic of China
- Advertising Law of the People's Republic of China
- Patent Law of the People's Republic of China
- Civil Code of the People's Republic of China
- Data Security Law of the People's Republic of China, and other related laws and regulations



## 1. 2030 ORGANISATION AND INNOVATION CAPITAL SUSTAINABLE OVERALL PLANNING OBJECTIVES AND PERFORMANCE

2030 Objectives	2023 Performance
<p><b>Business Ethics &amp; Anti-Corruption</b></p> <ul style="list-style-type: none"> <li>Annually conduct special audits on business ethics, with a coverage rate of 100%</li> <li>Achieve 100% coverage of anti-corruption training for employees</li> <li>Achieve 100% coverage of anti-corruption training for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Completed ✓</li> <li>Established the Integrity and Clean Governance Platform and released five typical cases of disciplinary violations, with each edition receiving approximately 2,000 views</li> <li>Organised clean discipline education and training for employees at all levels, with 276 sessions</li> <li>Conducted 19 clean cooperation activities with suppliers in terms of projects</li> </ul>

<p><b>Conduct Risk Management Training</b></p> <ul style="list-style-type: none"> <li>100% coverage of risk management training for the Board of Directors</li> <li>100% coverage of risk management training for employees</li> </ul>	<ul style="list-style-type: none"> <li>Completed ✓ and conducted two sessions of risk management training for the Board of Directors, with a <b>100%</b> participation rate</li> <li>Organised training courses for over 8,000 employees</li> </ul>
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<p><b>Strengthen Integrity and honesty building</b></p> <ul style="list-style-type: none"> <li>100% signing rate of <i>Undertaking for Personal Integrity</i> for new employees</li> <li>100% signing rate of <i>Undertaking for Personal Integrity</i> for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Completed ✓</li> <li>Completed ✓</li> </ul>
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**Plans for 2024**

- Establish a comprehensive crisis management mechanism by integrating ESG factors
- Continuously enhance the process of digital transformation, forming initial digital assets
- Continuously promote **100%** coverage of anti-corruption training for the Board of Directors, employees, and suppliers
- Continuously promote **100%** coverage of risk management training for the Board of Directors and employees

## 2. CORPORATE GOVERNANCE

### 2.1 INDEPENDENCE, DIVERSITY, AND PERFORMANCE OF THE BOARD OF DIRECTORS

Ensuring the effectiveness and accountability of the corporate governance structure, maintaining the independence of the Board of Directors is crucial. Yuexiu Property strictly adheres to the requirement for the number of independent non-executive directors on the Board, which currently comprising four independent non-executive directors who are separate from the Company's management and controlling shareholders. They objectively and impartially exercise their duties to ensure independence in decision-making, enhancing the objectivity and fairness of the decision-making process, and improving the quality and transparency of corporate information disclosure.

Furthermore, the Company is committed to enhancing the diversity of the Board of Directors to strengthen its innovation capability and decision-making depth. To this end, the Company has formulated the *Policy for Board Members Diversity*, diversifying the Board in terms of gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, and tenure of service. This fosters a more comprehensive and balanced board structure, bringing broader perspectives and experiences to the Company and promoting its long-term sustainable development.

Board Structure	Directors	Number
By category	Executive director	6
	Non-executive director	1
	Independent non-executive director	4
By age	<50 years old	2
	50-60 years old	5
	>60 years old	4
By gender	Male	9
	Female	2
By education	Bachelor	4
	Master	7
By nationality	Chinese	11
	Foreign nationality	0

Note: As of 31 December 2023

In 2023, the Company held five Board meetings and seven professional committee meetings. We continuously assess and improve the Company's internal management mechanisms to enhance governance efficiency and standardise operational levels. In terms of information disclosure, the Company strictly adheres to the *Main Board Listing Rules* of the Hong Kong Stock Exchange, upholding the principles of "truthful, accurate, complete, timely, and fair" to ensure the legality of market information disclosure. In 2023, we disclosed 79 announcements on the Hong Kong Stock Exchange's website, including three regular reports.



## 2.2 FRAUD, BRIBERY, AND CORRUPTION RISK MANAGEMENT

Yuexiu Property consistently adheres to high standards of national laws and regulations and business ethics, implementing strict controls over fraud, bribery, and corruption risks to ensure the legality and compliance of the Company's operations, safeguard long-term robust development, and maintain the Company's excellent reputation. The Group strictly complies with laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and formulates internal regulations such as the *Fund Management Measures, Detailed Rules of Three Official Expenditures*, and *Clean Employment Regulations* to prevent money laundering, corruption, and unfair competition.

Internally, the Company has established a sound corporate governance structure, including the establishment of a Disciplinary Inspection Committee and the formulation of a series of disciplinary work systems and norms to strengthen the punishment for disciplinary violations, enhance employees' awareness of clean employment, and ensure that various disciplinary violations are dealt with in a lawful and compliant manner. Meanwhile, we actively participated in numerous anti-corruption and integrity exchange activities among enterprises, fostering a trustworthy and clean atmosphere by mobilising internal and external resources. During the Reporting Period, the Company had zero cases of corruption and bribery.

The Company emphasises business ethics auditing to ensure that all business activities are conducted within strict ethical and compliance frameworks. We established an Integrity Construction and Anti-Corruption Work Coordination Group to report major difficulties and pain points, issues with the daily supervision duties of functional departments, and problems discovered during routine checks and investigations. The Disciplinary Inspection Committee authorized the Disciplinary Inspection Office, functional departments cooperate to implement and supervise, forming a closed-loop management of the supervision system.



To protect whistleblowers, Yuexiu Property has issued a *Whistleblowing Policy* to serve as a significant internal management tool, fully protecting whistleblowers and encouraging them to disclose internal misconduct. We also implement the *Management Measures of Compliant Letters and Visits* and the *Guidelines for the Confidentiality of Information Reported in Letters and Visits*, ensuring that whistleblowers can safely and anonymously report improper conduct through designated email (jubao@yuexiuproperty.com) and phone (+86-020-88831325). The Company protects the information of both named and anonymous whistleblowers, strictly controls the scope of knowledge of reported information, and maintains the confidentiality of all materials during the investigation process. Additionally, the Company prohibits the investigated units and the reported individuals from retaliating against whistleblowers. Any such behaviour discovered will be dealt with severely.

### Yuexiu Property Whistleblowing Process

#### Information Access and Review

- Obtain the results of the report through e-mail, telephone and other reporting channels and submit them to organisations such as the Discipline Inspection Office.
- Preliminarily determine the nature of the report received, and the Discipline Inspection Office conducts a preliminary review based on the information provided by the whistleblower.

#### Report Review and Detailed Investigation

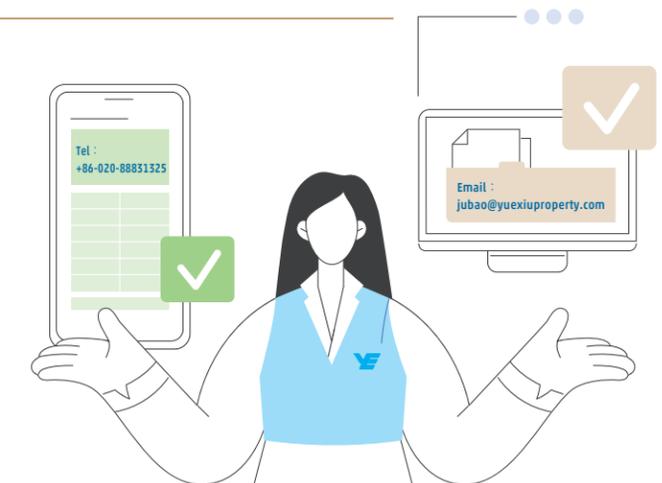
- Head of the Discipline Inspection Office and heads of other relevant functions discuss with the relevant senior management (including directors) over the recommended detailed investigation or other proposed actions.
- If it is determined to perform a detailed investigation, Yuexiu Property will arrange staff and resources internally to conduct a detailed review.

#### Detailed Investigation and Report

- Seek advice from internal or external legal counsel and/or relevant departments such as Human Resources Department.
- The findings of the Discipline Inspection Office, together with a plan for remediation, are presented to the Audit Committee and the ESG Committee.

#### Notification and Punishment

- The whistleblower is notified of the results of the investigation and, if a criminal offence is involved, legal advice is sought to determine the next course of action.
- Misconduct will result in appropriate disciplinary action.
- All allegations are documented in the Yuexiu Property's complaint register.



We prioritize the construction of a business ethics culture, consistently conduct integrity education, and strengthen the development of honesty and integrity. We provide our directors and employees with educational courses on clean culture and anti-corruption training. Our clean culture education activities target specific audiences, tailoring the content to their needs, with a total coverage exceeding 20,000 participants. Additionally, we vigorously promote online dissemination. Since the launch of the Integrity and Clean Governance Platform, we have successfully released five editions of typical cases of disciplinary violations, publicly disclosing illegal and disciplinary behaviours with real-name exposure. Each edition generates approximately 2,000 views. In 2023, we organised a total of 95 professional legal training sessions for headquarters and regional companies, with online and offline participation totalling 10,000 attendees, averaging a training duration of three hours per session, totalling 285 hours of training for the year.

**Key Performance**



During the Reporting Period,

We selected **43** front-line business elites and full-time disciplinary inspection cadres to form a Clean Culture Publicity Team

Organised **276** sessions of clean discipline education training for employees at all levels, totalling **552** hours, with a cumulative participation of **34,000** individuals

**100%** signing rate of *Undertaking for Personal Integrity* for new employees

**100%** signing rate of *Undertaking for Personal Integrity* for suppliers

**2.3 ENTERPRISE RISK MANAGEMENT (ERM)**

Facing a complex and ever-changing market environment and operational challenges, we firmly believe that only by establishing a sound risk management system can we ensure the rational allocation of resources, enhance proactive management capabilities for future risks, and strengthen the trust of stakeholders in Yuexiu Property. To this end, we have constructed a risk management framework tailored to the Company's development, including precise risk identification processes, effective risk response strategies, and clear goals and principles for internal control and risk management. We are also committed to continuously monitoring and improving the enterprise's risk management capabilities, ensuring healthy and orderly business development, and achieving high-quality growth for the enterprise.

To strengthen supervision, the Group's Board of Directors has established an Audit Committee composed of four independent non-executive directors with an international perspective, responsible for reviewing the effectiveness of the Company's financial monitoring, internal control, and risk management mechanisms. These four members bring extensive experience from their respective industries, covering sociology, accounting, auditing, finance, law, and other fields. The Audit and Risk Management Department reports to the Audit Committee, submitting the Risk Management and Internal Monitoring Report annually, promptly updating the committee on the Company's risk status and control measures. In 2023, we conducted risk control audits with a coverage rate and rectification rate of 100%.

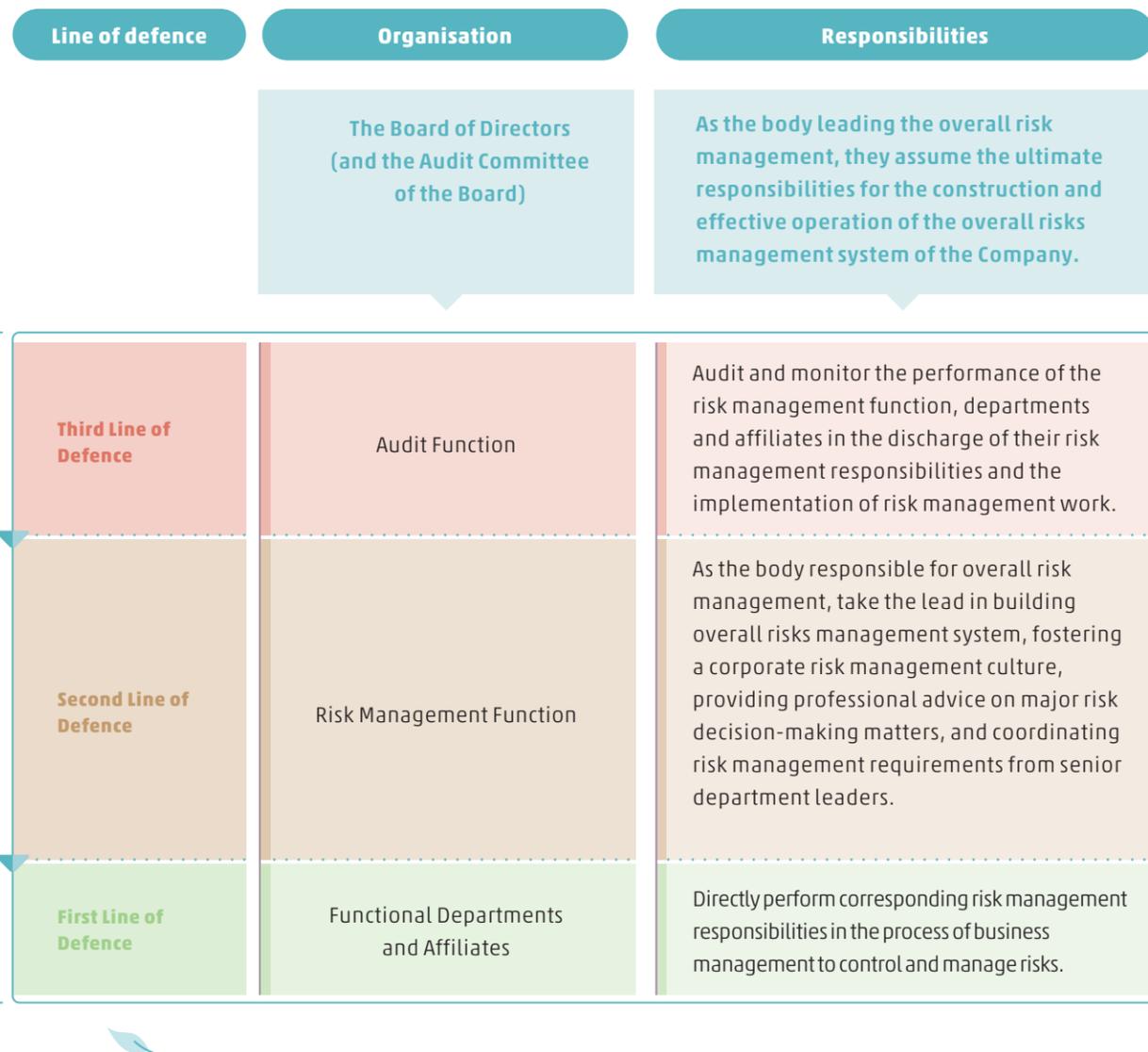
Our risk management strictly adheres to corporate strategies and operational objectives, spanning from strategic planning to daily operations, ensuring that every step of risk identification, assessment, response, and supervision is executed. Additionally, the formulation and implementation of regulations such as the *Comprehensive Risk Management Measures*, *the Internal Audit Regulations* and *the Compliance Management Measures*, as well as the cultivation of a risk management culture and the construction of a risk management information system, have effectively promoted overall improvement in corporate management.

**Overall Risk Management Objectives**



- Ensure that risks are controlled within a range that is appropriate and tolerable for the Company's development, promoting the achievement of the Company's strategic objectives
- Ensure the realisation of true, reliable, and effective information communication within and outside the Company
- Ensure compliance with relevant laws and regulations and the fulfilment of corresponding social responsibilities
- Ensure the effectiveness of business management, improving the efficiency and effect of business activities
- Ensure the effectiveness of system construction in each functional line and each regional company, and that internal controls effectively cover all identified risks, protecting the Company from significant losses
- Promote each department and subsidiary to fully implement the concept of "everyone is responsible for risk management" in employee practice through risk culture building

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



In 2023, Yuexiu Property's digital audit system significantly enhanced audit efficiency through advanced data analytics and precise item-by-item scrutiny. In the critical and high-risk area of business ethics, we developed an intelligent risk control platform and implemented a series of key risk prevention measures. In addressing critical risk issues, the digital audit system has achieved effective monitoring and management, ensuring that audit work focuses on both risk orientation and value creation. Following each audit task, we compiled quantitative data models generated during the audit process and transmitted them to the intelligent risk control platform for precise risk identification and response.

**Marketing**



We implemented a series of risk prevention and control measures using a combination of identity recognition and site protection rules, accurately distinguishing between walk-in customers and channel customers.

**Bid Invitation and Procurement**



By leveraging backend system connections with Qichacha, we conducted automatic penetration checks, effectively preventing instances of bid violations. Additionally, we collaborated with legal litigation networks to prevent suppliers with significant business disputes or ongoing litigation from causing issues.

**Architectural Design and Construction Safety**



In 2023, we utilised AI drawing review tools to examine over 1.8 million square meters of building projects. This tool automatically identified safety baseline risks such as accessibility, evacuation safety, railing height, fire doors, and rebar spacing. By pre-emptively addressing baseline risks, we prevented project value losses caused by factors such as wall column encroachment, door management obstruction, and water collection wells.



## 2.4 BUSINESS CRISIS MANAGEMENT

In a rapidly changing business environment, effective business crisis management is crucial to ensuring the Company's continued stable development. The Group is committed to enhancing our business crisis management capabilities, considering it as an important part of ESG management, ensuring the Company's long-term and stable development, and creating greater value for society.

### Crisis Assessment and Response

We are committed to conducting comprehensive crisis assessments to identify and analyse potential risk factors that may affect the Company, such as market risks, policy changes, financial risks, climate risks, and natural disasters. By establishing a sound internal control system and response plan, we aim to reduce these risks and ensure the Company remains resilient in the market environment.

Possible Crises	Potential Impact	Yuexiu Property's Response Measures
 <b>Earthquake</b>	<ul style="list-style-type: none"> <li>◆ Damage to assets such as buildings and land</li> <li>◆ Tenant losses</li> <li>◆ Resource input for damage repair and reconstruction</li> </ul>	<ul style="list-style-type: none"> <li>◆ Formulate and implement emergency plans, including post-disaster rescue, repair, and reconstruction strategies, as well as communication plans with tenants, suppliers, and partners;</li> <li>◆ Post-earthquake, promptly assess the extent of damage and allocate resources for necessary repairs and reconstruction to restore property use as soon as possible.</li> </ul>
 <b>Extreme weather</b>	<ul style="list-style-type: none"> <li>◆ Possible delays in construction progress, affecting project delivery time and costs</li> <li>◆ Damage to existing buildings requiring repair or reconstruction</li> <li>◆ Threats to the safety of construction workers and project facilities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Design and construct more durable buildings to enhance resilience to extreme weather;</li> <li>◆ Develop emergency plans to ensure quick response to extreme weather events to safeguard the safety of employees and home owners;</li> <li>◆ Regularly monitor and evaluate the impact of extreme weather events and the effectiveness of response measures.</li> </ul>
 <b>Raw material shortages</b>	<ul style="list-style-type: none"> <li>◆ Supply chain disruptions and price fluctuations, leading to higher construction costs</li> <li>◆ Lack of necessary materials can lead to project interruptions or delays</li> <li>◆ May require adjustments to design plans, affecting building performance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Establish a diversified raw material supply network to reduce reliance on a single supplier;</li> <li>◆ Procure and stock up on key materials when the supply is sufficient;</li> <li>◆ Adopt more material-efficient design and construction techniques to reduce material consumption.</li> </ul>
 <b>Land subsidence</b>	<ul style="list-style-type: none"> <li>◆ Render buildings uninhabitable or unusable</li> <li>◆ Additional engineering measures to reinforce the land</li> <li>◆ Decrease in residents' quality of life</li> </ul>	<ul style="list-style-type: none"> <li>◆ Conduct detailed geological surveys and assessments before project development;</li> <li>◆ Prevent and reduce the risk of land subsidence through measures such as foundation reinforcement and underground support;</li> <li>◆ Evacuate owners and staff immediately if there is danger.</li> </ul>
 <b>Nuclear wastewater pollution</b>	<ul style="list-style-type: none"> <li>◆ A serious threat to the health of owners, leading to radiation sickness, cancer, and other health issues</li> <li>◆ Long-term environmental damage, including pollution of soil, air, and water sources</li> </ul>	<ul style="list-style-type: none"> <li>◆ Conduct detailed risk assessments before development to avoid construction and development in high-risk areas;</li> <li>◆ Develop emergency response plans to quickly take action in the event of nuclear pollution to minimise damage.</li> </ul>
 <b>Large-scale epidemic</b>	<ul style="list-style-type: none"> <li>◆ Labour shortages, supply chain disruptions, and epidemic prevention and control measures leading to delays in construction projects</li> <li>◆ May alter the demand in the real estate market, causing fluctuations in property value</li> <li>◆ Challenges in leasing and sales</li> </ul>	<ul style="list-style-type: none"> <li>◆ Implement necessary health and safety measures to protect the health of employees and home owners;</li> <li>◆ Utilise digital technology for online sales and leasing activities;</li> <li>◆ Provide flexible leasing terms, preferential policies, and other means to provide corresponding support and assistance;</li> <li>◆ Maintain close cooperation with the government and the community to address challenges posed by the epidemic.</li> </ul>
 <b>Financial crisis</b>	<ul style="list-style-type: none"> <li>◆ Project stagnation or delays</li> <li>◆ Decreased investor confidence</li> <li>◆ Impact on leasing and sales activities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strengthen monitoring and management of cash flow;</li> <li>◆ Explore diversified financing channels;</li> <li>◆ Utilise financial subsidies, tax incentives, and other measures to alleviate financial pressure.</li> </ul>
 <b>Damage to reputation</b>	<ul style="list-style-type: none"> <li>◆ Decreased confidence of investors, and home owners</li> <li>◆ Impact on market share and profitability</li> <li>◆ Long-term cost of reputation repair</li> </ul>	<ul style="list-style-type: none"> <li>◆ Timely communication with the public, investors, and partners to explain the actual situation and increase transparency;</li> <li>◆ Ensure product quality and service levels;</li> <li>◆ Strengthen internal management to ensure compliance with corporate operations.</li> </ul>

### 3. DIGITAL TRANSFORMATION AND DATA SECURITY

The Group has always regarded customer privacy, information security, and intellectual property protection as top priorities for corporate development, continuously deepening and optimising customer privacy protection measures. We strictly adhere to relevant laws and regulations such as the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Cybersecurity Law of the People's Republic of China*. Additionally, we refer to national standards such as GB/T35273-2020 Information security technology-Personal information security specification, combined with the Company's actual situation, to establish a comprehensive set of internal management systems including the *Policies for Privacy Protection of Enjoy Club* and the *Data Security Management Rules*.

#### 3.1 DIGITAL MANAGEMENT

In 2023, the Company established the Digital Management Committee as the highest decision-making body for digitalisation, chaired by the Chairman of the Company. The Committee is mainly responsible for advancing and improving the Company's digital governance system, coordinating the Company's digital strategic planning and implementation, promoting digital transformation in key business areas, establishing and improving the system for managing data assets and software intellectual property, enhancing information security system, and ensuring information security and compliance. Additionally, the Digital Management Committee has established five professional committees to handle specific tasks, and is supervised by the Digital Management Committee.

Professional Committees	Functions
Intelligent Construction Professional Committee	Core-focused on product realisation, based on Building Information Modeling, to build a smart construction digital system and empower product capabilities.
Smart Marketing Professional Committee	Customer-centric and focused on enhancing online and offline customer experiences across systems such as Yuexiu Fangbao, Yue Ke Bao, Voice Badge, site risk control, sales systems, commission systems, while empowering marketing capabilities.
Data Governance Professional Committee	Coordination of the Company's information data security system construction. Strengthening the data governance system, fully leveraging data value, promoting the assetisation and capitalisation of data.
Intellectual Property (Software) Professional Committee	Improving the software intellectual property system, empowering enterprise scientific research and development, activating organisational innovation vitality.
Information/Data Security Management Professional Committee	Promoting information technology application and innovation, safeguarding data and information security, assisting in safety production, and promoting the steady development of the Company's production and operation.

Moreover, the Company has implemented comprehensive protection measures to ensure that all data assets, including customer personal information and critical data, are effectively protected. We have established strict regulations for the secure use of data assets and emergency measures for handling sudden events, strengthened the security management throughout the data lifecycle, thereby ensuring that customer information security and legitimate rights and interests are fully and lawfully protected. In 2023, Guangzhou Yuechuangzhi Information Technology Co., Ltd. obtained ISO 27001 Information security management systems certification.

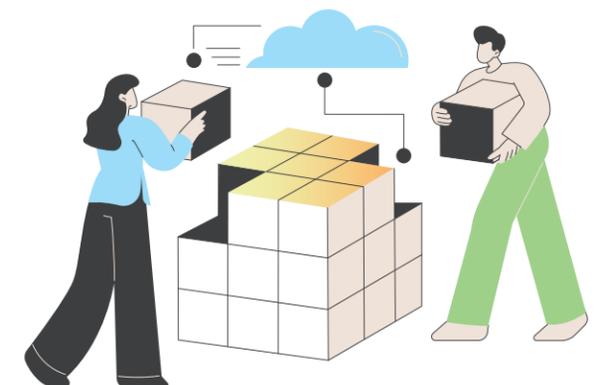
#### Key Performance



During the Reporting Period, Guangzhou Yuechuangzhi Information Technology Co., Ltd.

- Obtained **DCMM** (Data Management Capability Maturity Assessment Model) Steady Level Certification, leading in the real estate industry
- Obtained **ISO 27001** Information security management systems certification
- Obtained **ISO 20000** Information technology service management system certification

- 0 complaint or legal action concerning breaches of customer privacy
- 0 case of significant privacy leakage, theft or loss of customer data



Level Certification and ISO Certification



Data Management Capability Maturity Level Certification



ISO 27001 Information Security Management Systems Certification



ISO 20000 Information Technology Service Management System Certification

3.2 TECHNOLOGICAL INNOVATION

We continuously engage in technological innovation, utilising advanced technology to manage, develop, and operate, consistently enhancing operational efficiency.

01



Improving Customer Experience

- Through platforms like Yuexiu Fangbao, Signing Centre, and Enjoy Club App, continuously enhance service quality, providing customers with convenient service channels.
- Continuously optimise and upgrade functions to ensure customers enjoy more personalised and efficient services.

02



Enhancing Property Management

- Utilise cutting-edge technology such as facial recognition systems to enhance efficiency and security in access management;
- Deploy advanced monitoring systems to effectively prevent potential risks such as falling objects from heights, ensuring the safety of residents and visitors.

03



Facilitating Energy Conservation and Emission Reduction

- Implement smart energy management measures to achieve energy-saving and efficiency improvements, integrating residential energy consumption into green building initiatives for low-carbon energy management;
- Promote the construction of smart communities, enhancing property operation efficiency through digitisation, automation, and intelligent technology, conducting intelligent transformation for old systems and communities.

3.3 INTELLECTUAL PROPERTY PROTECTION

The Company highly values brand assets and intellectual property management, strictly adhering to laws and regulations such as the *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*, and the *Anti-Unfair Competition Law of the People's Republic of China*. To systematically enhance intellectual property management, we established an Intellectual Property Management Committee and a comprehensive management mechanism including training, application, rewards, and assessment to promote efficient and extensive accumulation of intellectual property.

In 2023, we further improved the intellectual property management system, issued the *Intellectual Property Management Measures*, and conducted internal system publicity, education, and work training to ensure all employees have a full understanding and correct execution of relevant regulations to protect the Company's innovative achievements and enhance the organisation's awareness and management level of intellectual property. Additionally, we are committed to building a sound intellectual property management system. During the reporting period, Guangzhou Yuechuangzhi Information Technology Co., Ltd. successfully obtained the Intellectual Property Management System Certification.

Furthermore, through trademark registration, we effectively prevent unauthorised use of brands and trademarks by other entities or individuals. Additionally, through patent applications and copyright registrations, we strengthen the protection of intellectual property.

Type	Total Quantity	New Patents in 2023
Valid registered trademarks	559 items	33 items
Valid invention patents	6 items	2 items
Utility model patents	70 items	5 items
Design patents	11 items	4 items
Registered copyrights (software)	113 items	9 items



# CHAPTER 5

## FINANCIAL CAPITAL

UN Sustainable Development Goals (SDGs):



GRI Standard:  
2-27, 201-1



# CHAPTER 5 FINANCIAL CAPITAL

## Management Approach:

We are deeply aware of the significant impact that financial indicators have on the operation and financing processes of businesses. Yuexiu Property advances high-quality development of the enterprise through establishing a comprehensive financial management system, implementing effective financial management measures, and driving optimisation of financial structures.

The real estate industry is currently entering a new phase of structural optimisation and quality improvement. We adhere to a sustainable development model that emphasises both quality and efficiency, while continuously expanding our financing channels. We fully leverage our ESG performance advantages to promote the utilisation of sustainable finance. We formulate green finance policies to guide funds towards meeting our business objectives while also positively impacting environmental conservation, social responsibility, and other factors. This strengthens our commitment and responsibility in the field of sustainable development.

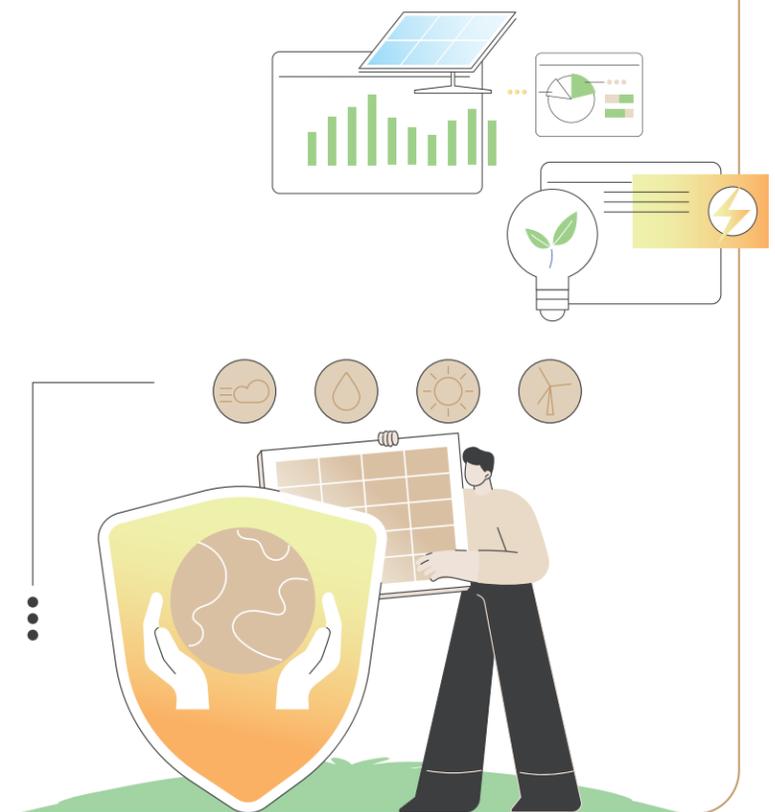
### The legal regulations or standards followed by the Group in financial capital are:

- Guiding Opinions on Building a Green Financial System
- Catalogue of Green Bond Supported Projects (Version 2021)
- Guidance Catalogue for Green Industries (Version 2023)
- JR/T 0228-2021 Environmental Equity Financing Instruments
- JR/T 0244-2022 Carbon Financial Products
- China Green Bond Principles



## 1. 2030 FINANCIAL CAPITAL SUSTAINABILITY OVERALL PLANNING OBJECTIVES AND PERFORMANCE

2030 Objectives	2023 Performance
<p><b>Green finance</b></p> <ul style="list-style-type: none"> <li>Attain at least 50% of bond and loan financing from green finance</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, approximately <b>25%</b> of Yuexiu Property's bond and loan financing was sourced from green finance</li> </ul>
<p><b>Plans for 2024</b></p> <ul style="list-style-type: none"> <li>The proportion of Yuexiu Property's bond and loan financing sourced from green finance will reach <b>35%</b></li> <li>Establish and launch a Green Financing Framework</li> </ul>	



## 2. OPERATIONAL STATUS

In 2023, faced with a challenging economic environment and profound adjustments in the real estate market, the Group closely adhered to the annual theme of "Overcoming Difficulties for Stable Growth, Improving Quality through Lean Management". We actively responded to market changes, adapted to circumstances, and satisfactorily achieved all major operational targets for the year. This ensured a steady and quality-driven progression, further enhancing the Group's position and influence within the industry, and accomplishing sustained and robust development in our business operations.



### 2.1 Steady Operational Performance

In 2023, the Group achieved an operating income of approximately RMB80.22 billion, representing a year-on-year increase of 10.8%. The gross profit margin stood at approximately 15.3%, marking a decrease of 5.1 percentage points compared to the previous year. Net profit attributable to equity shareholders amounted to approximately RMB3.19 billion, reflecting a decrease of 19.4% year-on-year. Core net profit reached approximately RMB3.49 billion, down by 17.5% compared to the previous year. As of 31 December 2023, the sales amount not yet recognised reached RMB199.28 billion, showing an increase of 11.3% compared to the beginning of the year.



### 2.2 Steady Growth in Contract Sales

In 2023, the Group faced market volatility and sustained downturns. In response, we maintained a strategy of adaptability, effectively implementing precise marketing strategies featuring "one project, one policy" and robust yet flexible operational strategies. Regional companies also established special teams to increase sales and assessments of inventory, while digital marketing efforts were intensified to leverage their role as a strong force. Despite the challenging market environment, the Group achieved steady growth in annual contract sales, positioning us at the forefront of the industry in terms of growth rate. In 2023, the Group recorded contract sales (including sales from projects of joint ventures and associates) of approximately RMB142.03 billion, marking a year-on-year increase of 13.6% and surpassing the annual contract sales target of RMB132 billion by 107.6%. The Group continues to consolidate its leading position in the Greater Bay Area market and maintain the top market share in Guangzhou. The Group's market position in other regions continues to improve.

### 2.3 Precision Investment for Acquiring High-Quality Land Bank

In 2023, the land market exhibited significant differentiation, with intense competition for prime land parcels in the key first-tier and major second-tier cities where the Group focused its investment. In response to changes in the market and land tender regulations, the Group promptly adopted effective strategies. Our investment layout in cities became more precise, resulting in higher-quality land bank acquired throughout the year. The investment targets set for the year were achieved both in terms of quality and quantity. The Group expanded its land reserves through a diversified "6+1" model, acquiring 28 new land parcels in Beijing, Shanghai, Guangzhou, Hangzhou, Chengdu, Wuhan, Nanjing, Zhengzhou, Hefei, Qingdao, and Xi'an. The gross floor area is approximately 4.91 million square metres. In Beijing specifically, the Group acquired three high-quality land parcels, adding approximately 430,000 square metres to our land bank. In Shanghai, we acquired three high-quality land parcels, adding approximately 150,000 square metres to our land reserves. Additionally, we secured our first urban renewal project in Shanghai. We have acquired a new TOD project in Hangzhou, adding 480,000 square metres to our TOD land bank.



## 2.4 FINANCIAL QUANTITATIVE INDICATORS

### Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

Indicator	2023 RMB thousand
Revenue	80,222,011
Cost of sales	(67,964,384)
Gross profit	12,257,627
Income from sales of investment properties	14,929
Carrying amounts of investment properties sold	(4,310)
Gain on sales of investment properties	10,619
Other gains and losses	(1,348,000)
Selling and marketing costs	(2,450,753)
Administrative expenses	(1,799,157)
Operating profit	6,670,336
Finance income	970,575
Finance costs	(672,375)
Share of profits of	
– Joint ventures	50,528
– Associates	701,579
Profit before taxation	7,720,643
Taxation	(3,145,594)
Profit for the year	4,575,049

For more financial information about Yuexiu Property's the year 2023, please refer to the Yuexiu Property Annual Report 2023.

## 3. SUSTAINABLE FINANCE

Yuexiu Property is committed to integrating sustainable development principles into its financing strategies. We continuously explore sustainable financing instruments such as green bonds, green loans, and loans related to sustainable development performance to enhance our financial flexibility and resilience. We are dedicated to driving the transition of the economy towards low-carbon, resource-efficient, and sustainable development.

### 3.1 GREEN FINANCE POLICY

In 2023, Yuexiu Property actively responded to the global trend of sustainable development. In order to build a more sustainable economic ecosystem, we prepared an internal green finance policy to guide our financing with a greater emphasis on environmental protection, social responsibility, and other factors. This reinforces our commitment and responsibility in the field of sustainable development, and drives the direction of our business towards low-carbon, efficient, and sustainable practices.

Within this policy framework, we support green building projects related to renewable energy, energy efficiency, and other environmentally friendly initiatives. This facilitates investment in sustainable development, aiding in climate change response and ecological challenges. Furthermore, we will continuously enhance the disclosure of green financing projects to facilitate stakeholders' understanding of the Company's progress and effectiveness in green financing. We aim to continuously strengthen our collaboration with financial institutions in the field of green finance, jointly driving the development of green finance and achieving mutual benefits for all parties involved.

### 3.2 PROPORTION AND TARGETS OF GREEN FINANCE

In 2023, the Group achieved over 25% of bond and loan financing sourced from green finance, and we are progressing towards our target of increasing this proportion to 35% by 2024. Furthermore, we have established a significant long-term goal: To achieve at least 50% of bond and loan financing sourced from green finance by 2030. We firmly reaffirm our steadfast commitment to achieving sustainable development, striving to create projects that adhere to sustainable development principles, for the benefit of our property owners, tenants and local communities.

### 3.3 LEVERAGE SUSTAINABLE FINANCING TO PROMOTE CARBON EMISSION REDUCTIONS

As global climate change becomes increasingly severe, the Company is keenly aware of the significance of the real estate construction industry's impact on the environment. Therefore, we are committed to actively utilising sustainable financing tools to drive carbon emission reduction, providing financial support for low-carbon construction projects, energy efficiency improvements, and renewable energy utilisation.

In 2023, we successfully supported a series of green low-carbon projects, such as energy-saving buildings, green roofs, and solar photovoltaic projects. These projects have not only reduced carbon emissions during the building operation process but also improved energy utilisation efficiency, creating more comfortable and environmentally friendly living and working environments for homeowners and tenants.

In the future, we hope to make active contributions to promoting the low-carbon transformation of the entire real estate industry by achieving the green development of our business through sustainable financing. We will continue to explore and implement more innovative carbon emission reduction measures, contributing to the construction of a more sustainable future.

# APPENDIX

## SOCIAL HONOURS

Project	Award Time	Award Name	Awarding Organization	Level	Picture
Guangzhou International Finance Center	February 2023	LEED V4.1 O+M Platinum Renewal Certification	U.S. Green Building Council	International	
Guangzhou International Commercial Center	February 2023	2023 Berlin Design Awards [Gold] in the Commercial Building Category	Berlin Design Awards	International	
Nansha Yuexiu International Finance Center	July 2023	RICS China Awards 2023 Commercial Real Estate Project Excellence Award	Royal Institution of Chartered Surveyors (RICS)	International	
Guangzhou International Finance Center	August 2023	BOMA International 360 "Renewal" Certification	BOMA	International	
Wuhan Yuexiu Fortune Centre	August 2023	Net Zero-carbon Building Certification (Excellence in Low Carbon Operation)	Building Research Establishment (BRE)	International	
Yuexiu Financial Tower	August 2023	LEED V4.1 O+M Platinum Renewal Certification	U.S. Green Building Council	International	

Project	Award Time	Award Name	Awarding Organization	Level	Picture
Guangzhou International Finance Center	November 2023	Grade A Office Buildings in Guangzhou City (Reevaluation)	Guangzhou Building Economy Promotion Association	Provincial and Municipal Level	
Yuexiu Financial Tower	November 2023	Grade A Office Buildings in Guangzhou City (Reevaluation)	Guangzhou Building Economy Promotion Association	Provincial and Municipal Level	
Yuexiu Financial Tower	November 2023	2023 Zero Carbon Intelligent Energy Saving Three-Star Building	Guangzhou Building Economy Promotion Association	Provincial and Municipal Level	
Guangzhou International Commercial Center	November 2023	2023 Zero Carbon Intelligent Energy Saving Three-Star Building	Guangzhou Building Economy Promotion Association	Provincial and Municipal Level	
Guangzhou International Commercial Center	November 2023	Top 10 Most Dynamic Business Buildings in 2023	Organizing Committee of the 7th China Building Economy Summit	National Level	
Guangzhou International Finance Center	November 2023	Top 10 Most Dynamic Business Buildings in 2023	Organizing Committee of the 7th China Building Economy Summit	National Level	
Yuexiu Financial Tower	November 2023	2023 Property Operation Emblem Building	Organizing Committee of the 7th China Building Economy Summit	National Level	

## LIST OF ESG PERFORMANCE

### List of Environmental Performance Indicators

#### A1. Emissions

A1.1 The types of emissions and respective emissions data	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Nitrogen oxides (NO <sub>x</sub> )	Ton	/	/	1.05	0.16	1.21
Sulphur dioxide (SO <sub>2</sub> )	Kg	/	/	2.62	0.41	3.03
Particle matter	Kg	/	/	101.18	13.58	114.76
A1.2 Greenhouse gas emissions and intensity	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Greenhouse gas emissions (Scope 1)	Ton (Carbon Dioxide Equivalent)	3,491.21	1,795.56	1,844.16	87.86	1,932.02
Greenhouse gas emissions (Scope 2)	Ton (Carbon Dioxide Equivalent)	68,831.52	62,335.44	18,973.58	43,431.89	62,405.47
Total greenhouse gas emissions (Scope 1 and Scope 2)	Ton (Carbon Dioxide Equivalent)	72,322.73	64,131.00	20,817.74	43,519.75	64,337.49
Greenhouse gas emission intensity	Ton/person	4.43	3.49			3.34
Greenhouse gas emission intensity	Ton/RMB1 million	1.26	0.89			0.80
Greenhouse gas emission intensity	Ton/10,000 m <sup>2</sup>	26.68	22.54			25.06
A1.3 & 1.4 Waste produced	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Total hazardous waste	Ton	14.60	88.68	11.94	7.72	19.67
Hazardous waste intensity	Ton/person	0.0009	0.005			0.001
Hazardous waste intensity	Ton/RMB1 million	0.0003	0.001			0.0002
Hazardous waste intensity	Ton/10,000 m <sup>2</sup>	0.0054	0.031			0.008
Total non-hazardous waste	Ton	44,987.53	109,174.90	132,288.83	540.48	132,829.31
Non-hazardous waste intensity	Ton/person	2.76	5.93			6.89
Non-hazardous waste intensity	Ton/RMB1 million	0.78	1.51			1.66
Non-hazardous waste intensity	Ton/10,000 m <sup>2</sup>	16.59	38.37			51.74
Fluorescent lamps containing mercury or energy-saving lamps	Ton	10.90	7.67	0.18	5.64	5.82
Waste cartridges and toner cartridges	Ton	1.75	2.19	0.81	0.88	1.69
Waste electrical and electronic equipment	Ton	1.95	17.92	11.31	1.20	12.51
Medical waste	Ton	/	60.90	/	/	/
Office paper	Ton	264.82	206.66	70.54	42.77	113.30
Construction and demolition waste	Ton	44,719.50	102,747.94	132,086.29	/	132,086.29
Waste furniture	Ton	3.21	32.58	13.23	5.32	18.55
Gardening waste	Ton	/	385.54	1.03	207.16	208.20
Total other non-hazardous waste	Ton	/	6,008.84	188.28	328.00	516.28

A1.5 & 1.6 Waste recovery	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Recycling of computers	Ton	370 sets	15.44	6.34	0.55	6.88
Recycling of metal construction waste	Ton	5,070.20	6,660.05	47,507.39	/	47,507.39
Earthwork recycling	Ton	1,147,746	1,697,480.90	814,826.35	/	814,826.35

#### A2. Use of Resources

A2.1 Energy consumption and intensity	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Gasoline	Litre	479,931.60	228,220.15	176,544.21	12,063.06	188,607.27
Gasoline intensity	Litre/person	29.41	12.40			9.78
Gasoline intensity	Litre/RMB1 million	8.36	3.15			2.35
Gasoline intensity	Litre/10,000 m <sup>2</sup>	177.03	80.22			73.47
Diesel oil	Litre	86,671.74	23,772.87	1,561.04	14,251.83	15,812.87
Diesel oil intensity	Litre/person	5.31	1.29			0.82
Diesel oil intensity	Litre/RMB1 million	1.51	0.33			0.20
Diesel oil intensity	Litre/10,000 m <sup>2</sup>	31.97	8.36			6.16
Canned LPG	Kg	34,554.00	30,742.45	7,204.50	7,596.00	14,800.50
Canned LPG intensity	Kg/person	2.12	1.67			0.77
Canned LPG intensity	Kg/RMB1 million	0.60	0.42			0.18
Canned LPG intensity	Kg/10,000 m <sup>2</sup>	12.75	10.81			5.77
Natural gas	m <sup>3</sup>	954,959.00	519,365.00	654,362.00	370.96	654,732.96
Natural gas intensity	m <sup>3</sup> /person	58.51	28.23			33.95
Natural gas intensity	m <sup>3</sup> /RMB1 million	16.64	7.17			8.16
Natural gas intensity	m <sup>3</sup> /10,000 m <sup>2</sup>	352.25	182.55			255.06
Pipeline gas	m <sup>3</sup>	2,325.00	4,558.00	11,930.00	0	11,930.00
Pipeline gas intensity	m <sup>3</sup> /person	0.14	0.25			0.62
Pipeline gas intensity	m <sup>3</sup> /RMB1 million	0.04	0.06			0.15
Pipeline gas intensity	m <sup>3</sup> /10,000 m <sup>2</sup>	0.86	1.60			4.65
Total electricity consumption	kWh	118,454,066.36	109,289,237.77	33,269,471.77	76,156,216.15	109,425,687.93
Total electricity consumption intensity	kWh/person	7,258.21	5,939.63			5,673.55
Total electricity consumption intensity	kWh/RMB1 million	2,064.42	1,509.19			1,364.04
Total electricity consumption intensity	kWh/10,000 m <sup>2</sup>	43,693.86	38,414.49			42,627.85

A2.2 Water consumption and intensity	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Total water consumption	m <sup>3</sup>	2,049,041.46	1,822,737.75	490,639.08	1,640,862.06	2,131,501.14
Water consumption intensity per RMB1 million	m <sup>3</sup> /RMB1 million	35.71	25.17			26.57
Water consumption intensity per person	m <sup>3</sup> /person	125.55	99.06			110.51
Water consumption intensity per 10,000 m <sup>2</sup>	m <sup>3</sup> /10,000 m <sup>2</sup>	755.82	640.68			830.35

## Notes:

- The annual key performance data for environment in 2023 are collected from the office areas of Yuexiu Property and the public areas of projects managed by the Group. For more details on the environmental and social data of Yuexiu Services, Please refer to the Yuexiu Services 2023 ESG Report.
- The greenhouse gas emissions disclosed in the Report only include the carbon dioxide emissions and do not include greenhouse gases such as methane and nitrous oxide emissions from other sources.
- Carbon dioxide emissions in Scope 1 include the greenhouse gas emissions generated in the combustion of fossil energy such as gasoline, diesel oil, natural gas, petroleum and pipeline gas; greenhouse gas emissions in Scope 1 are calculated by reference to the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Units (Enterprises) (for Trial Implementation) issued by the General Office of the National Development and Reform Commission and the Hong Kong Stock Exchange (HKEX)'s Reporting Guidance on Environmental KPIs.
- Carbon dioxide emissions in Scope 2 include the greenhouse gas emissions caused by indirect energy consumption such as outsourced electricity; greenhouse gas emissions in Scope 2 are calculated by reference to the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Units (Enterprises) (for Trial Implementation) issued by the General Office of the National Development and Reform Commission and the Hong Kong Stock Exchange (HKEX)'s Reporting Guidance on Environmental KPIs; electricity emission factors take reference to the Notice on the Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment.
- The dramatic decrease in the total weight of hazardous waste was due to a significant reduction in medical waste. Specifically, with the end of the COVID-19 pandemic, medical waste saw a dramatical decline as there were no medical waste generated in 2023. The slump in other non-hazardous waste was due to the reduction in the number of categories of other waste because of the refined classification after the establishment of the ESG management system by Yuexiu Property in 2023.
- The plunge in office paper consumption was by virtue of Yuexiu Property's gradual expansion of paperless office and operations with favorable results in 2023.
- The significant increase in the recycling of metal construction waste is attributed to the rise in the number of construction projects we commenced in 2023.
- Reasons for the significant change in energy consumption: With the phasing out of some large fuel-fired official vehicles of the Group, less diesel fuel was consumed; as canteens of the Group's affiliates used more environmentally friendly piped gas, the consumption of liquefied petroleum gas in tanks decreased and the consumption of piped gas increased.

## List of Social Performance Indicators

## B1. Employment

B1.1 Total workforce by gender, employee category, employment type, age group and geographical region	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Total number of employees	Person	16,320	18,400	5,544	13,743	19,287
Male	Person	9,689	11,593	3,606	8,161	11,767
Female	Person	6,631	6,807	1,938	5,582	7,520
Full-time	Person	16,289	18,148	5,544	13,743	19,287
Part-time	Person	31	252	0	0	0
Senior management	Person	163	203	85	61	146
Mid-level management	Person	1,123	1,322	663	556	1,219
Grass-roots employees	Person	15,034	16,875	4,796	13,126	17,922
18 - 29 years old	Person	4,868	5,347	1,323	3,531	4,854
30 - 49 years old	Person	9,065	10,693	3,961	7,085	11,046
50 years old or above	Person	2,387	2,360	260	3,127	3,387
Chinese Mainland	Person	15,726	17,769	5,492	13,086	18,578
Hong Kong, Macau and Taiwan	Person	592	623	51	654	705
Overseas	Person	2	8	1	3	4
B1.2 Employee turnover rate by gender, age group and geographical region	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Total employee turnover rate	%	37.50%	34.02%	18.15%	28.29%	25.64%
Male	%	35.84%	34.02%	17.24%	28.02%	25.03%
Female	%	39.92%	34.02%	19.78%	28.68%	26.58%
18 - 29 years old	%	51.30%	52.05%	24.36%	37.63%	34.49%
30 - 49 years old	%	30.85%	29.35%	16.36%	23.42%	21.03%
50 years old or above	%	34.61%	14.36%	9.72%	26.46%	25.40%
Chinese Mainland	%	37.19%	35.01%	18.23%	28.01%	25.37%
Hong Kong, Macau and Taiwan	%	45.70%	5.62%	8.93%	33.60%	32.28%
Overseas	%	0%	50.00%	0%	0%	0%

**B2. Health and Safety**

B2.1 Number and rate of work-related fatalities	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Number of work-related deaths	Person	1	1	0	1	1
Rate of work-related fatalities	%	0.01%	0.01%	0%	0.007%	0.005%

Note: This year, Yuexiu Services experienced one work-related fatality, caused by a traffic accident involving a third party while the employee was commuting to work.

B2.2 Lost days due to work injury	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Lost days due to work injury	Day	441	1,464	536	69	605

**B3. Development and Training**

B3.1 The percentage of employees trained by gender and employee category	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
All employees	%	100%	100%	100%	100%	100%
Male	%	54.46%	62.46%	65.04%	59.38%	61.01%
Female	%	45.54%	37.54%	34.96%	40.62%	38.99%
Senior management	%	2.48%	1.37%	1.53%	0.44%	0.76%
Mid-level management	%	9.19%	6.29%	11.96%	4.05%	6.32%
Grass roots	%	88.33%	92.34%	86.51%	95.51%	92.92%

B3.2 The average training hours completed per employee by gender and employee category	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
All employees	Hour	37.82	45.53	29.57	43.15	39.25
Male	Hour	41.73	45.80	25.66	43.57	38.09
Female	Hour	31.92	45.07	36.83	42.53	41.07
Senior management	Hour	104.03	25.63	14.93	55.34	31.40
Mid-level management	Hour	60.73	30.21	25.21	25.53	25.36
Grass roots	Hour	35.40	46.97	30.43	43.85	40.26

**B5. Supply Chain Management**

B5.1 Number of suppliers by geographical region	Unit	2021	2022	2023	
				Yuexiu Property	Yuexiu Services
Total	Supplier	26,850	18,196	21,529	
Southern China	Supplier	15,574	8,248	9,061	
Western China	Supplier	1,300	1,534	1,588	
				South western China	
Eastern China	Supplier	2,761	2,494	6,160	
Central China	Supplier	3,333	3,154	2,795	
North China	Supplier	353	/	/	
North	Supplier	2,969	2,766	1,896	
				Northeast China	
Hong Kong, Macau, Taiwan and overseas	Supplier	560	/	29	

**B6. Product Responsibility**

B6.2 Number of products and service related complaints received	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Total number of products and service related complaints	Case	33,195	64,187	14,467	28,706	43,173

**B7. Anti-corruption**

B7.1 Number of legal cases regarding corrupt practices	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Number of filed or concluded legal cases regarding corrupt practices	Case	0	0	0	0	0

B7.3 Description of anti-corruption training provided to directors and employees	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Number of directors and employees attending anti-corruption training	Person	16,085	16,042	5,555	10,083	15,638
Number of hours of directors and employees attending training	Hour	/	30,052	19,861	25,945	45,806

**B8. Community Investment**

B8.2 Resources contributed to the focus area	Unit	2021	2022	2023		
				Yuexiu Property	Yuexiu Services	Total
Employees' participation in public welfare/voluntary events	Person	4,238	7,647	3,104	899	4,003
Total contribution actually paid up in public welfare	RMB10,000	/	1,696.09	20,834	2,685	23,519

## INDEPENDENT ASSURANCE REPORT



### VERIFICATION STATEMENT

#### Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been commissioned by Yuexiu Property Company Limited (“Yuexiu Property”) to undertake an independent verification for its 2023 Environmental, Social and Governance Report (“the Report”). The scope of this verification covers the sustainability information and data of Yuexiu Property from the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

The aim of this verification is to provide a limited assurance on the adherence of reliability, completeness and accuracy of the information and data stated in the Report. The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in the Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”), and with reference to the Global Reporting Initiative (“GRI”) Universal Standards 2021 (“GRI Universal Standards 2021”) for selected GRI Standards. The Report includes disclosures that have been prepared with reference to SASB’s Real Estate Industry Standard and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) which are integrating into the International Sustainability Standards Board (“ISSB”) IFRS S2 Climate-related Disclosures (“IFRS S2”).

#### Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a limited level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set in the ESG Reporting Guide and GRI Universal Standards 2021 (Selected GRI Standards).

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and results and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

#### Independence

Yuexiu Property is responsible for the collection and preparation of the information presented. HKQAA is not involved in the collection and calculation of data or the compilation of the reporting contents where HKQAA’s verification activities were entirely independent from Yuexiu Property. There is no relationship between HKQAA and Yuexiu Property that would affect the independence of HKQAA for providing the verification service.

#### Conclusion

Based on the verification procedures performed and evidence obtained, nothing has come to HKQAA’s attention that causes us to believe that the information and data stated in the Report :

- are not materially correct; and
- have not been prepared, in all material aspects, in accordance with the GRI Standards 2021 and the ESG Reporting Guide, and with reference to SASB’s Real Estate Industry Standards and the recommendations of the TCFD.

In conclusion, the verification team did not aware that the disclosures are not reliable, complete and accurate.

#### Signed on behalf of Hong Kong Quality Assurance Agency

**Connie Sham**  
Head of Audit  
April 2024

## INDEXES OF ESG REPORTING GUIDE OF HONG KONG STOCK EXCHANGE (HKEX)

Issues	Guide Requirements	Disclosure Section	
<b>A. Environment</b>			
<b>A1: Emissions</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment and Product Life Cycle	
	KPI A1.1	The types of emissions and respective emissions data.	Appendix: List of ESG Performance
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: List of ESG Performance
	KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: List of ESG Performance
	KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: List of ESG Performance
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Sustainable Development Priorities Towards 2030 Building Green Cycle
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainable Development Priorities Towards 2030 Building Green Cycle

Issues	Guide Requirements	Disclosure Section
<b>A. Environment</b>		
<b>A2: Use of Resources</b>	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Environment and Product Life Cycle
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix: List of ESG Performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix: List of ESG Performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainable Development Priorities Towards 2030 Building Green Cycle
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Sustainable Development Priorities Towards 2030 Building Green Cycle
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Products covered by the Group's main businesses require no packing materials, so this KPI is not applicable	

Issues	Guide Requirements	Disclosure Section
<b>A. Environmental</b>		
<b>A3: The Environment and Natural Resources</b>	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Product Life Cycle
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building Green Cycle
<b>A4: Climate Change</b>	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment and Product Life Cycle
	KPI A4.1 Description of the significant climate-related issues that have impacted and are likely to impact the Issuer, and the actions taken to manage them.	Climate-related Risks and Opportunities
<b>B. Social</b>		
<b>B1: Employment</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Capital
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Appendix: List of ESG Performance
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix: List of ESG Performance

Issues	Guide Requirements	Disclosure Section
<b>B. Social</b>		
<b>B2: Health and Safety</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Human Capital
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.
	KPI B2.2	Lost days due to work injury.
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.
<b>B3: Development and Training</b>	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Human Capital
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
	KPI B3.2	The average training hours completed per employee by gender and employee category.
<b>B4: Labour Standards</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Human Capital
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.

Issues	Guide Requirements	Disclosure Section
<b>B. Social</b>		
<b>B5: Supply Chain Management</b>	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Social Relations and Harmony
	KPI B5.1	Number of suppliers by geographical region.
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
<b>B6: Product Responsibility</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social Relations and Harmony
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.
	KPI B6.4	Description of quality assurance process and recall procedures.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.

Issues	Guide Requirements	Disclosure Section
<b>B. Social</b>		
<b>B7: Anti-corruption</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Organisation and Innovation
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.
	KPI B7.3	Description of anti-corruption training provided to directors and employees.
<b>B8: Community Investment</b>	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Relations and Harmony
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.

## GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES INDICATOR INDEX

No.	Indicator	Disclosure Section
<b>General Standard Disclosures</b>		
<b>The Organization and Its Reporting Practices</b>		
2-1	Organizational details	Yuexiu Property Profile
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	About the Report
2-5	External assurance	Independent Assurance Report
<b>Activities and Workers</b>		
2-6	Activities, value chain and other business relationships	Yuexiu Property Profile
2-7	Employees	Talent Development
2-8	Workers who are not employees	Supply Chain Management
<b>Governance</b>		
2-9	Governance structure and composition	Sustainable Development Philosophy
2-10	Nomination and selection of the highest governance body	Sustainable Development Philosophy
2-11	Chair of the highest governance body	Sustainable Development Philosophy
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Philosophy
2-13	Delegation of responsibility for managing impacts	Sustainable Development Philosophy
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Philosophy
2-15	Conflicts of interest	Fraud, Bribery, and Corruption Risk Management
2-16	Communication of critical concerns	Materiality Issues and Stakeholder Engagement
2-17	Collective knowledge of the highest governance body	Statement of the Board
2-18	Evaluation of the performance of the highest governance body	Statement of the Board

No.	Indicator	Disclosure Section
<b>Governance</b>		
2-19	Remuneration policies	/
2-20	Process to determine remuneration	/
2-21	Annual total compensation ratio	/
<b>Strategies, Policies and Practices</b>		
2-22	Statement on sustainable development strategy	Sustainable Development Strategy
2-23	Policy commitments	Sustainable Development Philosophy
2-24	Embedding policy commitments	Sustainable Development Philosophy
2-25	Processes to remedy negative impacts	Business Crisis Management
2-26	Mechanisms for seeking advice and raising concerns	Materiality Issues and Stakeholder Engagement
2-27	Compliance with laws and regulations	Environment and Product Life Cycle Human Capital Social Relations and Harmony Organisation and Innovation Financial Capital
2-28	Membership associations	Green Assets
<b>Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	Materiality Issues and Stakeholder Engagement
2-30	Collective bargaining agreements	Human Rights
<b>Material Topics</b>		
3-1	Process to determine material topics	Materiality Issues and Stakeholder Engagement
3-2	List of material topics	Materiality Issues and Stakeholder Engagement
3-3	Management of material topics	Materiality Issues and Stakeholder Engagement
<b>Economic Topics</b>		
201-1	Direct economic value generated and distributed	Operational Status
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Risks and Opportunities
201-3	Defined benefit plan obligations and other retirement plans	Human Rights
201-4	Financial assistance received from government	/
<b>Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	Positive Impact on Society
203-2	Significant indirect economic impacts	Positive Impact on Society

No.	Indicator	Disclosure Section
<b>Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	/
<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	Corporate Governance
205-2	Communication and training about anti corruption policies and procedures	Corporate Governance Appendix: List of ESG Performance
205-3	Confirmed incidents of corruption and actions taken	During the reporting period, the Group have not involved in any litigations relating to corruption, money laundering, unfair competition or monopoly
<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance
<b>Materials</b>		
301-1	Materials used by weight or volume	Appendix: List of ESG Performance
301-2	Recycled input materials used	Building Green Cycle
301-3	Reclaimed products and their packaging materials	Products covered by the Group's main businesses require no packing materials
<b>Energy</b>		
302-1	Energy consumption within the organization	Appendix: List of ESG Performance
302-2	Energy consumption outside the organization	Appendix: List of ESG Performance
302-3	Energy intensity	Appendix: List of ESG Performance
302-4	Reduction of energy consumption	Building Green Cycle Green Assets Appendix: List of ESG Performance
302-5	Reductions in energy requirements of products and services	Building Green Cycle Green Assets Appendix: List of ESG Performance

No.	Indicator	Disclosure Section
<b>Water and Effluents</b>		
303-1	Interactions with water as a shared resource	Building Green Cycle
303-2	Management of water discharge-related impacts	Sustainable Development Priorities Towards 2030 Building Green Cycle
303-3	Water withdrawal	Appendix: List of ESG Performance
303-4	Water discharge	/
303-5	Water consumption	Appendix: List of ESG Performance
<b>Biodiversity</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Building Green Cycle
304-2	Significant impacts of activities, products and services on biodiversity	Building Green Cycle
304-3	Habitats protected or restored	Building Green Cycle
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Applicable
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Appendix: List of ESG Performance
305-2	Energy indirect (Scope 2) GHG emissions	Appendix: List of ESG Performance
305-3	Other indirect (Scope 3) GHG emissions	Appendix: List of ESG Performance
305-4	GHG emissions intensity	Appendix: List of ESG Performance
305-5	Reduction of GHG emissions	Appendix: List of ESG Performance
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix: List of ESG Performance

No.	Indicator	Disclosure Section
<b>Effluents and Waste</b>		
306-3	Significant spills	No relevant issues occurred during the Reporting Period
<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
<b>Employment</b>		
401-1	New employee hires and employee turnover rates	Appendix: List of ESG Performance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Rights Talent Development
401-3	Parental leave	Human Rights
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Occupational Health and Safety Management System
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management System
403-3	Occupational health services	Occupational Health and Safety Management System
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management System
403-5	Worker training on occupational health and safety	Occupational Health and Safety Management System
403-6	Promotion of worker health	Occupational Health and Safety Management System
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management System
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management System
403-9	Work-related injuries	Appendix: List of ESG Performance
403-10	Work-related ill health	Occupational Health and Safety Management System

No.	Indicator	Disclosure Section
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	Appendix: List of ESG Performance
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development
404-3	Percentage of employees receiving regular performance and career development reviews	/
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Corporate Governance Appendix: List of ESG Performance
405-2	Ratio of basic salary and remuneration of women to men	/
<b>Anti-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	Human Rights
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
<b>Security Practices</b>		
410-1	Security personnel trained in human rights policies or procedures	/
<b>Local communities</b>		
413-1	Operations with local communities engagement, impact assessments, and development programs	Innovative Community Space
413-2	Operations with significant actual and potential negative impacts on local communities	/

No.	Indicator	Disclosure Section
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
<b>Public Policy</b>		
415-1	Political contributions	/
<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Customer Satisfaction
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	/
<b>Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	Customer Satisfaction
417-2	Incidents of non-compliance concerning product and service information and labeling	/
417-3	Incidents of non-compliance concerning marketing communication	/
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy or losses of customer data	No relevant issues occurred during the Reporting Period

## INDEX TO SASB INDICATORS

Theme	Indicator	Code	Disclosure Section
<b>Energy management</b>	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1	/
	(1) Total energy consumption of the portfolio with data coverage, (2) percentage of purchased grid electricity to the total energy consumption; (3) percentage of renewable energy consumed to the total energy consumption, by property sector	IF-RE-130a.2	Appendix: List of ESG Performance
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	IF-RE-130a.3	/
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	IF-RE-130a.4	/
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Building Green Cycle
<b>Water Management</b>	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.1	/
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.2	Appendix: List of ESG Performance
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	IF-RE-140a.3	Appendix: List of ESG Performance
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Building Green Cycle
<b>Management of Tenant Sustainability Impacts</b>	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property sector	IF-RE-410a.1	Green Assets
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	IF-RE-410a.2	/
	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	IF-RE-410a.3	Green Assets
<b>Climate Change Adaptation</b>	Area of properties located in 100-year flood zones, by property sector	IF-RE-450a.1	/
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Climate-related Risks and Opportunities

## INDEX OF REFERENCE INDICATORS OF THE ESG SPECIAL REPORT FOR LISTED COMPANIES CONTROLLED BY CENTRAL ENTERPRISES

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section
<b>E.1 Consumption of Resources</b>	E.1.1 Water resources	E.1.1.1 Fresh water consumption	Appendix: List of ESG Performance
		E.1.1.2 Circulating water consumption	/
		E.1.1.3 Percentage of circulating water consumption	/
		E.1.1.4 Intensity of water consumption	Appendix: List of ESG Performance
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	/
		E.1.2.2 Consumption of toxic and hazardous materials	Appendix: List of ESG Performance
		E.1.2.3 Intensity of material consumption	Appendix: List of ESG Performance
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	Appendix: List of ESG Performance
		E.1.3.2 Non-fossil energy consumption	Appendix: List of ESG Performance
		E.1.3.3 Percentage of non-fossil energy consumption	Appendix: List of ESG Performance
		E.1.3.4 Total energy consumption	Appendix: List of ESG Performance
		E.1.3.5 Intensity of energy consumption	Appendix: List of ESG Performance
	E.1.4 Packaging materials	E.1.4.1 Packaging material consumption	/
		E.1.4.2 Light-weighting and reduction of packaging materials	/

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section	
<b>E.2 Pollution Prevention and Control</b>	E.2.1 Wastewater	E.2.1.1 Compliance with wastewater discharge standards	/	
		E.2.1.2 Measures for wastewater management and discharge reduction	Building Green Cycle	
		E.2.1.3 Wastewater discharge	/	
		E.2.1.4 Wastewater pollutant discharge volume	/	
		E.2.1.5 Concentration of wastewater pollutant discharge	/	
	E.2.2 Exhaust gas	E.2.2.1 Compliance with exhaust gas emission standards	/	
		E.2.2.2 Volume of exhaust gas pollutant emissions	/	
		E.2.2.3 Concentration of exhaust gas pollutant emissions	/	
	E.2.3 Solid waste	E.2.3.1 Compliance with solid waste disposal laws and regulations	Building Green Cycle	
		E.2.3.2 Management of general industrial solid waste	Building Green Cycle	
		E.2.3.3 Volume of general industrial solid waste disposed	Building Green Cycle	
		E.2.3.4 Hazardous waste management	Building Green Cycle	
		E.2.3.5 Volume of hazardous waste disposed	Building Green Cycle	
	<b>E.3 Climate Change</b>	E.3.1 Greenhouse gas emissions	E.3.1.1 Source and type of greenhouse gas	Building Green Cycle
			E.3.1.2 Management of greenhouse gas emissions	Building Green Cycle
E.3.1.3 Scope 1 emissions			Appendix: List of ESG Performance	
E.3.1.4 Scope 2 emissions			Appendix: List of ESG Performance	
E.3.1.5 Scope 3 emissions			Appendix: List of ESG Performance	
E.3.1.6 Intensity of greenhouse gas emissions			Appendix: List of ESG Performance	
E.3.2 Management of emission reduction		E.3.2.1 Management of greenhouse gas emission reduction	Carbon Emission Reduction	
		E.3.2.2 Volume of greenhouse gas emission reduction	Carbon Emission Reduction	
E.3.3 Environmental equity trading		E.3.3.1 Participation in the carbon emissions trading market	/	
		E.3.3.2 Participation in energy, water and sewage trading markets	/	
		E.3.3.3 Participation in green power trading	Carbon Emission Reduction	
E.3.4 Climate risk management		E.3.4.1 Climate risk management	Climate-related Risks and Opportunities	

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section
<b>E.4 Biodiversity</b>	E.4.1 Impacts of production, services and products on biodiversity	E.4.1.1 Impacts of production, services and products on biodiversity	Environment and Product Life Cycle
<b>E.5 Policies and Measures for Resource and Environmental Management</b>	E.5.1 Development of low-carbon development objectives and strategic measures	E.5.1.1 Development of low-carbon development objectives and strategic measures	Sustainable Development Priorities Towards 2030 Our Carbon Reduction Blueprint
		E.5.2 Resource management measures	E.5.2.1 Water use management Building Green Cycle
		E.5.2.2 Material use management	Building Green Cycle
		E.5.2.3 Energy use and energy saving management	Building Green Cycle
	E.5.3 Energy-saving and carbon reduction statistics and monitoring and the assessment reward and punishment system	E.5.3.1 Report on energy saving and carbon reduction monitoring and statistics, and assessment system	Building Green Cycle
		E.5.4 Green actions and measures	E.5.4.1 Clean production Building Green Cycle
			E.5.4.2 Green technology transformation and recycling Building Green Cycle
			E.5.4.3 Green construction renovation Green Assets
			E.5.4.4 Green office and operations Building Green Cycle
			E.5.4.5 Green procurement and green supply chain management Supply Chain Management Green Assets
		E.5.4.6 Public welfare activities of environmental protection	Green Assets
	E.5.5 Green low-carbon certification	E.5.5.1 Environmental management system certification	Overall Planning Objectives and Performance for the Sustainable Development of Environment and Product Life Cycle 2030
		E.5.5.2 Green low-carbon enterprise certification	Green Assets
		E.5.5.3 Certification of green and low-carbon products and services	Green Assets
E.5.6 Legal compliance in the environmental field	E.5.6.1 Emergency response plan for environmental emergencies	Climate-related Risks and Opportunities	
	E.5.6.2 Incidents of violations in the environmental field	No relevant issues occurred during the Reporting Period	

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section	
<b>S1 Employee Rights and Interests</b>	S1.1 Employee recruitment and employment	S1.1.1 Recruitment policies and implementation by enterprises	Human Rights	
		S1.1.2 Employee structure	Appendix: List of ESG Performance	
		S1.1.3 Avoid child or forced labor	Human Rights	
	S1.2 Employee remuneration and benefits	S1.2.1 Remuneration philosophy and policy	Human Rights	
		S1.2.2 Work hours, rest and vacation	Human Rights	
		S1.2.3 Guarantee of remuneration and benefits	Human Rights	
		S1.2.4 Democratic management of employees	Talent Development	
	S1.3 Employee health and safety	S1.3.1 Employee OHS management		Occupational Health and Safety Management System
			S1.3.2 Employee safety risk prevention and control	Occupational Health and Safety Management System
		S1.3.3 Response to safety incidents and work-related injuries		Occupational Health and Safety Management System
			S1.3.4 Employee care and support	Human Rights
	S1.4 Employee development and training	S1.4.1 Employee incentive and promotion policy	Talent Development	
		S1.4.2 Employee education and training	Talent Development	
		S1.4.3 Employee career planning and position change support	Talent Development	
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction survey	/	
S1.5.2 Labor disputes		No relevant issues occurred during the Reporting Period		
S1.5.3 Employee mobility		Appendix: List of ESG Performance		

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section	
<b>S2 Product and Service Management</b>	S2.1 Product safety and quality	S2.1.1 Policies and measures for standardized production management	Customer Satisfaction	
		S2.1.2 Quality management	Customer Satisfaction	
		S2.1.3 Product recall and withdrawal	Products covered by the Group's main businesses require no recall or withdrawal procedures	
		S2.1.4 Negative product or service events	/	
	S2.2 Customer service and rights and interests	S2.2.1 Customer satisfaction	Customer Satisfaction	
		S2.2.2 Customer complaints and response to the complaints	Customer Satisfaction	
		S2.2.3 Customer information and privacy protection	Customer Satisfaction	
	S2.3 Innovative development	S2.3.1 R&D and innovation management system		Digital Transformation and Data Security
			S2.3.2 R&D investment	Digital Transformation and Data Security
		S2.3.3 Innovative results		Digital Transformation and Data Security
			S2.3.4 Intellectual property protection	Digital Transformation and Data Security
	<b>S3 Supply chain security and management</b>	S3.1 Supplier management	S3.1.1 Supplier selection and management	Supply Chain Management
S3.1.2 Number and distribution of suppliers			Appendix: List of ESG Performance	
S3.2 Supply chain process management		S3.2.1 Policies and measures for supply chain management	Supply Chain Management	
		S3.2.2 Supply chain security assurance and contingency plans	Supply Chain Management Corporate Governance	
		S3.2.3 Material risks and impacts (supply chain)	Supply Chain Management	

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section
<b>S4 Social Contribution</b>	S4.1 Tax payment	S4.1.1 Tax payment	/
	S4.2 Community co-building	S4.2.1 Policies and measures for participation in local communities development	Positive Impact on Society
		S4.2.2 Contribution and impact on the local communities	Positive Impact on Society
	S4.3 Public welfare activities	S4.3.1 Policies and measures for participation in public welfare activities	Positive Impact on Society
		S4.3.2 Investment and effectiveness of participation in public welfare activities	Appendix: List of ESG Performance Positive Impact on Society
		S4.3.3 Barrier-free environment building	Positive Impact on Society
	S4.4. Response to national strategies	S4.4.1 Industry transformation	Green Assets Positive Impact on Society
		S4.4.2 Rural revitalization and coordinated regional development	Positive Impact on Society
		S4.4.3 Belt and Road Initiative and overseas responsibility performance	/
		S4.4.4 Industry characteristics and performance of other social responsibilities	Green Assets Positive Impact on Society
<b>G1 Governance strategy and organizational structure</b>	G1.1 Governance strategy and procedure	G1.1.1 Governance strategy development	Sustainable Development Philosophy Corporate Governance
		G1.1.2 Governance strategy supervision procedures	Sustainable Development Philosophy Corporate Governance
		G1.1.3 Approval and review procedure for governance strategy	Sustainable Development Philosophy Corporate Governance
		G1.1.4. Leadership of Party building	/
	G1.2 Organizational structure and functions	G1.2.1 Ownership responsibilities	Sustainable Development Philosophy Corporate Governance
		G1.2.2 Organizational structure and functions of the board of directors, board of supervisors, and management	Sustainable Development Philosophy Corporate Governance
		G1.2.3 Appointment procedure and composition of the board of directors, board of supervisors, and management	Corporate Governance
	G1.3 Remuneration management	G1.3.1 Remuneration plan for directors and supervisors	/
		G1.3.2 Transparency of board remuneration	/
		G1.3.3 Rationality of management remuneration	/

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure Section
<b>G2 Standardized Governance</b>	G2.1 Internal control	G2.1.1 Internal audit	Corporate Governance
		G2.1.2 Internal control structure, mechanism, and procedure	Corporate Governance
	G2.2 Integrity construction	G2.2.1 Policies and regulations on integrity construction	Corporate Governance
		G2.2.2 Effectiveness of integrity construction measures	Corporate Governance
	G2.3 Fair competition	G2.3.1 Policies and regulations on fair competition	Corporate Governance
		G2.3.2 Effectiveness of fair competition measures	Corporate Governance
<b>G3 Investor Relations Management and Shareholder Equity</b>	G3.1 Investor relations management	G3.1.1 Investor relations management strategy	Corporate Governance
		G3.1.2 Investor communication	Materiality Issues and Stakeholder Engagement
		G3.1.3 Establishment of investor relations management department	Materiality Issues and Stakeholder Engagement
	G3.2. Shareholders' equity	G3.2.1 Shareholders' (General) meeting	Corporate Governance
		G3.2.2 Shareholder communication	Corporate Governance
		G3.2.3 Shareholders' right to information and participation in decision-making	Corporate Governance
	G3.3. Creditors' equity	G3.3.1 Credit standing	/
		G3.3.2 Bond market performance	/
	<b>G4 Transparency of Information Disclosure</b>	G4.1 Disclosure policy	G4.1.1 Financial disclosure
G4.1.2 Non-financial disclosure			Appendix: List of ESG Performance
G4.2 Quality of information disclosure	G4.2.1 Regular monitoring, audit, and assessment of all disclosed information		Corporate Governance
	<b>G5 Compliant Operations and Risk Management</b>	G5.1 Compliant operations	G5.1.1 Compliant operations policy
G5.1.2 Compliance system development			Corporate Governance
G5.1.3. Specific procedures for compliance review			Corporate Governance
G5.2 Risk management	G5.2.1 Risk identification and early warning	Corporate Governance	
	G5.2.2 Risk control and tracking	Corporate Governance	
	G5.2.3 Risk reporting and management	Corporate Governance	

## FEEDBACK FORM

Dear reader:

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### Yuexiu Property Company Limited 2023 ESG Report Feedback Form

**Name:** \_\_\_\_\_

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

Questions	Excellent	Good	Ordinary	Poor	Very Poor
Do you think this Report highlights the important information of the Group in respect to the environment, society and governance?	<input type="checkbox"/>				
Do you think the information and indicators disclosed in this Report are clear, accurate and complete?	<input type="checkbox"/>				
Do you think the organization of content and style design of this Report are reader-friendly?	<input type="checkbox"/>				

Which part are you most interested in?

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

\_\_\_\_\_

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

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