

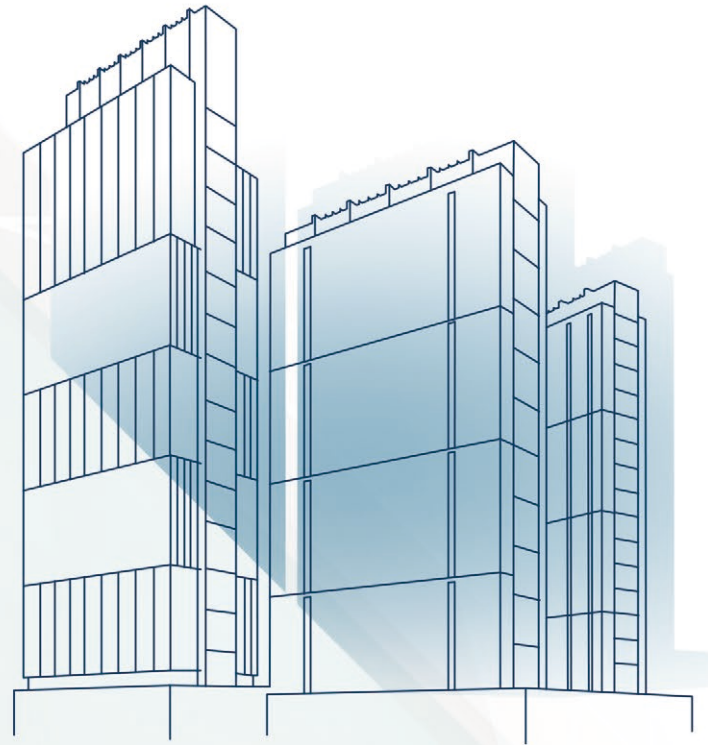


SHANGHAI ZENDAI
上海証大房地產有限公司

SHANGHAI ZENDAI PROPERTY LIMITED

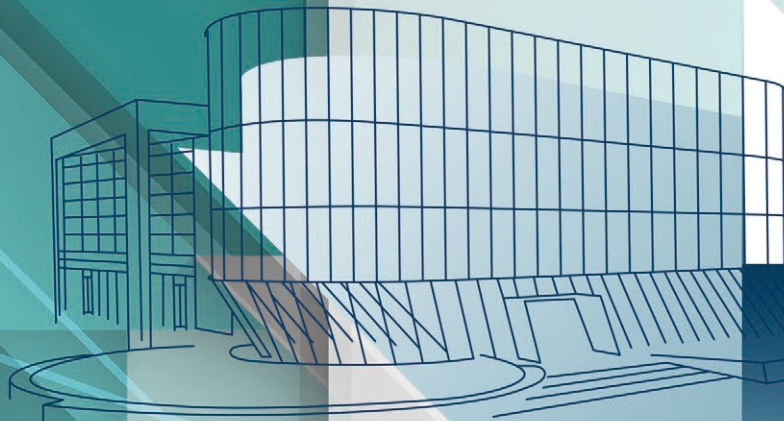
(incorporated in Bermuda with limited liability)

Stock Code : 00755



**Environmental, Social and
Governance Report**

2021





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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. FOREWORD

In 2021, with “Peak Carbon Dioxide Emissions, and Carbon Neutrality” (“Dual Carbon Goals”) being officially written into the government work report and included in the “14th Five-Year Plan”, accelerating the green and low-carbon development and green building is not only a market trend, but also a national strategy. Especially, green bonds have also become a new financing method for property enterprises against the regulation characterised by “houses are for living in, not for speculating with”, bringing a green development trend to the real estate industry. The property industry has always been a carbon-intensive industry as high carbon emissions can be found from the upstream to the downstream. Therefore, in recent years, given their great importance to the development of low-carbon and green buildings, both the central and local governments have issued many policies and guidelines, including “Key Tasks of New Urbanization Construction and Urban-Rural Integration Development for 2020” and “Implementation Opinions on Accelerating the Development of China’s Green Buildings”. The “Action Plan for the Creation of Green Buildings” clarified that by 2022, the proportion of green building area in new urban buildings will reach 70%, accelerating carbon reduction in the real estate industry. In addition, since the outbreak of COVID-19 (“COVID-19”), the public’s urgent demand for residential upgrading has also become the conjunction for the government to effectively promote green housing and high-quality living environment.

Therefore, Shanghai Zendai Property Limited (the “Company”), as a famous enterprise in the real estate industry in the People’s Republic of China, believes that the real estate industry should actively embrace changes and master the effective transformation to green and low carbon in the post-development era. The Company upholds the “craftsman’s spirit” of “Never forget why you started, and your mission can be accomplished” and unswervingly implements the principles for sustainable business transformation and development policy, commits itself to high quality and drives its rapid, healthy and sustainable development by comprehensive innovation. The Company and its subsidiaries (collectively the “Group”) are committed to making the craftsman spirit an important part of the Company’s corporate culture of “Proof (証明), Demonstration (實証), Evidence (親証), Natural Law (大道), Great Harmony (大同), Great Beauty (大美) and Greater Good (大我) (collectively the “Three Evidences and Four Greatnesses (三証四大)”)” through systematic management, controllable improvement and quantifiable presentation in order to develop its long-term competitiveness in the future market. The Group mainly focuses on developing residential and commercial properties in Shanghai and its surrounding cities. After nearly 30 years of rapid development, the Group has developed a domestic business presence with Shanghai as the centre and the Yangtze River Delta as the core sector, radiating nationwide by relying on its complete construction, operation and management capabilities and the independent teams responsible for planning and development, investment promotion programming, property management. With the development and operation for multiple types of properties including residential, office buildings and complexes, the Group has developed a product series with the core brands of Himalayas Center, Thumb Plaza and Mandarin Palace, and has created more than 40 industry classics including Shanghai Himalayas Center, Shanghai Mandarin Palace, Nanjing Himalayas Center, Nanjing Thumb Plaza and Nanjing Mandarin Palace. The “Three Evidences and Four Greatnesses” is not only the specific cultural meaning of the Group’s name, but also the corporate spirit and mission that it adheres to. With the “Three Evidences and Four Greatnesses” as the cornerstone and soul of our corporate culture, the Group constantly pursues the integration of corporate development with social progress and ecological environment. The Group will always adhere to “building” and “operation” as two major brand strategy pillars, and strive to provide the cities with a beautiful living space and high-quality commercial operation services.

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Three Evidences

PROOF,
DEMONSTRATION AND
EVIDENCE

Four Greatnesses

NATURAL LAW,
GREAT HARMONY,
GREAT BEAUTY AND
GREATER GOOD

It has been the development philosophy that the Group has adhered to since its establishment to take into account social and environmental benefits when developing businesses. By combining the environmental, social and governance (“ESG”) management model with its strategic development and operation, the Group strives to promote the sustainable development of itself, value chain partners and the industry. The Group, as a practitioner and pioneer of art real estate in China, will constantly monitor, review and improve its ESG management and policy implementation and stick to its commitment to environmental protection and social contribution to optimize its governance system. With the vision of green property enterprise, the Group hopes to become the pioneer on the path towards a green property enterprise, spread and apply ESG management concept in the future through exchange and sharing mode, and respond to the Dual Carbon Goals of China to achieve sustainable development of the real estate industry.

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II. ABOUT THIS REPORT

The Group strictly complies with the requirements of Environmental, Social, Governance Reporting Guide, Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange, and is pleased to present the ESG report (the “ESG Report”) for the twelve months ended 31 December 2021 (“FY 2021”) to elaborate the Group’s principles and performance related to ESG management and sustainable development for FY 2021. Information disclosed in the ESG Report is collected and summarised through multiple channels, which includes the Group’s policy documents and data, feedback from the Group’s implementation of ESG practices, the stakeholder survey and relevant information on the Group’s sustainable development practices collected from online questionnaires. At the end of the ESG Report, an index is provided to facilitate readers checking its completeness. The report is prepared in Chinese and English and the electronic version of which is published on and can be downloaded from the websites of HKEXnews (website: www.hkexnews.hk) and the Group (website: <http://www.zendaiproperty.com/>).

Reporting Scope

An effective and reasonable reporting scope based on the principle of materiality can help stakeholders further understand the effectiveness of ESG related policies and assist the Group to effectively identify the major business activities it has conducted in the year under review and the operation risks and opportunities it is subject to. The ESG report uses operation control method to define the scope of information disclosure. The disclosure covers the main business of the Group, namely the Group’s property development business, property operation business, hotel operations in the PRC and ordinary operations of the office located in Hong Kong.

Reporting Period

This report reflects the current facts and circumstances of the Group for the financial year ended 31 December 2021. We are not obligated to consider subsequent events and therefore will not update this report as a result of changes in subsequent events or status.

Reporting Principles

Following the latest guidance of the Stock Exchange, the ESG Report identifies, prepares and presents the information to be disclosed and the disclosure method under four principles of “materiality”, “quantification”, “balance” and “consistency”, which are the bases for the preparation of the Report.

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Materiality

The Group knows very well that the principle of materiality is critical to the effectiveness of ESG management and information disclosure and can help the Group reasonably allocate limited resources and improve the efficiency of problem solving. Therefore, the Group attaches great importance to the analysis of importance of disclosure and ESG management process, and carries out materiality assessment of ESG every year. By combining the results of stakeholder survey with the identification and analysis of the economic, social and environmental impact of its business within the Group, the results are listed as the sustainability issues that are vital to the Group for more targeted deployment and management in the future. Please refer to the “Materiality Assessment” section for more details.

Quantification

The ESG report applies the principle of “quantification” in various aspects, including the calculation and disclosure of key performance indicators in the environmental and social areas. The corresponding data calculation tools, methods and sources of conversion coefficients have also been marked under each quantification table.

Balance

When disclosing the ESG performance, the Group follows the principle of balance to ensure that it delivers authentic and effective ESG information to stakeholders. Guided by this principle, the Group identifies, analyzes and effectively discloses the ESG-related risks and opportunities it faces, with a view to providing its stakeholders with complete ESG performance information of the Group. At the same time, the Group objectively evaluates and analyzes the accomplishment progress of its goals and the implementation effectiveness of ESG policies in order to truly reflect the Group’s sustainable development performance in FY 2021 to readers, and is also of forward-looking referential significance for the improvement and development of the Group.

Consistency

In order to promote the practicability and comparability of the data in the ESG report, and to provide reference value for its stakeholders, the ESG taskforce and external consultants of the Group adopted the same scope setting principles, data collection process, data calculation method and reporting framework as those for the previous disclosures based on the analysis of the business development in the year to prepare the ESG report. For policy implementation and disclosure priorities with major changes, the Group has also made a full description and explanation, striving to provide its stakeholders with valuable ESG information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

III. SUSTAINABILITY MANAGEMENT STRATEGY

With the development strategy of “focus on core cities and strengthen operation capabilities”, the Group is committed to continuously creating financials for shareholders, while abiding by its commitment to society and the environment, promoting high-quality urbanization and improving people’s quality of life and lifestyle. In its sustainable development management methods and strategies, the Group is oriented towards value creation for a long time, continues to optimize its governance structure, streamline processes, and assign responsibilities to specific personnel, to build a diversified and efficient management team and unswervingly improve its comprehensive competitiveness.

The Group well understands that the long-term sustainable development of the Group is based on sound corporate governance strategies and policies. Therefore, under the leadership of the board of directors (“the Board”) of the Group, the Group has always regarded the ESG element as an important consideration in the decision-making process. In response to the evolving requirements of corporate governance laws and regulations and listing rules, the Group has continuously improved its governance structure for sustainable development, continuously enhanced its corporate governance level, and placed emphasis on clarifying its responsibilities and obligations in the formulation of corporate development guidance, policy implementation and ESG management.

As the top leadership, the Board is responsible for guiding the overall strategy and development direction of the Group as a whole, including sustainable development strategy. Assuming the responsibility of leading and monitoring the Group’s strategic development, the Board will also supervise, through the management responsible for execution, the implementation of the Group’s sustainable development strategy, update the Group’s sustainable development strategy and road map, review and evaluate the ESG related risks and opportunities faced by the Group and the industrial chain, monitor the performance and progress towards goals of sustainability development, and review the opinions of stakeholders.

In addition, the Group also maintains cooperation with external experts to further support and strengthen its sustainable development work and its sensitivity to the trend of industry best practices.

Board

- Review and understand the actual and potential impacts of the Group on the environment and society;
- Supervise the implementation of the Group’s ESG management strategies and policies, and make informed decisions on business development based on ESG and climate-related factors;
- Promote the dissemination of the Group’s culture from top to bottom to ensure that ESG management model and concept become an important part in the business development and decision-making process.

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Management

- Supervise the implementation of ESG policies during the operation of the Group's assets in the three major segments of property development, commercial properties and hotels operation services and property management services at the operation level;
- Track and report to the Board the progress of achieving ESG goals and the risk management process through internal meetings of the Group;
- Provide support to front-line employees and operation teams to ensure the effectiveness of policy implementation.

Business Department

- Learn and implement the ESG plan proposed by the management;
- Realize changes and breakthroughs through innovative practices;
- Assess and report ESG-related risks in daily operations;
- Endeavour to fulfill corporate responsibilities and make contributions to the construction of social welfare undertakings.

IV. BOARD STATEMENT

In 2021, China's economy recovered and returned to the right track as the COVID-19 ("COVID-19") subsided. In response to the policy themes of "houses are for living in, not for speculating with" and "anti-monopoly", "curbing the disorderly expansion of capital" and "common prosperity", the Group continuously strengthened its commercial operation capability of its core projects, enhanced the operation and management of property and further improved its asset operation efficiency and light asset operation capability to achieve high quality development. With the issuance of more guidance and circulars in the 14th Five-Year Plan, the Group will conscientiously implement the planning policies, especially those related to optimizing building energy consumption and controlling carbon emissions, to lay a solid foundation for achieving carbon peak in the urban and rural construction sector by 2030.

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Our management policy and strategy

The Group mainly adopts the “top-down” management strategy in its sustainable development governance, under which the Board reviews the environmental and social impacts of all businesses, so as to ensure the effectiveness of implementation of ESG policy and correctly grasp the future development direction of the Group. To fully implement its sustainable development strategy, the Group assigned a professional team to manage its daily ESG matters, including coordinating and managing the implementation of ESG policies in various business departments, guiding and supervising the sustainable development practice of the Group, and tracking, collecting and disclosing ESG-related performance information of the Company. At the same time, the Board also learns about major ESG issues closely related to development of the Group through the annual general meetings, emails, telephones and reports, and discusses and decides on priorities of those issues. Through forward-looking strategic planning and rigorous action plan, the Board, management and professional responsible team of the Group constantly review, discuss, revise and adjust the Group’s sustainable development guidelines and policies to cope with the ever-changing market environment and meet the expectations of stakeholders.

Our goals and actions

In line with China’s emphasis and requirements on energy saving, emission reduction and climate action in recent years, the Group has set a series of environmental targets by taking into account the development trend of domestic and international markets, as well as its business characteristics and industry standards, and is committed to aligning its sustainable development actions with the UN sustainable development goals to respond to the idea of constructive participation in international cooperation as set forth in the 14th Five-Year Plan. In order to effectively monitor the achievement of the goals and optimize the management of each business segment, the Group regularly tracks and evaluates the annual performance of key environmental and social indicators, and continues to progress towards a highly adaptive corporate development model.

Looking forward to the future, the Group will continue to adhere to the development strategy of “architecture” and “operation” as the two pillars of brand strategy, and strive to provide a beautiful living space and high-quality business operation services for cities. In its efforts to pursue sustainable development, it will not only actively fulfill the tasks under guidance of national policy, but also meet the needs of all stakeholders and create long-term shared value for the society.

Huang Yuhui

Chairman of the Board

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V. STAKEHOLDER ENGAGEMENT

The Group is of the view that maintaining stable and continuous communication and exchanges with its stakeholders is an important part of its sustainable development strategy, because it is essential for the Group to adapt to the ever-changing market environment and improve business operations. Taking into consideration of the relationship between different stakeholder groups and the Group and the impact on the Group's business, the Group determines to regard its employees, investors, shareholders, customers, suppliers, governments as important stakeholders.

In order to gain an in-depth understanding of the ESG issues that stakeholders are concerned about, helping the Group better transform its commitment to sustainable development of the environment, society and economy into long-term value creation, the Group mainly maintains long-term and stable communication with its stakeholders through the following various channels. The Group also regularly reviews and adjusts its ESG management policy, in particular the policy on communication with stakeholders, in order to respond to and meet the needs of stakeholders as much as possible.

Type of Stakeholder	Expectations and Concerns	Communication Channels
Governments and Regulatory Authorities	<ul style="list-style-type: none">– Legal business operation– Anti-corruption policies– Give full play to the role of industry benchmarking to lead the healthy development of the industry	<ul style="list-style-type: none">– Compliance with local laws and regulations– Regular reports and tax payment– Response to the policy documents issued by the government
Shareholders	<ul style="list-style-type: none">– Return on investment– Corporate governance– Business compliance	<ul style="list-style-type: none">– Regular corporate reports and announcements– General meetings– Official website of the Group

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Type of Stakeholder	Expectations and Concerns	Communication Channels
Employees	<ul style="list-style-type: none"> - Compensation and benefits of employees - Development prospects and training plans - Healthy and safe working environment and strengthening safety education and training - Accelerate the creation of a paperless and environmentally friendly office environment - Use the latest construction-related technologies to reduce the waste of materials - Position stabilisation 	<ul style="list-style-type: none"> - Assessment of employee performance - Regular meetings and training - Email, notice board, hotline and team building of employees and the management
Customers	<ul style="list-style-type: none"> - Product safety and risk control - Strengthened implementation of energy saving and emission reduction measures - Integrity and performance of contracts - Privacy protection - High quality and caring services 	<ul style="list-style-type: none"> - Customer satisfaction survey - Face-to-face meetings and on-site survey - Customer service hotline and email
Suppliers	<ul style="list-style-type: none"> - Equality, mutual benefit and win-win - Upstream and downstream win-win cooperation - Supply chain risk management - Strengthened training of employees 	<ul style="list-style-type: none"> - Open tendering - Supplier satisfaction survey - Discussion on the phone - Face-to-face meetings and on-site survey - Industry workshop
The Public	<ul style="list-style-type: none"> - Engagement in community activities - Common community governance - Business compliance - Compliance with business ethics - Environmental protection awareness 	<ul style="list-style-type: none"> - Press conference and inquiry response - Social charity activities - Face-to-face interview

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In a bid to enhance the relations between the sustainable development of the Group and global sustainable development goals and progress, in FY 2021, the Group conducted research on UN Sustainable Development Goals (the “Sustainable Development Goals”) by questionnaires to its internal employees and external stakeholders.

Based on results of the survey, the main focus objectives are the four goals as follows:

- 1: No Poverty;
- 3: Good Health and Well-Being;
- 4: Quality Education and Goals;
- 11: Sustainable Cities and Communities

continue to be the most concerned sustainable development goals of the Group’s stakeholders.

In response to stakeholders’ concern about the Sustainable Development Goals and for aligning its business strategies with international standards and requirements, the Group continues to make solid contribution to the global sustainable development in the following areas:

Goal 1

As a proactive response to the national strategic guidelines on poverty alleviation, in recent years, the Group used its own resources and advantages to make donations to various charitable organizations and individuals to help people in need live a happy and beautiful life. During the year, through cooperation with street communities, the Group successfully connected with hope primary school in poor counties in Shaanxi and donated RMB10,000 and other cultural, learning and daily necessities for poor students.

Goal 3

The health and well-being of employees has long been one of the most important tasks for the Group to achieve sustainable development. Adhering to the “people-oriented” core value, the Group has continuously improved its management policies and adopted measures including optimisation of the office environment, etc. to ensure that employees can live together harmoniously and enjoy their work. Even if the epidemic became weakened in 2021, the Group remained vigilant and paid attention to the protection of its employees, and issued various policies to ensure the health and safety of its employees and the public with best effort.

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Goal 4

The Group's pursuit of high-quality education is reflected in its training mission and complete training system of "encouragement of employees to attend internal and external training related to work content, combination of self-training and imparting training, and combination of on-the-job training and professional training". The Group is committed to continuously improving the professional level of its employees, to realize their professional ambitions and create value continuously for the Group.

Goal 11

As one of the leading real estate developers in China, the Group continues to provide sustainable solutions for urban development, and combine art taste with local culture to improve the sustainability value of its products and services. The Group also attaches importance to the impact of its business development and operation process on local culture, natural heritage and ecological environment, and constantly reviews and improves its work models and practices, striving to become a pioneer in the sustainable development of domestic real estate.

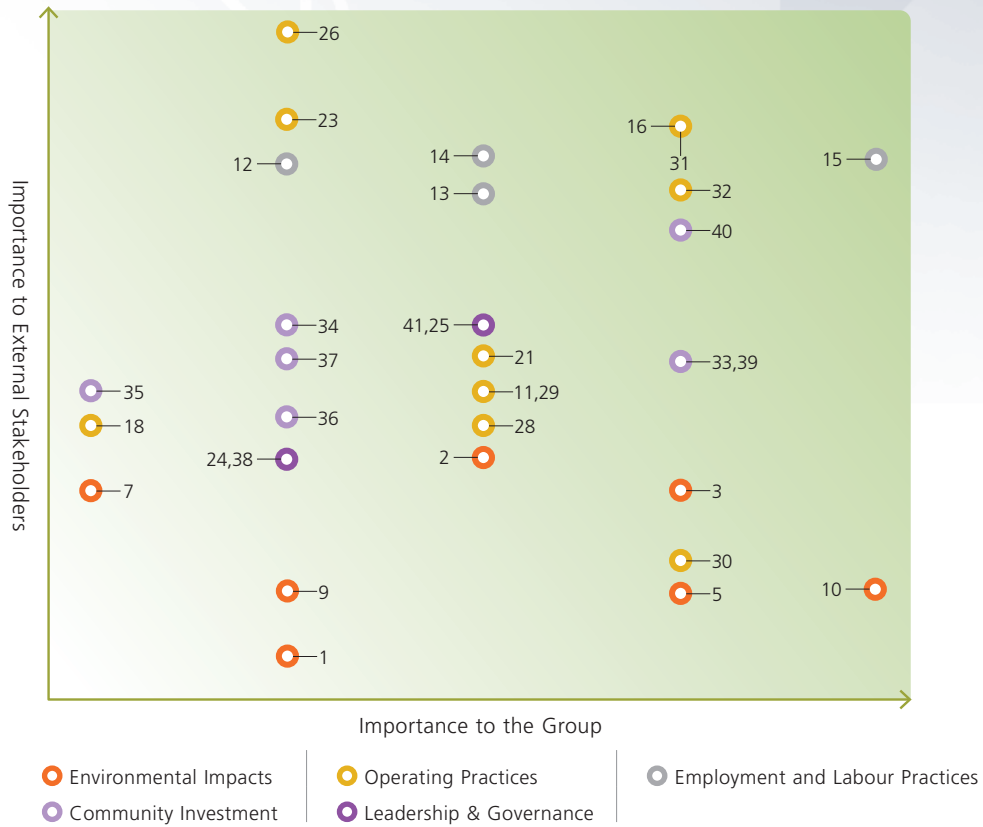
Materiality Assessment

As a well-known real estate enterprise in China, the Group believes that the reason for its steady and healthy development in the domestic real estate market is the spirit of closely following the market trend and deeply exploring consumer requirements. Therefore, by upholding the same philosophy, the Group insists on placing the concept of materiality at the highest position in the ESG management strategy. Every year, the Group conducts an annual stakeholder review to identify stakeholders' focuses of and material interest in the Group's ESG matters.

In FY 2021, the Group continued to engage an independent third party to invite main stakeholders to conduct stakeholder materiality assessment survey for procedure standardization. The Group selected internal and external stakeholders based on the influence of stakeholders to the Group and the Group's dependence on stakeholders. Main stakeholders who were invited provided their opinions in respect of ESG management and relevant issues that were identified by the Group in advance through the ESG questionnaires designed by the Group.

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Stakeholder Engagement Materiality Matrix



1	GHG	15	Preventing Child and Forced Labour	29	Product Design and Innovation & Lifecycle Management
2	Air Pollution	16	Labour Rights	30	Access & Affordability relating to Products/Services
3	Energy Management	17	Green Procurement	31	Business Ethics & Anti-corruption
4	Water & Wastewater Management	18	Communication and Engagement with Suppliers	32	Internal Communication & Grievance Mechanism
5	Solid Waste Management	19	Environmental Risk (e.g. environmental pollution) of Supply Chain	33	Communication and Engagement with Local Community
6	Use of Materials Management	20	Social Risk (e.g. human rights or corruption) of Supply Chain	34	Participation in Philanthropy
7	Land Use, Ecosystem and Biodiversity	21	Adaptability of supply chain and its supply materials to external risks (e.g. climate risk)	35	Cultivation of Local Employment
8	Climate Change Mitigation & Adaptation	22	Health and Safety Relating to Products/ Services	36	Local Environmental Protection
9	Packaging Material Management	23	Customers Welfare	37	Support of Local Economic Development
10	Renewable and Clean Energy	24	Marketing and Promotion	38	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
11	Diversity & Equal Opportunity	25	Protecting Intellectual Property Rights	39	Response and Management of the Legal & Regulatory Environment Change (legal-compliance management)
12	Employee Remuneration and Benefits Policy	26	Product Quality	40	Emergency Risk Responsiveness (e.g. Financial Crisis)
13	Occupational Health and Safety	27	Customer Privacy Protection and Data Security		
14	Employee Development and Training	28	Labelling relating to Products/Services		

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Through the materiality analysis, the Group lists “preventing child and forced labour”, “labour rights” and “business ethics and anti-corruption” as ESG issues of high materiality. The relevant results have been submitted to the Board for review to ensure that the survey results motivate the Group to prioritise and invest more resources to the research of relevant sustainable development issues.

Stakeholder Feedback

In pursuit of excellence, the Group is open to stakeholders’ feedback and opinions in respect of ESG approach and performance improvement, particularly feedback about ESG issues the Group deems as highest materiality. Readers are also welcome to share their views on ESG issues with the Group through the Group’s Email (info@zhengdaglobal.com).

VI. ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT

As the “14th Five-Year” plan announced the main environmental protection objectives and tasks, the importance of green development was further highlighted. In line with the long-term goal of the country to widely form a green production and life style by 2035, the Group unswervingly implements the new development concept of innovation, coordination, green, openness and sharing. The Group is committed to achieving a transition to a low-pollution, zero-carbon, and fully-enclosed sustainable development model.

To realise the long-term sustainable development of the environment and community in which the Group operates its businesses, the Group is committed to strictly controlling emissions and managing resource consumption, and complies with environment-related laws and regulations in the PRC in the course of ordinary operation, which include but are not limited to:

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Environmental Protection Law of the People's Republic of China	Law of the People's Republic of China on Environmental Impact Assessment
Water Pollution Prevention and Control Law of the People's Republic of China	Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes
Management Measures on Duplicated Form for Hazardous Wastes Movement 《(危險廢物轉移聯單管理辦法)》	Energy Conservation Law of the People's Republic of China

This section discloses the Group's policies, practices and quantitative data about emissions, use of resources, the environment and natural resources as well as climate change in FY 2021.

A.1. Emissions

In FY 2021, the Group observed national and local environmental laws in respect of emissions in the ordinary operation. There was no violation of laws and regulations that had significant impact on the Group, including waste gas and greenhouse gas emission, discharging wastes to water and land, discharging hazardous and non-hazardous wastes, and noise.

In view of its business model and characteristics, the waste gas emission of the Group is mainly produced by the fuel consumption of business-purpose vehicles and the use of boilers in the operation of hotels and properties. In FY 2021, the Group produced 8 kg of sulfur oxide ("SO_x"), 394 kg of nitrogen oxide ("NO_x") and 90 kg of particulate matter ("PM"). In the year under review, the greenhouse gases of the Group were mainly from fuel consumption of business-purpose vehicles and electricity consumption in the course of operation. During the year, the total greenhouse gas emission of the Group was 40,352 tonnes CO_{2e}, and the intensity was 44.3 tonnes CO_{2e} per person. In addition, the Group also produces certain solid wastes and wastewater in the course of operation, which mainly include commercial wastes, construction wastes, waste paper and commercial wastewater. During the operation in the year, the Group produced a total of 17,039 tonnes non-hazardous solid wastes and 646,243 m³ non-hazardous wastewater. During the year under review, the Group did not produce any hazardous wastes. Table 1 summarises the emission data of the Group in FY 2021.

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Table 1. Overall Emissions of the Group in FY 2021⁸

Type of Emission	KPI	Unit	Total for FY 2021	Annual intensity for FY 2021 (unit/person) ¹	Total for FY 2020	Annual intensity for FY 2020 (unit/person) ²
Waste gas emission ³	SOx	kg	8	0.01	7	0.01
	NOx	kg	394	0.4	367	0.4
	PM	kg	90	0.1	78	0.1
GHG emission	Scope 1 (direct emission) ⁴	tonne CO ₂ e	1,693	1.9	1,533	1.7
	Scope 2 (indirect emission of energy) ⁵	tonne CO ₂ e	38,355	42.1	38,395	41.5
	Scope 3 (other indirect emission) ⁶	tonne CO ₂ e	305	0.3	594	0.6
	Total emission (Scope 1, 2 and 3)	tonne CO ₂ e	40,352	44.3	40,522	43.8
Non-hazardous wastes	Solid wastes	tonne	17,039	18.7	18,918	20.4
	Wastewater ⁷	m ³	646,243	710.2	498,851	538.7

1. The emission intensity of FY 2021 is equal to waste gas, GHG and other emission produced by the Group in FY 2021 divided by the total of 910 employees of the Group at the end of FY 2021;
2. The emission data for FY 2020 is extracted from the Group's ESG report for FY2020, and the intensity data is based on the total number of employees of 926 at the end of FY2020;
3. The waste gas emission in FY 2021 includes air pollutants the Group produced in the course of utilizing business-purpose vehicles and the use of boilers in the operation of hotels and properties;
4. Scope 1 (direct emission) of the Group only includes energy consumption of vehicle operation and boiler use in the operation of hotels and properties;
5. Scope 2 (indirect energy emission) of the Group only includes emissions from electricity consumption and coal burning for heating;
6. The Group's scope 3 (other indirect emission) only includes waste paper disposed of at landfills, and the GHG emissions caused by the use of electricity to treat potable water and wastewater by government departments as well as the GHG emission generated by business travel flights;
7. The amount of wastewater generated by the Group is based on strict wastewater statistics of its subsidiaries. For the operation sites of the Group where part of the wastewater is managed uniformly by the property building, the wastewater volume is calculated based on 100% of the water consumption; and
8. The approach adopted in reporting the greenhouse gas emission stated above is based on the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" issued by Hong Kong Exchanges and Clearing Limited and the emission factor database of Intergovernmental Panel on Climate Change (IPCC).

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Property Development Business

Emission of this business mainly includes wastewater, construction wastes, dust and noise. The property development business of the Group does not produce other hazardous emissions.

Waste Gas

Waste gas produced by this business segment is mainly air pollutants produced in the course of fuel consumption of business-purpose vehicles in daily operation. Gasoline is used as the power source of automobiles, and air pollutants produced include SO_x, NO_x and PM. In controlling the waste gas emission, this business segment responds to the country's call of energy conservation and emission reduction, implements and adopts targeted policies and measures, further encourages the use of clean energy including liquefied natural gas as the fuel of automobiles, thereby minimising the waste gas emission. In the meantime, the Group maintains and updates the equipment on a regular basis to improve the operation efficiency.

GHG

With the issuance of the "14th Five-Year" plan notice on building energy conservation and green building development, the Group will try its best to control its energy consumption and carbon emissions. In FY 2021, the GHG emission of the Group was mainly from electricity and fossil fuel consumption. By proactively responding to national policy requirements, the business attaches great importance to the control of greenhouse gas emission, and will adopt more effective control on the use of electricity to maintain the fluctuation of annual electricity consumption under non-exceptional circumstances below 10% in the short term. To minimise the greenhouse gas emission at source, the Group further controls the utilisation of gasoline and reduces its reliance on fossil fuel. It has developed and implemented internal policies in this regard, which are further disclosed in "Electricity Consumption" and "Other Energy and Resources" below.

Wastewater

Wastewater in this business segment mainly includes the sewage produced by employees in daily operation and the wastewater discharged in property development. The sewage produced by employees is directly discharged to the local sewage treatment plant through municipal drainage pipelines, while other oily wastewater will be treated by filter to remove the oil and residue before being discharged into municipal sewage pipelines. Wastewater produced in the course of construction will go through three-tier sedimentation and treatment before it is discharged. To prevent discharging muddy water out of the construction site, the Group employs the muddy water treatment device in the discharge system to reduce the discharge of muddy water. As the amount of wastewater depends largely on the water consumption, the Group has adopted specific measures to reduce the water consumption in the course of operation, which are further disclosed in "Water" below.

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Solid Wastes

Due to its business characteristics, solid wastes produced by the business segment mainly include the non-hazardous solid wastes (such as construction waste) generated in the operation. To fulfil the business commitment to sustainable waste management, the business focuses on the management of construction waste during the development of the project to ensure that before the discharge of construction waste, the construction unit finds the legal absorption site and transportation unit in advance, obtains the absorption certificate, signs the transportation contract, and applies to the regulatory department for discharge approval. The discharge can only be conducted after approval.

Dust and Noise

The business generates dust and noise in construction. As the amount of dust generated is beyond measurement, no specific value is provided in the Report. In order to reduce the effects of dust generated in construction on surrounding environment, a series of measures have been taken for the business including establishment of sprinkler car washing system at the exit to construction site to prevent vehicles taking dust and sludge out of the construction site, installation of pressurized atomization and dust removal devices along the main roads of construction site, erection of enclosure facilities of no less than 1.8m surrounding the construction site during construction, use of sealed equipment for transportation of dust, and daily wash of ground or watering, to clean dust and prevent accumulation of sludge. In order to reduce noise generated in construction, for the business, low-noise machinery and equipment or soundproof or sound muffling equipment are used to replace traditional equipment and it is prevented to conduct operations using high-noise equipment at noon and night.

Hotel Operations

Emissions produced by the business are mainly domestic wastewater, solid wastes as well as air and GHG generated during daily operation. The Group's hotels have established energy saving and emission reduction targets, and the engineering department manages and monitors the achievement of emission targets and guides the team to use reasonable and scientific methods to improve energy efficiency.

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Waste Gas and GHG

This business produced emissions of waste gas and greenhouse gas primarily due to the use of boilers and electricity in hotels. In order to effectively reduce energy consumption and thus emissions, this business improved heat exchange efficiency of the vacuum boiler and operated the boiler in accordance with the new energy-saving and environmental protection standards published by the local municipal governments, including the Standards on Air Pollutant Emission by Boilers (DB31/387-2018). Local environmental protection bureau where this business is operated conducts on-site inspection of the gas emission from boilers and other equipment used in the hotel on an annual basis, and issues the use license for the relevant exhaust gas content according to the national standards. For the purpose of effective supervision, this business appoints personnel to inspect the operation of boilers on a daily basis, and regularly arranges qualified manufacturers to maintain and overhaul boilers and gas appliances. In addition, in order to reduce the risk of inefficient operation of the hotel fleet and equipment, this business strives to regularly maintain the equipment and ensure the equipment in good condition to improve energy efficiency. To further reduce the consumption of natural gas and electricity, the Group fosters employees' energy conservation awareness through training and education programs.

Wastewater and Waste Oil

The domestic wastewater generated by the business is directly discharged into the local sewage treatment plant via the municipal sewage pipelines. For the waste oil generated by kitchen, the Group has taken measures for classified storage and storage with specialized barrels at designated locations and entrusted an outsourcing company specialized in treatment of oily wastes for regular and unified collection and treatment. As wastewater discharge is closely related to water consumption, the business continues to vigorously promote the concept of water saving, and has formulated relevant policies and implementation standards to encourage employees and guests to reduce the waste of water resources.

Solid Wastes

In addition to general domestic waste, the business also generates solid waste such as kitchen waste and waste batteries during operation. Generally, the daily waste of the hotel is mainly collected by waste sorting by the garbage room and collected and treated by a special garbage treatment company, while the kitchen waste is treated and recycled by in-station-at-hotel of a professional garbage recycling company designated by the government. Proactive efforts are exerted to recycle and re-use soap, tissues, packaging materials and other consumables, and fewer disposable slippers and disposable bath supplies are provided to customers. For the recycling and disposal of waste batteries, the hotels of the Group adopt special collection methods and specially arrange a third party for regular and centralized recycling and disposal.

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Property Management Business and Office

The Group's property management department has established and implemented an effective Quality, Environment, Occupational Health and Safety Management System, and set up a series of policies and procedures, including Environmental Identification and Evaluation Control Procedures, Pollution Source Control Procedures, Energy Saving and Consumption Reduction Control Procedures. Each property operation department implemented relevant measures for management, carried out energy saving monitoring, and conducted regular inspections and assessments.

Waste Gas and GHG

As emissions of waste gas under this business were mainly related to business-purpose vehicles, this business continued to strengthen the management of business-purpose vehicles, encouraged employees to reduce unnecessary travel, advocated e-office, and conducted meetings and seminars through the network. In addition, as the greenhouse gas emissions under this business were closely related to the use of electricity, the Group has set up and implemented energy-saving measures to reduce the use of electricity in daily operations, which are further disclosed in "Electricity Consumption" and "Other Energy and Resources".

Wastewater

This business involves not only the domestic wastewater that is generated by employees and discharged to the sewage treatment plant through the municipal drainage pipeline, but also the sewage discharge from tenants of restaurants. Therefore, in order to ensure that the discharged sewage will not pollute the environment or natural water bodies, this business implements the the Regulations on Management of Daily Cleaning and the Regulations on the Management of Rainwater Wells, sets up an oil separation tank for tenants engaged in the catering industry, and regularly cleans up the oil to avoid the direct discharge of sewage. In addition, in terms of sewage disposal, the third-party company conducts sewage disposal inspection and issues written conformity reports for properties of this business every year, and the local city administration bureau conducts sampling inspection of sewage twice a year and publishes the conformity reports on the website.

In addition, in order to save water, the Group has adopted water saving measures to reduce the discharge of wastewater. Detailed introduction is further set out in the section headed "Water".

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Solid wastes

Solid wastes produced by this business mainly include domestic wastes produced in daily life, decoration wastes produced by property owners in home decoration and other solid wastes including waste lights, waste batteries and electric plates. In order to manage the solid wastes from the property more effectively, the business has established and improved management policies, such as the Standards for Classified Treatment and Implementation of Garbage Houses, Management Regulations for Garbage Removal, Decoration Management Regulations, and Waste Control Procedures, to classify the solid wastes found in the property management, and minimize the generation of wastes from the source.

In response to the implementation of the national garbage classification policy and with strict reference to the local administration policies for classification and disposal of garbage and sewage discharge, this business implements on-site control, with on-site supervision and control by engineering technicians during the decoration stage, daily inspection inside the houses and stores by the security department during the daily operation stage, weekly inspection and shooting inside stores by the customer service department, and regular monthly training meetings on integrated environmental management for the responsible persons of each store. In addition, in order to strictly implement the local garbage classification administration policy, the business starts from each store, and the terminal garbage house collects garbage strictly according to the garbage classification requirements, and the on-site garbage classification inspection is conducted by the third party every month and the conformity records of the random inspection are published on the website.

As for general solid wastes generated by employees in offices of the Group, those unrecyclable office and domestic waste are put into the waste bins placed by local government, which will be collected and treated by the environmental sanitation department of the government.

Performance Analysis

In summary, the Group's waste gas and GHG emissions mainly come from boiler operation, use of natural gas, electricity consumption for hotel operations and the use of vehicles. Compared with the FY 2020, the Group's emissions of sulfur oxides, nitrogen oxides and particulate matters in FY 2021 increased by 7%, 8% and 16%, respectively, which was mainly due to a slight increase in the use of natural gas during the year.

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The Group's GHG emission model in FY 2021 is the same as that in the last year. In particular, scope 2 (indirect energy emission) accounts for the largest proportion (approximately 95%). On the whole, the total greenhouse gas emissions in FY 2021 decreased slightly by 0.4% as compared with last year, which is mainly due to the decrease of 0.1% and 49% respectively recorded in scope 2 (indirect energy emissions) and scope 3 (other indirect emissions). The slight decrease in the scope 2 (indirect energy emissions) is basically due to the reduced use of heating. At the same time, even though the Group has improved the scope of data collection this year, including the carbon emissions of air travel in the calculation of scope 3 (other indirect emissions), its emissions have fallen by nearly 50% instead of increased, which is mainly because the Group improved its paper classification, recycling and statistics this year, and the amount of recycled paper increased by 27% compared with last year. On the contrary, scope 1 (direct emissions) was slightly increased by 10% this year, which is mainly due to the increase in the use of natural gas by boilers and tenants of stores.

The Group attaches great importance to the sorting and treatment of solid wastes. In FY 2021, the Group produced 17,039 tonnes solid wastes, which decreased by 10% as compared with last year. This was mainly due to the effective management of solid wastes in the Group's property development and management business and further control of the discharge of solid wastes.

During the year under review, tenants of stores within the properties restarted their businesses as COVID-19 has continued to subside, therefore the wastewater discharge increased by 30% as compared with last year. Nevertheless, the Group still strives to actively promote water conservation among tenants in the property management area, and is committed to water conservation and emission reduction through efforts of all parties.

A.2. Use of Resources

In FY 2021, resources consumed by the Group mainly included electricity, gasoline, natural gas, water, paper, raw materials in hotel operation and property development, such as hotel daily necessities, construction materials and packaging materials. The Group uses a small amount of diesel for its emergency generator of the building. As the diesel for standby use was minimal, the Group has not discussed the specific relevant control measures according to the principle of materiality. During the financial year, each business segment of the Group attached great importance to the effective utilisation of raw materials, energy and resources, and established relevant policies and improved the management systems, including but not limited to the "Energy Management System", the "Regulations on Energy Conservation and Consumption Reduction" and the "Regulations on Maintenance of Diesel Generators", to further improve the energy utilisation efficiency and to reduce the reliance on fossil energy. The Group's use of various types of resource in FY 2021 is set out in Table 2 below.

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Table 2. Overall Use of Resource of the Group in FY 2021

Use of Energy	KPI	Unit	Total for FY 2021	Annual intensity for FY 2021 (unit/person) ¹	Total for FY 2020	Annual intensity for FY 2020 (unit/person) ²
Energy ³	Electricity	Thousand kWh	61,107	67.2	50,035	54.03
	Gasoline	Thousand kWh	387	0.4	820	0.89
	Diesel oil	Thousand kWh	0.1	0.0001	–	–
	Natural gas	Thousand kWh	7,909	8.7	6,597	7.12
	Heating	Thousand kWh	3,077	3.4	3,889	4.20
	Total	Thousand kWh	72,481	79.6	61,341	66.24
Water	Water	m ³	671,567	738.0	528,690	570.9
Raw materials	Paper	tonne	61.4	0.1	81	0.1
	Earth	tonne	1	1.1 x 10 ⁻³	–	–
	Metal	tonne	2	2.0 x 10 ⁻³	2	2.2 x 10 ⁻³
	Plastic	tonne	–	–	1	1.1 x 10 ⁻³
	Cement	tonne	1	5.2 x 10 ⁻⁴	1	5.4 x 10 ⁻⁴
	Other ⁴	tonne	–	–	18	2.0 x 10 ⁻²
Packaging materials	Plastic products	tonne	0.04	4.2 x 10 ⁻⁵	37.7	0.04
	Paper products	tonne	0.51	5.5 x 10 ⁻⁴	10.8	0.01

¹ The intensity in FY 2021 is equal to resource consumption of the Group in FY 2021 divided by the number of 910 employees at the end of 2021;

² The data for FY 2020 is equal to resource consumption of the Group in FY 2020 divided by the number of 926 employees at the end of 2020; and

³ The energy conversion of consumed resources is based on the “how to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange;

⁴ Other raw materials include daily consumables such as towels and disposable toiletries. In FY2021, as the evolving pandemic prevention policy affected the normal operation of the hotel, the Group could not record the accurate consumption of hotel consumables in this year, therefore, it decided not to make relevant disclosure in the annual report. The Group promises to continue to optimize its data collection methods and make accurate data disclosure as soon as possible in the coming year.

Electricity

Electricity consumption of the Group is mainly for daily operation of office and each business segment. All business segments of the Group have complied with relevant regulations and the Group’s electricity saving policies. To further reduce electricity consumption and therefore reduce greenhouse gas emission, the Group attaches great importance to the study and application of ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and continuously improves its environmental performance in a systematic way.

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The Group is committed to promoting the core idea of energy conservation within the organization. Apart from implementing general energy-saving measures such as turning off idle electrical appliances and cleaning equipment regularly to maintain high efficiency and strengthening internal education, the Group also focuses on replacing more energy-efficient equipment. For example, during the year, the Group's property business carried out energy-saving renovation of large garages in various projects of its properties, and the monthly direct electricity consumption was saved by approximately RMB3,500. At the same time, in response to the special situation caused by COVID-19, the hotel business of the Group also closed the floors and rooms when the occupancy rate was low to achieve zero energy consumption. Other electricity-saving measures are as follows:

Adjust the temperature of air conditioning or heating in the office according to the weather	Install voice-activated electric lights in the corridor
Set thermometers at air vents to detect and adjust the indoor temperature more accurately	Improve and replace building automation equipment and reduce refrigeration energy consumption
Monitor the electricity consumption of each project through the electricity meter on a monthly basis, and compare the consumption increase/decrease proportion on a month-on-month basis and the consumption with the same period of previous years. Place the focus of follow-up on projects and operating locations with significant increases, clarify specific reasons and make rectifications in a timely manner to achieve emission reduction targets	Carry out energy-saving renovation of new projects in light of China's vision for green buildings

In FY 2021, the total electricity consumption of the Group increased by approximately 22% as compared with the last financial year. Although the electricity consumption of our subsidiaries in each region decreased at different rates, the Group recorded an increase in electricity consumption generally, particularly in Shanghai as the Group further included the energy consumption of offices in Shanghai in the statistics during the year, and the hotel businesses in Shanghai and Qingdao and the operation of "Shanghai Thumb" project also recorded business growth as COVID-19 subsided.

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Other Energy and Resources

Energy and resources consumed by the Group in daily operation (including the transportation, business-purpose vehicles and hotel operation) include gasoline and natural gas. The Group has been committed to reducing the consumption of traditional fuels for a long term, vigorously promotes replacing traditional energy with clean energy, and actively responds to the call of the State to effectively improve the internal operation model and the equipment, therefore realising sustainable development.

In FY 2021, gasoline consumption of the Group decreased by 53% as compared with last year, which is mainly due to a significant decrease in gasoline consumption in all business segments. For example, the Group's gasoline consumption in Nanjing decreased by approximately 97% during the year due to the decrease in project development business. At the same time, in order to better maintain the Group's outstanding performance in fuel saving and encourage colleagues in the Group to effectively control the use of gasoline in business-purpose vehicles, the Group continued its advocacy and promotion of green travel for its employees.

On the other hand, the Group's natural gas consumption increased by approximately 20% during the year, mainly due to the fact that the Group further included the energy consumption of "Nanjing Himalayan Center" in the statistics during the year, and the hotel business in Shanghai increased its natural gas consumption by 35%. In order to improve the Group's control over the use of natural gas, the Group promises to adjust the boiler temperature more flexibly according to the seasonal temperature, install energy-saving combustion devices, and turn off unsuitable equipment at any time, so as to save energy as much as possible, provided that normal use is ensured.

In response to China's development direction towards green production and lifestyle by 2035, the Group not only optimizes energy consumption in new construction projects, but also cooperates with the government to promote the use of renewable energy. For example, in its business operation, the Group is committed to using solar energy to generate electricity as much as possible for the lighting systems of its projects, while encouraging its tenants of stores to use more new clean energy such as solar energy and air energy.

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Water

Saving water and improving water efficiency are material environmental issues which subsidiaries of the Group care about. During the year under review, the Group did not experience any problems in sourcing water that is fit for purpose. It encourages employees to save water and hopes that they can reduce water consumption and improve the reuse of water gradually.

The segments of the Group have established strict water use plans that are in line with their operation modes, and assigned special personnel to be responsible for monitoring water efficiency. In the hotel business, for example, to reduce water consumption in guest rooms, restaurants and kitchens, the Group has developed corresponding measures, including optimizing the hot water pipes in guest rooms during the low season, so as to reduce water consumption in guest washrooms and baths. At the same time, water saving devices are installed in the staff locker rooms to effectively control the water used by the staff for bathing, and according to the internal procedures set by the business, the staff are instructed to save water during cleaning and cooking to avoid the phenomenon of “long-time flow of water”. A special personnel is assigned to supervise the water used for cleaning around the hotel. Other water conservation measures include:

Repair dripping taps immediately to prevent any leakage in the water supply system	Display labels “Save water resources” at conspicuous positions to encourage employees and customers to cherish water resources
Promote the importance of saving water to employees through internal training and workshops	Set monthly, quarterly and annual water consumption goals, and strictly monitor the implementation of specific water-saving measures
Collect wastewater for reuse in floor and site cleaning as much as possible	Place water saving reminder cards in the guest rooms to encourage guests to save water
Standardize the operating rules for greening and cleaning water, and require relevant employees to implement relevant regulations in a standardized manner	Control the water pressure in the public use area of the property

In FY 2021, the total water consumption of the Group increased by 27% as compared with that of FY 2020, which is mainly due to the fact that the hotel business of the Group conducted more cleaning operations to ensure public safety amid COVID-19. The Group promises to continue to make every effort to promote water conservation and reduce water consumption as much as possible while maintaining normal business operations and ensuring public health and safety.

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Raw Materials and Packaging Materials

To reduce solid wastes in operation, the Group strictly controls the consumption of raw materials and packaging materials, actively promotes the practice of environment-friendly services and the “sustainable development” concept to employees and customers. To be specific, the Group takes effective measures and explores advanced approaches to reduce the material consumption in property development. Hotels and the property management business of the Group also take actions, purchase environment-friendly products and advocate effective utilisation of materials.

In FY 2021, the Group’s consumption of raw materials and packaging materials was significantly lower than that of last year, which is mainly due to the fact that the business development of various business segments during the year was quite different from last year. For example, in terms of property development, due to the different nature of projects, the amount of metal and cement decreased by 10% and 6% respectively during the year, but the amount of soil used increased by 1 tonne. In addition, in terms of property business, no packaging materials were used during the year, which led to the loss of objectivity in the comparison between the total amount of raw materials and packaging materials in different years. Nevertheless, the Group still strongly advocates and practices sustainable management methods in order to reduce the environmental impact of its materials year by year.

As for paper, as the Group improved its management mode in paper collection and sorting in FY 2021, the usage of paper raw materials decreased by 25% during the year as compared with last year. The Group also made more efforts to recycle office paper, with a total of 273kg of paper recycled during the year, an increase of 27% compared with the same period of last year, which is mainly due to the joint efforts of the employees of the Group. Other measures taken by the Group to effectively control paper usage include:

Advocate paperless office	Arrange the administrative and human resources department to carry out environmental protection education for all members of the Group every year
Encourage employees to use recycled paper for reimbursement vouchers	Use environmentally friendly bamboo products as the main raw materials for hotel rooms in design
Use guests’ digital signatures at the front desk of hotels to reduce paper consumption	Pay attention to the application of the 3R “reduction, reuse and recycling” principle of office supplies

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Goals and actions

In line with the national roadmap of peak carbon dioxide emissions and carbon neutrality, the Group first sets its goals based on the national indicators and adjusts the corresponding goals according to the local policies of each region where it operates businesses, so as to protect the environment to the maximum extent and fulfill its corporate responsibility.

Area	Goal	Examples of initiative
Waste gas emission	Taking FY 2021 as the baseline, air pollutant emissions of the Group will not increase by more than 10% by FY 2025.	<ul style="list-style-type: none"> – Optimize the fleet of the Company to ensure that emissions comply with the national standards – Educate drivers to keep good driving habits – When changing the fleet and equipment, give priority to the equipment powered by clean energy – Strengthen the control of use of gas for boilers
Greenhouse gas emissions	Taking FY 2021 as the baseline, the total greenhouse gas emission intensity of the Group will decrease by approximately 18% by FY 2025. ¹	<ul style="list-style-type: none"> – Strengthen the education of employees and tenants to enhance their awareness of energy conservation and emission reduction – Strengthen the control of use of electricity, gas and oil
Solid waste	Taking FY 2021 as the baseline, total solid waste emissions of the Group will decrease by 10% by FY 2025.	<ul style="list-style-type: none"> – Strengthen the classification and recovery of solid waste – Encourage tenants and residents to reduce the use of unnecessary disposable goods and reduce waste from the source
Water and wastewater	Taking FY 2021 as the baseline, by FY 2025, the amount of water used and the total amount of wastewater discharged by the Group will decrease by 5% year by year.	<ul style="list-style-type: none"> – Accelerate the business water cycle – Reduce unnecessary water waste in operation by improving staff management and water equipment

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Area	Goal	Examples of initiative
Electricity	Taking FY 2021 as the baseline, electricity consumption of the Group will decrease by 10% by 2025.	<ul style="list-style-type: none"> – Promote energy-saving buildings of new projects – Optimize the existing property equipment
Other energy	Taking FY 2021 as the baseline, the total energy consumption intensity of the Group will decrease by approximately 13% by FY2025. ¹	<ul style="list-style-type: none"> – Strengthen the control of the use of energy-consuming equipment – Replace with new equipment with more energy efficiency

¹. According to the national planning outline, during the “14th Five-Year Plan” period, China’s “energy consumption per unit of GDP and carbon dioxide emissions will decrease by 13.5% and 18% respectively”.

A.3. The Environment and Natural Resources

The Group believes that “a small change in belief will bring amazing changes in behavior and performance”. Therefore, the Group has been committed to planting firm beliefs in the minds of its employees and making every effort for the sustainable development of the environment. In line with the principle of “green development and harmonious co-existence” outlined in the 14th Five-Year Plan, the Group continued to focus on the demand of green development, laying a solid foundation for taking shape a green, low-carbon and circular development model.

In order to continuously pursue progress, the effectiveness of the environmental management system of the Group is regularly reviewed by the dedicated department in each business of the Group. In addition to internal procedures such as “List of Important Environmental Factors”, the “Environmental Factors Identification and Evaluation Control Procedures” and the “Environmental, Occupational Health and Safety Monitoring and Measurement Control Procedures”, the Group is committed to adopting an internationally recognized environmental management system. Most of the Group’s properties have been certified in accordance with ISO 14001 environmental management system, and some of them have been certified in accordance with ISO 50001 energy management system.

Based on the analysis of the Group’s business characteristics, in FY 2021, the Group’s impact on the natural environment mainly concentrated on greenhouse gas emissions caused by electricity consumption and harmless waste emissions generated by internal staff and external persons such as residents and tenants during operation. In terms of controlling energy efficiency, the Group continuously strengthened the monitoring of energy consumption in daily operations, and made efforts to standardize policies and employee behaviors by setting goals and appointing special personnel to guide and supervise. As far as hotel business is concerned, the Group not only formulates its annual energy consumption budget, but also appoints the engineering department to pay attention to conservation and environmental protection in daily supervision and education.

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In addition, regarding to the disposal of domestic garbage, kitchen garbage and other wastes, the Group has established relevant procedure control documents, including Waste Control Procedure and Pollution Source Control Procedure, to standardize the implementation of measures and reduce the impact on the natural environment. Abandoning the original linear model of “Use-Scrap”, the Group is committed to integrating the concept of “circular economy” into its daily operations. Taking the hotel business as an example, we encourage guests to participate in the empty plate campaign to eliminate food waste, which not only eliminates the waste of food and beverage, but also reduces the use of packing boxes and bags. In addition, for reusable items such as slippers, and shower gel bottles, the Group’s hotels collect and disinfect the items after every guest checks out, so that those items can be reused. At the same time, for disposable guest articles such as toothbrushes and combs, which can’t be reused for hygiene reasons, the hotels of the Group give priority to the selection of environmentally-friendly straw materials so as to reduce the burden on the environment during the subsequent treatment.

In the property operation and management business, on the one hand, the Group encourages tenants to abandon disposable products, especially chemical plastic products, and use recyclable tableware and packaging products in order to reduce waste at the source. On the other hand, the Group has established an intelligent garbage discharge system to deal with the inevitable domestic garbage. The Group has set up collection service points outside the properties with staff trained in systematic operation to display the types and prices of recyclables, and to display signs informing residents of the destination of recyclables so that they can fully understand that it is safe, proper and secure to hand over their recyclables to the Group’s collection points. In addition to offline recycling, the Group also arranges online recycling. Through the existing online platforms of Alipay and WeChat, the Group has developed “Easy Drop-off” (易代扔) and “Recycling Pay” (收呗) to provide residents with convenient door-to-door collection services. Residents can place orders on their cell phones in real time, and the Company’s information department platform will assign them to the nearest recyclers to complete the collection service on a regional basis. The residents can choose cash and energy points individually for settlement.

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A.4. Climate Change

With the global climate change sounding the alarm frequently, it has become the consensus of more and more countries to reduce carbon emissions and achieve carbon neutrality. As the world's largest developing country and the second largest economy, China has taken the initiative to take the corresponding responsibility in carbon reduction, becoming the first developing country to propose a carbon neutral timetable, and it set the dual carbon goals of "30.60" in 2021.

In line with the green and low-carbon transformation of the national economy and society, the 14th Five-Year Plan has set a number of binding targets for energy saving, emission reduction and ecological protection, and has explicitly proposed to "promote the clean, low-carbon, safe and efficient use of energy, and further promote the low-carbon transformation of industry, construction and transportation", focusing on the four "hardest hit areas" in the field of carbon emissions in China, namely energy, industry, construction and transportation.

Therefore, in line with the national policy, the Group formulated strategies to strengthen governance and improve climate risk management and performance. Considering the physical risks and transformation risks related to climate change, the Group reviewed the risks related to low-carbon transition with reference to the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board, and paid attention to the constantly updated environmental laws and regulations.

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Risk		Potential impact
Acute physical risk	Extreme weather events such as strong storms	<ul style="list-style-type: none"> - Affect the engineering and property structure, and bring significant potential safety hazards to construction workers, residents and tenants
Chronic physical risk	Continuous high temperature and change in rainfall pattern.	<ul style="list-style-type: none"> - Continuous rainfall may cause flooding, resulting in higher maintenance costs - Continuous high temperature may affect people's daily travel and travel plans, and affect hotel business revenue
Transition risk	Updating of policies and regulations will impose higher requirements on the construction industry and the property industry.	<ul style="list-style-type: none"> - The operating costs are expected to increase to respond to the strict regulations
Opportunity	Potential opportunity	
Green building	With the "14th Five-Year Plan" proposing to optimize energy consumption in urban and rural construction and promote green building, the Group continues to enhance the environmental performance of its existing properties and carry out energy-saving construction for new projects, which is expected to reduce subsequent operating costs and open up new business opportunities.	

Although after their discussions, the management of the Group considered that the above-mentioned related risks will not have a significant impact on the Group's operations, the Group has taken precautions and stepped up the establishment of preventive measures and emergency response plans, including the Regulations on the Management of Rainwater and Sewage Pumps, the Regulations on the Management of Flood Control, and the Management System for Emergency Response Plans to mitigate or address the impact of the climate crisis. At the same time, as the commercial property projects of the Group are located in different geographical locations in China, taking into account the difference of climate influence, the Group has added thermal insulation measures to the design of public lanes in the northern part of China vulnerable to cold current, while the waterproof, windproof and drainage design of the projects in the southeast of China will be strengthened as they are vulnerable to typhoons and rainstorms.

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VII. SOCIAL SUSTAINABLE DEVELOPMENT

Employment and Labour Practices

B.1. Employment

The Group understands that a professional and dedicated talent team has a far-reaching impact on its long-term development, therefore, it values its employees and tries its best to create a healthy working environment of unity, friendship, mutual respect and tolerance for them. Committing to become a conscientious employer, the Group provides employees with a suitable and flexible working platform in accordance with the Employment Management Norms, so that each employee can develop their own skills and give full play to their strengths. As of 31 December 2021, the Group had a total of 910 employees. Please refer to table 3 below for details of employee category.

Table 3. Number of Employees of the Group by Age Group, Gender, Employment Type, Position Type and Geographical Location in FY2021¹

Unit: number of employees					
	Age				Total
	30 years old or under	31-40 years old	41-50 years old	51 years old or above	
Gender					
Male	94	164	122	167	547
Female	99	162	74	28	363
Total	193	326	196	195	910

Unit: number of employees				
	Position			Total
	General staff	Middle management	Senior management and directors	
Gender				
Male	504	27	16	547
Female	358	3	2	363
Total	862	30	18	910

Employment type		
Full-time	Part-time	Total
910	0	910

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Geographical Location	
Location	Number of employees
PRC	907
Hong Kong	3
Total:	910

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Compliance with laws

Since its establishment, the Group's employment policy has been continuously updated and revised to cater for social changes and comply with relevant laws and regulations. In the FY 2021, the Group has complied with relevant laws and regulations on employment management, including the following:

Employment Ordinance (Cap. 57 of the laws of Hong Kong)	Employees' Compensation Ordinance (Cap. 282 of the laws of Hong Kong)
Minimum Wage Ordinance (Cap. 608 of the laws of Hong Kong)	Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong)
Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong)	Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong)
Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong)	the Labour Law of the People's Republic of China
the Employment Promotion Law of the People's Republic of China	the Labour Contract Law of the People's Republic of China
the Social Insurance Law of the People's Republic of China; and	the Provision on Minimum Wage

The human resources department of the Group regularly reviews and updates relevant policies within the Company in accordance with the latest laws and regulations. The Group purchases five national statutory social insurances including basic endowment insurance, basic medical insurance, employment injury insurance, maternity insurance and unemployment insurance as well as housing fund for the employees in Mainland China and makes contributions to the mandatory provident fund for its employees in Hong Kong.

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Recruitment and promotion

In order to meet the demand for talents due to the Group's rapid development, the Group continues to standardize the recruitment process and behavior in accordance with the Management Measures for Employee Recruitment and Employment, and improve the recruitment efficiency and quality of talent introduction. Following the principles of comprehensive evaluation, merit-based employment and meritocracy, the Group requires equal emphasis on morality and professional quality, professional ability and development potential of a candidate. In order to motivate and reward the existing employees, the promotion policy of the Group adheres to the principle of fairness and transparency according to the promotion policy of the Group, and talents are promoted according to position requirements. Employees with excellent performance and positive attitudes may have the promotion opportunities offered by the Group based on relevant employees' personal willingness and its comprehensive assessment.

Remuneration and dismissal

The Group constantly reviews its remuneration system and regularly reviews it according to the Group's profitability, employees' performance and market trends. The Group reports the annual remuneration status to the Remuneration Committee annually, and makes reasonable adjustments to the corporate remuneration plan in accordance with the industry's remuneration standards. The Group's practices on entry salary, salary distribution and salary adjustment are strictly implemented in accordance with internal policies. Any employment, promotion or termination of labour contracts of the Group must have a reasonable basis and be strictly conducted in accordance with internal policies. The Group strictly prohibits any unfair or unreasonable dismissal, and accordingly, it has formulated strict employee management policies on the dismissal procedures in Employment Management Norms. Employees wishing to quit need to apply in advance and fill out the Resignation Application Form, specifying the reason for leaving. After the application is approved by the management, relevant employees shall timely submit the same to the human resources department and obtain the approval from the human resources department before going through the separation procedures. For employees who violate the Group's employment policies, the Group will give a verbal warning to them before issuing a warning letter. For employees who repeatedly make the same mistakes after receiving any warning, the Group will terminate their employment contracts in accordance with relevant national laws and regulations. In FY2021, the employee turnover rate of the Group was 29%. For more details of employee turnover, please refer to Table 4 below.

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Table 4. Employee Turnover Rate by Age Group, Gender and Geographical location in FY2021¹

Unit: number of employees					
	Age Group				Total
	30 years old or under	31-40 years old	41-50 years old	51 years old or above	
Gender					
Male	24	53	40	27	144
Employee turnover rate (percentage)	26%	32%	33%	16%	26%
Female	26	56	28	12	122
Employee turnover rate (percentage)	26%	35%	38%	43%	34%
Total	50	109	68	39	266
Total employee turnover rate (percentage)	26%	33%	35%	20%	29%

Geographical Location		
Location	Employee turnover	Employee turnover rate
PRC	265	29%
Hong Kong	1	33%

¹ The turnover data was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employee turnover in FY2021 by the number of employees in FY2021. The methodology adopted for turnover data set out above was based on "How to Prepare an ESG Report – Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Working hours and holidays

The Group has formulated corresponding policies in its employee manual in accordance with local employment laws, including the State Council Regulations on Working Hours of Employees 《(國務院關於職工工作時間的規定)》. The Group exercises strict control over the attendance time of employees and has put in place incentive and punishment rules relating to attendance. In addition to the basic paid annual leave and statutory holidays under employment laws promulgated by central and local governments, employees are also entitled to marriage leave, maternity leave, funeral leave and other additional vacations. When asking for leave, an employee is required to complete the Employee Leave Application Form stating the reason and time for leave, which will take effect after being signed and approved by his/her superiors.

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Equal opportunity and anti-discrimination

As an employer offering equal opportunities, the Group attaches great importance to the promotion of anti-discrimination and creation of equal opportunities in human resources and employment-related decisions, thus creating a work environment featured by fair competition, mutual respect and diversity. Therefore, the Group constantly regulates its daily corporate practices and avoids any activities that may violate the principles of equal opportunities and anti-discrimination. The policies on training and promotion opportunities, dismissal and retirement in all business departments of the Group are not based on employees' age, gender, marital status, pregnancy status, family status, disability, race, color, descent, minority or ethnicity, nationality, religion or any other non-work-related factors. The Group encourages employees to report any suspected incidents of discrimination to the human resources department. The human resources department will evaluate and record the relevant factual events and take any necessary disciplinary actions against the relevant responsible persons.

Other entitlements and benefits

The Group is committed to assisting employees to achieve a balance between the career and personal life and maintain physical and mental health. In addition to providing insurance and provident fund for employees in accordance with relevant national laws and regulations, the Group also keeps good communication between management and employees through social media, e-mail, telephone, collaborative management software system. In addition, the Group also carries out team building activities from time to time and provides other company benefits, including annual physical examination, holiday cash gifts, birthday gifts and other benefits.

In FY 2021, the Group has strictly complied with relevant laws and regulations regarding remuneration and dismissal, recruitment and promotion, working hours, vacations, equal opportunities, diversification, anti-discrimination, other entitlements and benefits and other laws and regulations that have a significant impact on the Group.

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B.2. Health and Safety

The Group has always believed that providing and maintaining a safe, comfortable, clean and friendly working environment for all employees is of paramount importance. In FY 2021, the Group implemented strict safety and health policies and strictly complied with relevant PRC laws and regulations, including but not limited to:

the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)	the Law of the People's Republic of China on Occupational Disease Prevention
the Work Injury Insurance Ordinance	the Law of the People's Republic of China on Production Safety
the Labour Law of the People's Republic of China	the Law of the People's Republic of China on Fire Prevention
the Standardization Law of the People's Republic of China	

In order to implement the laws, regulations, policies and standards on prevention and treatment of occupational diseases of the PRC and thus to strengthen the management of prevention and treatment of occupational diseases, the Group has continuously established and improved health and safety management policies, including but not limited to the "Control Procedures for Environmental and Occupational Health and Safety Management Program", the "Fire Safety Management System", the "Hot Work Management Regulations", the "Safety Operation Rules", and the "Safety Management Regulations for High-altitude Operations", etc. The Group has in place an "occupational health and safety system", which is developed, implemented and supervised in accordance with ISO 45001:2018 and has been certified since 2017.

In order to ensure the safety of employees, the Group proactively supervises and urges the management and employees to emphasize the safety management of daily work and production to eliminate potential safety hazards in a timely manner. During the year under review, in accordance with the Notice on the Control of Safe and Civilized Construction of Each Project, the Group supervised and urged all project sites to carry out safety production and safety and civilization inspection, so as to create a clean and tidy construction environment and eliminate production safety accidents. Meanwhile, the Group stipulates that all employees operating on the construction site must receive emergency management and occupational health and safety training to improve their safety awareness and avoid occupational injury. In case of occupational hazards or accidents, the Group shall promptly report to the local production safety supervision and management department and organize all departments to take effective measures rapidly to reduce or eliminate occupational hazard factors and prevent aggravation of accidents.

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The Group provides employees with occupational disease protection facilities and personal protective equipment that meet the requirements of occupational disease prevention and control, and adopts a rotation work system to ensure the safety of employees. The behaviour in violation of laws and regulations on prevention and treatment of occupational diseases and endangering life and health are subject to serious treatment. The employees engaged in special types of work must accept special training and are only allowed to work with a permit.

In addition, the Group's administrative and human resources department organizes services such as health check-ups and occupational disease diagnosis and treatment each year, and provides emergency management training and occupational health training to employees in specific positions. To monitor the effective implementation and coverage of occupational safety measures, the quality assurance department of the Group is responsible for monitoring and measuring the completion of environmental and occupational health and safety objectives, indicators and management plans, organizing relevant departments to carry out supervision and inspection activities on the operation and performance of environmental and occupational health and safety systems, and monitoring and inspecting the safety awareness and training of employees and interested parties.

Benefiting from the Group's unremitting efforts, the Group has not recorded any work-related fatalities in the past three years (including this reporting year). During the year under review, there was also no work-related injury accident, thus the number of work-related injuries and the number of working days lost during the year were both zero.

In FY 2021, the Group complied with relevant laws and regulations on providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group in providing a safe working environment and protecting employees from occupational hazards.

Fight Against COVID-19

Since the outbreak of the COVID-19 in 2020, the Group has actively responded to the instructions of the state and local governments and made every effort to contain the epidemic in line with the corporate responsibility of "shouldering responsibilities in face of the epidemic". In 2021, with the slowdown of the epidemic, business and staff turnover began to gradually recover. Given the public-facing nature of the Group's businesses, including hotel operations and shopping mall management, the Group strives to keep abreast of local epidemic prevention policies to ensure the normal operation of its daily business while safeguarding the safety of its employees and the public, including:

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Make risk assessment before resumption of work to ensure that all epidemic prevention loopholes and key points are blocked	Strengthen staff health examination to strive to achieve “early detection, early reporting, early isolation, early diagnosis and early treatment”
Strengthen prevention and control knowledge training to improve employees’ self-protection awareness and ability	Establish personnel access management system to reduce unnecessary personnel exchanges, and carry out health QR code examination, temperature detection and registration for visitors

In order to protect the safety of the public and employees, the Group’s hotel business has been partially opened in a limited way according to the government’s requirements and its own operating conditions. For example, only basic external services were reserved, and other entertainment facilities were completely shut down. At the same time, the Group’s operation and property business also actively cooperated with other stakeholders, and complied with the government’s preventive measures, such as strengthening the interrogation of people coming and going in the commercial street, closed-off management of the square, and reserving two special passages (one being entrance and the other being exit), so as to strictly check temperature, health QR codes and itinerary QR codes of each guest.

As the protracted war against COVID-19 has been going on for more than two years, the Group has been actively looking for opportunities and changed its operational thinking to explore a healthy and safe consumption mode in the post-epidemic period, so as to minimize losses and seize more business opportunities. Specifically, COVID-19 caused long-distance tourism to be unrealistic. Therefore, the Group adjusted its business model, increased its promotion towards the areas and communities around the hotels, and introduced the suburban light holiday model to encourage urbanites to embrace nature, so as to bring more sales opportunities.

B.3. Development and Training

The Group believes that the training and sustainable development of talents are indispensable elements for the long-term development of enterprises. Therefore, the Group is committed to taking the lead in organizing various internal training, and through the combination of external professional lecturers and internal professionals, the Group carries out various training such as vocational skills, business, system, and use of hardware/software, etc., covering the career development needs of different employees in an all-round way.

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With the aim of enabling everyone to acquire the necessary and essential knowledge and skills and to expand their possibilities on this basis, the Group's administrative and human resources department is responsible for coordinating the organization and implementation of the training plans of each department in accordance with the "Staff Training System", following up and preparing statistics of training, and verifying the training materials and training records. During the year under review, the Group made use of online platforms and mobile applications such as Tencent and Huatong Cloud Classroom to arrange various online learning for our employees so that they can make full use of the learning opportunities at a time and pace that suits them.

At the same time, the Group also encourages employees to take external training and professional examinations to improve their competitiveness and professional competence. With the consent of his/her superiors, an employee may apply for reimbursement for the costs incurred by the relevant training and examinations. If employees need to take up working time for examinations, they can apply for leave according to the Company's leave system with the admission ticket. The leave required is calculated as normal attendance. In doing so, the Group hopes to provide impetus to employee's self-directed learning, which could effectively enhance the Group's overall competitiveness.

In FY 2021, the Group provided a total of 40,115 hours of extensive training courses for all employees. Please refer to the following Table 5 and Table 6 for details. The training topics provided during the year were extensive and diversified, including but not limited to corporate culture and induction training for new employees, functional professional training to improve employees' quality, management system training to familiarize employees with business processes, and emergency management and fire safety training to enhance employees' occupational health and safety awareness.

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Table 5. Number and percentage of employees trained of the Group by gender and position type in FY 2021 ¹

	Total
Total number of trained employees	803
Total number of employees at the end of the year	910
Percentage of trained employees ²	88%

Unit: number of employees trained	Position			Total number of trained employees
	Staff	Middle management	Senior management and directors	
Gender				
Male	459	25	6	490
Percentage Of Trained Employees	57%	3%	1%	61%
Female	310	2	1	313
Percentage Of Trained Employees	39%	0%	0%	39%
	Staff	Middle management	Senior management and directors	
Total number of trained employees	769	27	7	
Percentage of trained employees	96%	3%	1%	

^{1.} The number of trained employees is obtained from the Human Resources Department of the Group. It refers to the number of employees participated in the vocational training during FY 2021. The method used to report the number and percentage of trained employees above is based on the "How to Prepare an ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange; and

^{2.} The percentage of the total number of trained employees is calculated on the basis of the number of employees at the end of FY 2021.

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Table 6. Training hours of employees of the Group by gender and position type in FY 2021¹

Unit: Hour	Position			Total
	Staff	Middle management	Senior management and directors	
Male	23,410	1,032	192	24,634
Average training hours	46.4	38.2	12.0	45.0
Female	15,379	82	20	15,481
Average training hours	43.0	27.3	10.0	42.6
Total	38,789	1,114	212	40,115
Average training hours	45.0	37.1	11.8	44.1

1. The number of trained employees is obtained from the Human Resources Department of the Group. The method used to report the number and percentage of trained employees above is based on the "How to Prepare An ESG Report-Appendix III: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

B.4. Labour Standards

The Group respects the rights and interests of workers and prohibits any employment of child labor or forced labor. In FY 2021, the Group complied with the Law of the People's Republic of China on the Protection of Minors, the Labor Law of the People's Republic of China, the Regulations on the Prohibition of Child Labor in the People's Republic of China and other relevant labour laws and regulations in China. In order to strictly prevent illegal employment related to minors and forced labor, the human resources department of the Group strictly controls the recruitment, interview and other processes, and requires all applicants to provide valid identification information and other relevant documents to ensure applicants can be legally hired. In addition, the Group also has a legal department, which regularly checks whether there is child labor or forced labor through annual audit. Once the Group discovers any violation of labor standards, it will not only terminate the relevant employment immediately, but also initiate relevant punishment measures to punish the persons involved, and once again emphasize the importance of legal and reasonable employment throughout the Group.

In FY 2021, the Group has not violated any relevant laws and regulations that have a significant impact on the Group in preventing child labour or forced labour.

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Operating Practices

B.5. Supply Chain Management

The Group is aware that, the management of suppliers, as the lifeblood of an enterprise, is crucial to maintaining a stable supply chain, and it is also the key for the Group to provide customers with quality products and services. Therefore, the Group is committed to maintaining good and smooth two-way communication with suppliers so as to strive for consensus and common interests in promoting sustainable development. At the same time, the Group understands that every link in the supply chain may pose risks to the Group, the environment or society. Therefore, each business segment of the Group has put strict supplier selection and evaluation criteria in place so as to early identify and control potential environmental and social risks.

In FY 2021, the Group cooperated with 556 suppliers, of which 537 were located in China, 17 in Hong Kong and 2 in other regions. The following supply chain management policies are applicable to key suppliers, accounting for approximately 60% of the total number of suppliers.

Property Development and Management Business

In light of the nature of the business, key suppliers of the Group's property development and management business comprise suppliers of life services, equipment maintenance, engineering and office supplies. The business operation department is responsible for maintaining effective and continuous communication with key suppliers through on-site interview, telephone communication and WeChat communication.

In order to identify and manage the potential environmental and social risks in the supply chain, and to identify partners in an open and transparent way to reduce the possibility of monopoly or conflict of interest, this business is required to submit an application to the cost contract department before purchasing materials, and conduct bidding according to the Bidding and Procurement Management System set by the business operation department. During the bidding process, the business strictly follows the Operational Guidelines for Bidding and Procurement, explicitly requiring all suppliers to meet the internal product/service standards of the Group and comply with the relevant national and local market regulations. Suppliers must comply with and pass the procedures of enterprise information inquiry, supplier qualification pre-examination, business license examination, original qualification certificate examination, account information examination and supervision and evaluation of qualified suppliers before they can be included into the list of qualified suppliers. After reviewing the basic information of each supplier, the cost contract department will also conduct on-the-spot inspection, and evaluate whether the bidder's quality management system, equipment and facilities, after-sales service quality, social and environmental responsibilities, and its technical and construction capabilities meet the standards and specifications required by various development projects of the Group. The audit and legal department is involved in each process of cooperation between this business and suppliers, including preliminary background check and signing of contract, so as to avoid all possible risks.

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This business evaluates suppliers annually, and each functional department scores the service of suppliers. All suppliers that do not meet the requirements will be blacklisted and no longer engaged by the Group, thus ensuring the stability of supply chain quality. If non-conforming products or services are found, and they may pose potential material risks, the business will take measures to shut down and make emergency maintenance of the related equipment, and will turn on the equipment after the third-party manufacturer and professional organization assess that the products or services are conforming.

Following the principle of green procurement, the Group incorporates the environmental protection concept into the decision-making in the process of selecting suppliers and products to be supplied, giving priority to enterprises with green environmental protection certificates recognized by the state. During the year under review, the green procurement principle coverage rate of the Group's property management business reached 60%, and the green coverage rate of suppliers of property development business also exceeded 30%. In addition, in order to minimize the impact on the environment in the procurement process, this business also gives priority to local suppliers for cooperation.

Hotel Operations

The main materials purchased by the Group's hotel operations are hotel-related items, including daily food ingredients, condiments, beverages, washing supplies, engineering maintenance items and accessories, lamps, guest room linen, office supplies and computer consumables. Our suppliers mainly include food suppliers, beverage suppliers and suppliers of daily necessities.

In order to maintain a high-quality level of service, the business is mainly subject to the service standards of the hotel management group and the national product standards when establishing the supplier qualification and evaluation indicators. According to the Operational Guidelines for Bidding and Procurement, in order to minimize the supply chain risk, in selecting suppliers, the business also requests suppliers to present the business license, tax registration certificate, organization code, product's production license and other business certificates for internal assessment. The suppliers of special industries shall also provide industry-related operating permits, such as product's test report, chemical medicine's production license, hygienic license, food safety quarantine certificate, alcohol wholesale license. The Group requires that the products supplied and the business premises of suppliers should comply with the corresponding national regulations. For example, chemical suppliers shall meet the production conditions which fulfill the requirements of environmental protection, and food suppliers' premises shall be subject to the relevant food safety requirements of the governmental authorities. During the pandemic, the Group also required suppliers to issue various quarantine certificates. The Group's on-site inspection regarding the main suppliers' operating premises is one of the bases for selecting suppliers. In selecting suppliers, the Group will consider suppliers' product quality, production capacity, reputation, qualifications and the fulfilment of environmental responsibilities.

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According to the Operational Guidelines for Bidding and Procurement, all procurements involved in this business must be carried out by the procurement department. Procurement should be conducted following the process, and the process should be made more transparent, fair and effective through supervision links such as price comparison. At the same time, the procurement department of this business also maintains stable communication with suppliers through the hotel's PICC supply chain management system, email, telephone, WeChat and interview. The use department, cost department and the procurement department of the business jointly conduct an annual evaluation of their suppliers on a regular basis, and conduct daily supervision on them through on-site inspection and communication. Once a supplier is found not to rectify those failures identified in such inspection and evaluation, the supplier will be blacklisted and become not eligible for providing any products or services for this business.

In view of the large number of disposable products for hotel guests involved in the operation of the business, the business is committed to promoting green procurement by giving priority to suppliers using environment-friendly raw materials in selecting partners and giving priority to local suppliers who have obtained environmental protection credentials to reduce transportation frequency and environmental costs through centralized procurement. During the year under review, green supplier policy covered 80% of the business. For example, the straws and coffee stirrers purchased by the business are made of biodegradable materials, reducing the burden on the environment. Meanwhile, given that 90% of the business's major hotel suppliers are already local ones, the business has set a short-term target of having 60% of all suppliers in this segment to be local suppliers within the next 5 years.

B.6. Product Responsibility

Based on the concept of "pragmatism, integrity, innovation and development", with regard to the health and safety, advertising, labelling and privacy matters of the Group's products and services, the Group complied with relevant PRC laws, regulations and standards during the FY 2021, including but not limited to:

the Law of the People's Republic of China on Product Quality	the Law of the People's Republic of China on Fire Prevention
the Law of the People's Republic of China on Construction	the Law of the People's Republic of China on Production Safety
the Law of the People's Republic of China on the Protection of Consumer's Rights and Interests	the Law of the People's Republic of China on Intellectual Property Rights
the Law of the People's Republic of China on Advertising	the Administrative Regulations on Production Safety of Construction Works
the Property Management Regulations	the Price Law of the People's Republic of China

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Property Development and Management Business

The policy of the Group's property development, operation and management business is to run with the service concept of "keep pace with the times, serve the best, focus on quality, and create impressions", and strengthen internal management by obtaining ISO 9001 quality management system certification, ISO 14001 environmental management system certification, OHSAS 18001 occupational health and safety management system certification and in accordance with the requirements of ISO 27001 information security management system.

Quality and Safety

As a well-known property developer in China, the Group always keeps an eye on market selection, and conducts continuous research on peripheral products and customers, so that the developed products can meet the preferences of the public. In order to continuously improve product quality, the Group always adheres to the concept of safety and quality of products and services in the process of property development, and undertakes this responsibility together with the contractor. The engineering management centre and project engineering supervision department of the Group's operating subsidiaries are responsible for supervising construction projects and monitoring project progress to ensure that every link from design and construction to final delivery of one project is in line with the project's planning and construction agreements. To make sure that the materials used for construction meet safety standards, the Group closely monitors the site acceptance of materials through quality monitoring and process acceptance procedures. The Group adopts the cycle management method to effectively manage each stage of the project, including project planning and management, raw material evaluation and procurement, construction project's progress to property sales and management. The safety and quality of the properties developed by the Group are monitored by qualified persons at all stages of construction to ensure that they meet the standards and regulations set by the Group. As the project supervisor, the chief supervisory engineer of each project must obtain relevant work experience and certificates (such as certificates held by registered supervisory engineers across the country) according to the scale and complexity of the project, the project environment and other factors.

In terms of follow-up property operation management, the Group has insisted on combining high-standard services with local social development, and has created a set of standardized management models and mechanisms with Zendai's characteristics. According to the Property Management Regulations, the Group values the safety of owners and tenants in the process of property management and operation. In addition to purchasing commercial public liability insurance, the Group is also equipped with all-round monitoring equipment, arrange 24-hour security patrol, and ensure that the fire control room is on duty 24 hours to maintain fire prevention safety.

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The Group's property management segment has established a high-quality, environment and occupational health and safety management system, and has set specific targets for the services and products provided in terms of environment, quality, and occupational health and safety according to the management manual. These targets cover specific quantitative indicators including customer satisfaction, timeliness of maintenance, hazardous waste recovery rate and accident rate to ensure the professionalism of property management and further enhance customer satisfaction. The quality management department supervises the performance of the above aspects according to the Management System of the Quality Management Department, conducts owner satisfaction survey each year, issues a rectification letter for the items to be rectified, and ensures the relevant rectification progress.

Handling of Customer Comments and Complaints

The business attaches great importance to the positive evaluation and constructive opinions from customers, and has established a complete complaint management system to handle related complaints about the properties under management and construction processes. Once any complaint is received, the business will immediately initiate a follow-up mechanism and ensure that the verified complaint can be effectively resolved. In response to complaints from owners, the quality management department and business operation department will follow up complaints to confirm on-site matters, deal with them in a timely manner, and provide solutions to customers as soon as possible.

In FY 2021, the business received seven complaints from property owners. After receiving the complaint, the quality assurance department of the property company of the business immediately followed up, learned about the situation on the same day, and effectively communicated with the owner to negotiate and handle the matter. The business solved the matter within three days, and reported it to the general manager of the Company.

Advertising and publicity

At the same time, any false or exaggerated publicity is strictly prohibited in this business. Through the establishment of relevant advertising management policies and the effective intervention of the internal legal department, the business manages publicity strictly to ensure the authenticity and reliability of advertisements.

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Customer privacy

This business attaches great importance to the privacy of customers, and establishes an information security management system to effectively handle and protect all sensitive information, including the information of tenants and owners. This business sets information user permissions, and implements the management mode of one file for one customer for all customer information, under which any person or unit other than designated department in charge of custody must submit the relevant authority application for borrowing and inquiring. The management team of the Group jointly inspects the implementation of various systems of various projects every quarter. In FY 2021, there was no information leakage in this business, and no substantive complaints related to the privacy of guests were received.

Hotel Operations

Adhering to the service concept of “being proactive and being kind to others”, this business is committed to providing customers with high-quality check-in and dining experience. By implementing the departmental responsibility system, this business creates meticulous service and systematic management mode to satisfy customers.

Quality and safety

In order to guarantee the service quality, this business establishes various operational disciplines and policies and requires employees to implement the same thoroughly, including Room Cleaning, Food Cooking, and Hotel Courtesy Language Specification, so as to ensure that guests can enjoy the services of the Group. At the same time, this business pays attention to the safety of food provided for customers. Apart from acting in accordance with national laws, regulations and policies, this business is also committed to ensuring the quality of food by regularly checking the ingredients and food samples in the warehouse and strictly controlling the cooking environment and equipment such as refrigerator temperature. This business gives priority to non-imported ingredients, and strictly controls the quality of ingredients according to the Supplier Qualification Evaluation and Audit Procedure to ensure that all supplies meet the quality requirements of the hotel.

In addition, in order to ensure the security of customers during their stay at the hotel, the Group regularly conducts third-party inspections on all safety equipment in the hotel, and establishes policies such as Fire Hazard Rectification System, the Management and Maintenance Mechanism of Fire Hydrant System, the Management System of Safe Evacuation Facility, Procedures Concerning the Disposal of Suspected Explosives Items/ Intimidated Phone Calls to ensure effective and rapid emergency treatment.

The quality control department is responsible for the quality tracking, quality supervision and inspection of all operations and services of this business. If it is found that the quality of operation or service fails to meet the standard, the quality control department will immediately take decisive measures to adjust and coordinate the operation plan. At the same time, the quality of goods from suppliers is subject to joint appraisal by the user department and the receiving department. If any substandard products are found, they will be returned immediately to maintain the service quality of the hotel.

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In FY 2021, the business continued to provide its guests with quality service through continuous innovation, upgrading of conference room equipment, restaurant dishes and western food service. During the year under review, the Group won the “2021 Popular Business Hotel” recommended by HotelIn and the “Grade A Unit” for public hygiene reputation of Qingdao Municipal Health Commission, which proves the high-quality service of this business.

Advertising and Publicity

This business mainly publicizes and shares hotel information on WeChat, mobile phone applications and other platforms, and forwards hotel related products. This business complies with the Advertising Law of the People’s Republic of China, and has established internal policies to supervise the marketing information it publishes, including the description and standards of advertisements, the design and standards of printed matter, the standards of news release, and the application of hotel names and logos in publicity.

Handling of Guest’s comments and Complaints

Adhering to the spirit of “showing excellence and striving for the best”, the hotels of the Group actively communicate with guests and listen to their service requirements and comments. When a guest’s complaint is received, the lobby manager will deal with it immediately. If the complaint is beyond the authority of the lobby manager, it will be escalated to the general manager. The customer’s comments will be handed over to the team of the relevant department for timely follow-up, and the relevant person in charge shall promptly report the progress of complaint handling to the guests. Each hotel of the Group calculates the customer satisfaction on the basis of the aggregated customer survey data, promptly adjusts and continuously improves the operation and management mode of the business, strengthens the relevant training for hotel staff, and further improves the service quality.

During the year under review, the business did not receive any substantive complaints related to service quality. In the past, there were complaints about room facilities and catering styles. The business actively responded to the questions raised by guests, and solved them by making use of off-season rectification of rooms and changing seasonal ingredients from time to time, and provided more surprise services for guests.

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Guest privacy

The Group's hotel operations attach great importance to the protection of customer privacy. By establishing strict internal management policies and installing supporting facility software, we undertake to comply with all laws and regulations on privacy of personal data in the jurisdictions, and make every effort to ensure that customer information is never disclosed. The Group has established access authorities of different levels, and only authorized employees are allowed to access to customer's personal information. All personal information collected for maintaining membership qualification can only be used for membership management with the permit of customers. All the information related to the stay of hotel guests must be kept in the computer system. All information is kept strictly confidential except for disclosure based on the legal certification provided by the relevant governmental authority. The relevant employees are required by the Group to sign and execute the confidential agreement for implementing the confidentiality of daily work. The internal policies of the Group clearly stipulate the management of computers and files, and all employees must strictly abide by the same, and it is strictly forbidden to disclose any confidential information (such as name, company, account, payment information, etc.) to outside parties without the authorization of the customer. The Group's hotels strictly implement the policy that visitors must obtain their consent before they can be referred. During the year under review, the Group did not receive any complaints about customer data leakage.

In FY 2021, the Group did not violate any relevant laws and regulations concerning the health and safety, advertising, labelling and privacy matters of its products that have a significant impact on the Group, nor did it have any recall incidents. In view of the nature of the Group's business, issues such as recycling procedures, intellectual property rights and patents are considered irrelevant to the Group's operations. Therefore, based on the principle of materiality, related matters will not be disclosed in this report.

B.7. Anti-corruption

The Group upholds high ethical standards and has zero-tolerance for any form of corruption in business operations or supply chains. In order to maintain a fair, honest and efficient working environment, the Group complies with the local laws and regulations on anti-corruption and bribery where the Group operates, including but not limited to:

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Anti-Corruption Law of the People's Republic of China	Anti-Money Laundering Law of the People's Republic of China
Article 274 of the Criminal Law of the People's Republic of China [on extortion]	Article 387 of the Criminal Law of the People's Republic of China [on illegally accepting properties of other persons]
Interim Provisions on Prohibition of Commercial Bribery	Law of the People's Republic of China on Unfair Competition
Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)	Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)

The Group formulates and strictly implements its anti-corruption policies, which require employees to sign sunshine agreements and integrity pledges, in order to standardize employees' professional ethics, clarify their duties and responsibilities in business activities, resource use and confidentiality obligations, follow the internal and external dealing guidelines, and comply with the requirements of personal interests and company interests, so as to prevent any fraud.

In order to uphold the spirit of clean business ethics and continuously monitor the implementation of professional ethics within the Group, the Group has set up special departments, including the audit and legal department and the human resources department, which are responsible for preventing and supervising all forms of bribery and corruption, and for formulating, improving and implementing the internal reporting system. The Group has an internal reporting management system, which defines the reporting methods, the responsibilities of each department, the investigation measures after receiving reports, and the protection, reward and punishment mechanism. Informants can use telephone, e-mail, face-to-face reporting and other forms to report, or entrust others to report on their behalf.

The report shall be handled by the audit and legal department of the headquarters of the Company, and the department shall be directly responsible to the executive director. After accepting the internal operational defects or irregularities reported by employees, the audit and legal department of the headquarters organizes the investigation and nature determination of the behaviors, and then studies and demonstrates the remedial and rectification measures for various operational defects or irregularities, and reports the same to the executive director in time. With the approval of the executive director, the opinions on the handling of persons responsible for operational defects or irregularities will be issued.

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In order to ensure that employees understand the internal anti-corruption policies of the Group and enhance their sensitivity to violations, the Group regularly arranges relevant training for employees. In FY 2021, the Group arranged eight special trainings for 158 staff and 28 management, with a total of 15 hours, so as to deepen employees' understanding of anti-corruption and illegal fund-raising and enhance their awareness of law and discipline.

In FY 2021, the Group did not violate any relevant laws and regulations that have a significant impact on the prevention of bribery, extortion, fraud and money laundering, nor did it record any legal cases against the Group or its employees that were related to corruption and were closed.

Community

B.8. Community Investment

As a responsible corporate citizen, the Group is committed to taking social value as the measurement standard, taking social value as the measurement standard, and actively practicing socialist core values in order to serve local economic development and promote local industrial progress. In order to fulfill its obligations, the Group has been working closely with local governments and non-governmental organizations, paying attention to social needs and focusing on improving the living standards of the communities where it operates. In FY 2021, the Group focused on "enhancing community civilization", "improving community inclusion", "caring for vulnerable groups" and "financially contributing community development", actively responded to the needs of the community and fulfilled its corporate social responsibility.

Enhancing community civilization

As COVID-19 subsided with the implementation of effective epidemic prevention measures and rolling-out of vaccines in 2021, people's lives gradually returned to normal, but epidemic prevention work should not be slackened. The Group actively responded to and cooperated with the government and the community to implementing the daily epidemic prevention and control policy, and reported the relevant situation in time. The Group strives to promote all employees to receive vaccination, and organize employees to participate in volunteer service, providing voluntary cleaning and on-site support for community in nucleic acid testing.

At the same time, in order to support the daily life of the community in terms of details, during the year under review, the Group encouraged employees to participate in community public welfare activities, including community site environment restoration in typhoon and blizzard weather, and young crops subscription activities in Tibetan areas. Employees also participated in city evaluation, publicity of environmental waste classification, voluntary door-to-door repair, and assistance in intelligent transformation of garbage pools to promote community development.

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Improving community inclusion

In order to help disabled people develop their potential and integrate into the community, the Group responded to the government's call by actively recruiting disabled people and organizing more community welfare activities so that staff understands the true essence of deepening mutual support. During the reporting year, the Group mainly focused on caring for children with intellectual disabilities by sending blessings and gifts to children with disabilities during festivals and inviting teachers and students to visit the Group's stores.

At the same time, the Group is aware that foreigners living in the community are not well integrated into the community due to language and cultural differences. Therefore, the Group organized a DIY Lantern Festival Event during the year, "Celebrating the Lantern Festival with joy, warmth and harmony", which not only helped the foreigners to deepen their understanding of Chinese culture, but also helped them to integrate into the community more quickly by allowing them to interact with local residents in a relaxed and harmonious atmosphere.

Caring for vulnerable groups

There are always vulnerable groups in the society, and as a responsible enterprise, the Group is committed to giving back to the society. In the spirit of respecting the elderly and caring for the young, the Group cared for the orphaned elderly and poor students during the year, and cooperated with local resident committees and property owner committees to provide free activity venues for the elderly in the community. The Group, together with the community and subdistrict, donated RMB10,000 as well as other cultural and learning supplies and epidemic prevention materials to poor students of hope primary schools in Shaanxi Province.

Financially contributing community development

The healthy development of the community would be impossible without economic and resource assistance. Therefore, the Group makes donations to different organizations every year, representing financial contribution to the development of the community. Specifically, Shanghai Zendai Property Management sponsors RMB3,000 every year for charity events conducted by community and subdistrict. In 2021, it organized employees to participate in the 19th Yangjing Charity Joint Donation, in which the employees donated RMB2,000 to Shanghai Yangjing Community Charity Foundation.

In addition, during the year under review, Himalayas Qingdao Hotel, together with the local red cross society, jointly organized a charity event, the Pink Ribbon Run for Love, to care for women's health. Participants contributed to women's health through donations and running. The event will be held once a year.

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VIII. REPORT DISCLOSURE INDEX

HKEx ESG Guide content index

Aspects	ESG Indicators	Description	Page
A. Environmental			
A1: Emissions	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	15
	KPI A1.1	The types of emissions and respective emissions data.	16
	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).	16

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	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	16
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	16
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	17, 28
	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.	18, 28
A2: Use of Resources	General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>	22
	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).	23
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	23
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	23, 29
	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.	26, 28
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	23

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A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	29
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	29
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	31
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	32
B. Social			
Employment & Labor Practices			
B1: Employment	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.	34
	KPI B1.1	Total workforce by gender, employment type (such as full-time or part-time), age group and geographical region.	33
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	36

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B2: Health and Safety	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.	38
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	39
	KPI B2.2	Lost days due to work injury.	39
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	38
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	40
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	42
	KPI B3.2	The average training hours completed per employee by gender and employee category.	43

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B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	43
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	43
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	43
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	44
	KPI B5.1	Number of suppliers by geographical region.	44
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	44
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	44
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	45

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B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	46
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	51
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	48, 50
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	51
	KPI B6.4	Description of quality assurance process and recall procedures.	47, 49
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	49, 51

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Aspects	ESG Indicators	Description	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	51-52
	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.	53
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	52
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	53
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	53
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	53-54
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	53-54