

# Midea Real Estate 2021 Environmental, Social and Governance Report

SMART  
LIFE  
WITH MIDEA

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WITH  
MIDEA

智慧生活 美的人生



# About This Report

## Scope of Report

This report is the fourth Environmental, Social and Governance (“ESG”) report produced by Midea Real Estate Holding Limited, which discloses the environmental, social and governance vision, strategies and practices of Midea Real Estate Holding Limited and its subsidiaries from 1 January 2021 to 31 December 2021 (the “reporting period”) in a comprehensive and objective manner for stakeholders to have a better understanding of the Company’s sustainability performance. In order to make this report more comparable and forward-looking, some contents are extended. Unless otherwise specified, the scope of this report is consistent with that of the 2021 annual report of the Company.

## Basis of Compilation

This report is compiled in accordance with Appendix 27 of “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The detailed content index of the ESG Guide is set forth in the Appendix section of this report for quick reference.

## Source of Data

This report follows the principles of materiality, quantitative, balance and consistency required by the ESG Guide. All case studies and data cited in this report come from Midea Real Estate’s statistical statements, relevant documents, and public information. The Company states that this report is free from any false records or misleading statements, and may be held responsible for the truthfulness, accuracy and integrity of the contents. Unless otherwise specified, the amounts in this report are denominated in RMB.

## Appellation Statement

For the convenience of expression and reading, the terms “Midea Real Estate”, the “Group”, and “we/us” in this report refer to Midea Real Estate Holding Limited and its subsidiaries, and the terms “Company” and “the Company” refer to Midea Real Estate Holding Limited.

## Approval of Report

This report was considered and approved by the board of directors of the Company to be released on 26 May 2021.

## Availability of Report

The report includes both Traditional Chinese and English versions for readers’ reference, and the Chinese version shall prevail in case of any slight difference in content. An electronic version of this report is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company’s official website ([www.mideadc.com](http://www.mideadc.com)).

## Feedback

If you have any question or feedback on this report and its content, please contact us by the following means:

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# Statement on Responsibility

The year 2021 kicked off the 14th Five-Year Plan of China. Midea Real Estate observes the brand positioning of “smart healthy life service provider”, actively responds to the national policy of “Houses are for living, not for speculative investment”, seizes development opportunities in the new era, and takes residential property development, property management services, commercial operations and real estate technologies as four major business segments, continuously strengthening its own environmental, social and corporate governance system, in a bid to maintain sustainable growth to become a “leader in smart living”.

**We follow the guidance of technology to create a smart, healthy and comfortable living environment.** With regard to the product strength, Midea Real Estate adheres to the core values of “long-termism and innovation”. We established and upgraded the “1 + N + X” solution system in line with the value concept of making intelligence warm. With one integrated scene control entry, N smart life scenes and X indefinitely expandable ecological scenes, we provide users with panoramic smart space services, all-time smart life enjoyment, and ubiquitous smart scene experience. In 2021, Midea Real Estate launched the TOP product line of “Jingrui” series, which depicts architecture with the concept of humanities and helps people start an ideal living. We adhere to the customer-oriented concept to continuously explore smarter and more diversified service models. In 2021, we upgraded the service system of “Chengyujia”, covering different stages of full lifecycle of “Xiangyujia”, “Qianshoujia”, “Qipanxia”, “Shouhuojia”, “Youxiangjia”, and “Xiangbanxia”. We continuously improved customer experience and achieved 86 points on customer satisfaction, up by 4 points compared with 2020.

**We follow the principle of green development and contribute to protection of the beautiful ecology.** Midea Real Estate integrates the philosophy of green and low-carbon development into the whole process of designing, construction and operation to create a green, resource-saving and environment-friendly living environment. At the design stage, we explore full-lifecycle zero-carbon solutions to create diverse and multi-dimensional zero-carbon solutions covering zero-carbon community design, green building design, zero-carbon campus design, and prefabricated design etc. At the construction stage, we vigorously promote green buildings and prefabricated buildings. In 2021, the GFA of certificated green buildings amounted to 1.81 million square meters. We continuously promote low-pollution and recyclable building materials and reduce the adverse effects on the environment during the construction process. In addition, we promote low-carbon operations in the property management sector, commercial sector and real estate technologies sector, aiming to reduce resource consumption due to our business development. In 2021, we comprehensively advanced the lean improvement work, driving the Company to transform from extensive management into a lean management model that improves quality, enhances efficiency, reduces cost, and promotes satisfaction. By doing so, we improved the business efficiency in all respects, contributing to the accomplishment of “dual carbon” goals.

**We insist on escorting for growth to help employees and the enterprise to develop together.** Midea Real Estate upholds the concept of “Achieve Success with Talents, Accomplish Talents with Careers”, regarding employees as a significant driving force for the Company to move forward steadily and enable lean innovation, and is committed to creating a stage for employees to realize self-fulfilment. We also insist on equal employment, constantly improve the performance evaluation mechanism, set up smooth communication channels, protect personal privacy, and effectively protect the legitimate rights and interests of employees. Based on the requirements of the corporate operation and employee career development, we provide diversified employee training and smooth development and promotion channels. In 2021, the proportion of trained employees reached 81.1%, with an average training time of employees of 59.76 hours. We are grateful to employees for their hard work, and provide them with benefits such as festival care, care for female employees, and striver care, striving to stand shoulder to shoulder with them and move forward in solidarity.

**We insist on making a concerted effort to contribute to the construction of a beautiful community.** We adhere to the public welfare concept of “making good use of intelligent power to build a green future”, cooperate with regional companies and the society to contribute to rural revitalization, education and culture, health and safety, low-carbon environmental protection and other public welfare undertakings. Working with Midea Real Estate’s Shaoguan Rural Revitalization Public Welfare Foundation, we continuously promote a number of rural revitalization projects such as the living environment, characteristic industries, and helping farmers with love, with a view to gradually improving people’s living standards and sense of happiness; we also continuously carry out activities such as the “Black-Eyes Plan”, Spring Breeze Public Welfare Tour, and Examinee Assistance, so as to promote the development of educational and cultural undertakings. In 2021, the Company invested a total of RMB17,605.8 thousand in public welfare and charity, with 255 person-times of participation in volunteer activities. We adhere to the practice of transparent procurement, continuously improve the supply chain management system, and drive suppliers to improve their ability to fulfill responsibilities, thereby building a sustainable supply chain.

We believe in “Smart Life, Beautiful Life”. In the future, Midea Real Estate will continue to hold the philosophy of long-termism, keep abreast of the times, and work with all stakeholders to share a sustainable future.

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# 02

## ABOUT US

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## Company profile

Midea Real Estate Holding Limited (Stock Code: 3990.HK), founded in 2004 and listed on the Stock Exchange on 11 October 2018, is one of the Top 100 private enterprises in Guangdong Province, and a leading smart property manufacturer. The Group's shares are included in the constituents of seven indexes such as Hang Seng Stock Connect Hong Kong Index, and the Group is widely recognised by all sectors of society. Guided by the policy of "intensive development in focused areas and strategy upgrade", the Group insists on the synergetic development of four major business segments, namely residential property development, property management services, commercial operations and real estate technologies, and is committed to delivering great value in intelligent and healthy manners. As at 31 December 2021, the Group has deployed 354 boutique projects in 61 cities in six core economic regions, namely the Pearl River Delta Economic Region, Shanghai, Jiangsu & Anhui Region, Zhejiang & Fujian Region, the Midstream of Yangtze River Economic Region, North Region and Southwest Economic Region. In 2021, the operating revenue was RMB73.703 billion, and net profit was RMB5,303 million, which indicates that the Company has embarked on a new stage of development.

### Residential property development:

strengthen penetration by focusing on high-value areas

Full-caliber contract sales amount: RMB137.14 billion

Number of base cities: 29

Number of AI smart communities implemented: 195

Number of Wei G Health Communities implemented: 40

First in the industry to introduce 4 smart health formulas

Won 58 authoritative design awards at home and abroad in this year

### Property management services:

blaze a new trail by introducing services aimed at bringing pleasant lifestyles and intelligent space

Number of cities covered by our service: 70+

Number of projects served by us nationwide: 300+

Contract GFA: 85.00+ million square meters

Owner satisfaction: 91.5

### Commercial operations:

carry forward previous success by continuing to launch Wonderful benchmark projects

High-quality commercial land reserves: 1.10+ million square meters

GFA of commercial properties in operation: 3.50+ million square meters

GFA of tourism in operation: 2,000 mu

Number of merchants who cooperated and allied with us: 1,000+

Number of rooms for rental in Wonderful Apartment: 2,500+

### Real estate technologies:

form a positive cycle by harvesting the operational benefits of the real estate + technology value chain

Number of smart communities delivered in 2021: 128

Number of smart homes delivered in 2021: 40.8 thousand

Accumulative number of signed projects of the eco-friendly prefabricated industry: 278

Number of projects designed by us in this year: 359

# Corporate governance

## Governance structure

In accordance with the requirements of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company continues to improve its governance structure and management system. The board of directors of the Company is responsible for formulating the overall strategic plan of the Company, determining long-term performance and management objectives, and reviewing various risks. The Company has adopted the board diversity policy, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and years of service.

### Investor Relation Activities in 2021

45 results roadshows   11 reverse roadshows   100 conference calls   17 investor summits

## Compliant operations

Midea Real Estate continues to improve the compliance management system, actively controls legal risks, combats corruption and upholds integrity, and ensures that the operation and management of enterprises and employees are legal and compliant.

### Controlling legal risks

In 2021, the Company formulated the Risk Warning and Investigation Guidelines for Transfer of Contractual Rights and Obligations Related to Equity Transfer in Cooperative Projects, and updated and improved the Standard Template for Loan and Guarantee Contracts, Performance Guarantee Agreement for Cooperative Projects and other contract templates and attachments, so as to strictly control the transaction risks of cooperative projects. The Company also issued the Legal Opinion on Face Recognition System, Legal Risk Warning and Guidelines on Preventing Unfair Competition in Marketing and Operation Activities and other policies to strengthen the management of codes of conduct of units and individuals.

In 2021, we held 6 special online and offline training sessions on laws and regulations related to compliant operations, assets disposal, personal information protection, etc., thereby enhancing all employees' legal compliance awareness, strengthening the Company's development of the culture of rule by law, and creating a good atmosphere for legal education popularization.

### Strengthening the anti-corruption effort

Midea Real Estate pursues a corporate culture of integrity. We strictly abide by relevant laws and regulations such as the Company Law of the People's Republic of China, Anti-money Laundering Law of the People's Republic of China, Law of the People's Republic of China Against Unfair Competition and Interim Provisions on Banning Commercial Bribery. We exercise zero tolerance to corruption, resolutely crack down on any form of corruption, bribery, extortion and fraud, and actively advocate honesty and trustworthiness of employees and establish their awareness of integrity. In 2021, all board members of the Company participated in anti-corruption training.

In 2021, the Company further detailed the rules for individuals, updated and improved the Measures for Audit and Supervision Management, Anti-Corruption Practices, Measures for Accountability Management and other policies, and required all employees to sign integrity agreements. We carried out targeted audits around suppliers' admission compliance, supplier qualifications and supplier evaluation, and identified control loopholes and execution problems to resolutely prevent corruption and commercial bribery.

In 2021, the Company updated and improved the Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violation Information, and improved the tip-off management and handling mechanism. The Company makes a preliminary judgment on every complaint or tip-off collected based on the actual business situation. If the complaint or tip-off is valid, the Company carries out follow-up investigation, and if it is invalid, the Company will also inform the informant of the reasons. The Company strictly protects the information of the informant, limits the number of people who know the case information to no more than three, and will further desensitize cases that involve sensitive information.

In 2021, the total number of corruption lawsuits brought against the Company or its employees and closed was 4, and these lawsuits did not have significant adverse impacts on the Company's business.

Number of anti-corruption training sessions: 25  
Anti-corruption training coverage of employees: 100%

## Anti-fraud alliance exchange activity

In December 2021, an activity sponsored by Midea Real Estate under the theme "Well-Known Enterprises of Integrity Governance Innovation" was successfully held by the Association of Enterprise Internal Controls in Foshan. Representatives from a number of Foshan enterprises participated in the meeting.

Midea Real Estate's relevant leaders in charge of audit and supervision shared the Company's supervision cases, anti-fraud mechanism, and anti-corruption governance mode to convey the Company's core values of "result orientation, efficient execution, customer centricity, transformation and innovation", and they also exchanged opinions with other participating companies on issues such as fraud clues that can be discovered and prevented in the early stage of audit and risk control. The activity strengthened the communication and linkage between industry colleagues and achieved resource sharing, mutual assistance, and win-win cooperation.



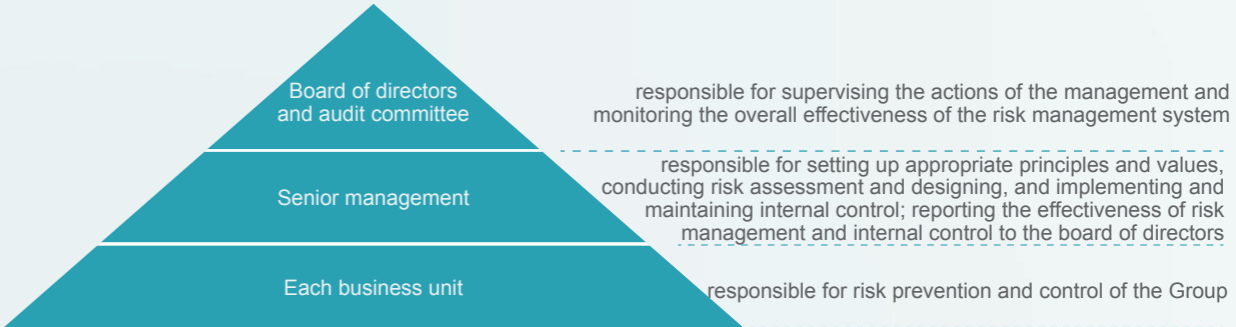
## Protecting intellectual property rights

The Company attaches great importance to protecting its own intellectual property rights, and will not steal or infringe others' intellectual property rights. We will timely apply for protection of trademarks, copyrights and patents, and give professional guidance to business departments. In 2021, we organised the personnel of brand and legal functional departments of the Group, regional companies and business units to carry out Basic Trademark Knowledge and Layout Protection Training, Training on How to Conceive and Successfully Register a Good Brand Trademark Name, and other IPR-related training, thus constantly improving employees' awareness of intellectual property rights protection and standardising the work of intellectual property rights protection.

## Risk management

In 2021, Midea Real Estate further adjusted its audit structure, set up an internal control organisation dually managed by the headquarter's audit and supervision function and the general manager of regional companies or business units, improved the management standards and risk control abilities of regional companies and business units, and improved the timeliness and marginal benefits of daily audit and internal control.

The Company attaches great importance to the prevention and control of major risks, strictly follows the requirements of relevant laws and regulations and the Articles of Association, identifies current risks and monitors them by risk type, continuously improves the risk management and prevention system, and gradually improves the internal control system and risk management mechanism by establishing a stable internal control structure with clear responsibilities.



Risk Management Structure



	Risk identification	Countermeasures
Product customer research risk	The headquarter's customer research mechanism was not sound, failing to effectively connect and guide the customer research work of each region, and consequently products were not fully adapted to markets.	<ul style="list-style-type: none"> <li>The headquarter and regional companies established a customer research team to promote the establishment and improvement of the customer research mechanism.</li> </ul>
Product design cost limit control risk	The headquarter and regional companies did not forcibly control design cost limits, so the limits might be exceeded.	<ul style="list-style-type: none"> <li>Established a limit assessment mechanism to change and optimise projects that exceeded cost limits in a timely manner.</li> </ul>
Risk of construction process control	During construction, there might be fake pile foundation acceptance data or fake concrete entry sheets, and a series of jerry-building problems related to formwork, waterproofing, external wall thermal insulation, post-cast strips and plastering might occur.	<ul style="list-style-type: none"> <li>Severely punished units and personnel involved in forgery;</li> <li>Imposed severe penalties on jerry-building behaviour according to contract provisions.</li> </ul>
Target cost control risk	There were problems such as cost calculation errors, overspending or severe surplus, cost accumulation in wrong items, missing items, breach of cost limit, poor cost item accumulation execution and assessment, etc.	<ul style="list-style-type: none"> <li>Where the target cost in the implementation version has been preset at an excessively high level, we required regional companies to adjust the target cost in future versions and hold relevant people accountable for the abnormal projects.</li> <li>Where the target costs in the implementation versions of different regions have been messily accumulated, we required the regional companies to correct those wrong and missing items in future versions and strictly abide by the headquarter's standards.</li> </ul>

## Key performance in 2021

Indicator category	Indicator name	Performance in 2021
Financial Performance	Total Assets	288.52 billion
	Total Equity	47.81 billion
	Operating revenue	73.70 billion
	Operating Profit	8.02 billion
	Profit for the year	5.30 billion
	Profit Attributable to Owners of the Company	3.74 billion
Product Service	Land Reserves	49.52 million square meters
	Percentage of Area of New Process Applications	68.83%
	Smart Homes Delivered	More than 110,000
	Customer Satisfaction	86 points
Compliant Employment	Total Workforce	14,908 employees
	Proportion of Female Employees	40.24%
	Labour Contracts Signing Rate	100%
	Social Insurance Coverage Rate	100%
Safety and Health	Employee Physical Examination Coverage Rate	100%
	Number of Work Safety Training Sessions	984
Training and Development	Percentage of Employees Trained	81.10%
	Total Investment in Training	11.63 million
Charity	Total Charity Investment	17,605.8 thousand
Energy Conservation and Emission Reduction	GFA of newly certificated green buildings in 2021	1.81 million square meters
	Intensity of Carbon Dioxide Emissions	0.12 ton/million income
	Intensity of Energy Consumption	0.21 MWh/million income
	Intensity of Water Consumption	186.24 cubic meters/million income

## Sustainable development management

In the face of increasingly severe global economic, social and environmental challenges, Midea Real Estate actively grasps the opportunity of sustainable development, always takes environmental, social and governance responsibilities as the only way for sustainable development of enterprises, and contributes to the sustainable development of society through the continuous improvement of its sustainable development management mechanism.

### Board statement

The Company's board of directors attaches great importance to sustainable development management and has established an effective ESG management mechanism and formed an ESG governance structure with clear levels and division of work.

The board of directors assumes overall responsibility for the Group's ESG work and is responsible for establishing and supervising the Group's ESG development direction and strategy; identifying, assessing and managing significant ESG risks related to the Group's business; regularly receiving briefings from the ESG working committee and working office; reviewing and approving the Company's Environmental, Social and Governance Report and other ESG management policies.

The Company has, in compliance with the ESG Guide, set key ESG targets covering greenhouse gas (GHG) emissions, pollutant emissions, resource consumption, etc. The board of directors has reviewed and discussed the setting of targets, and will regularly review the progress of achieving relevant targets.

### ESG governance structure

In 2021, the board of directors of the Company set up an ESG working committee to undertake matters related to ESG work of the board of directors and provide various information related to ESG for the board of directors to ensure the effective management of ESG work by the board of directors. In the fourth quarter of each year, the ESG working committee shall report the latest ESG development, as well as other matters needing the board's attention, to the board of directors, and in the first or second quarter of each year, the ESG working committee shall report the summary of the ESG report to the board of directors, review the Group's annual ESG performance, and put forward suggestions to the board of directors.

ESG Working Levels	Key Responsibilities	Staffing
ESG working committee	<ul style="list-style-type: none"> <li>Directly responsible to the board of directors, as the work coordination body under the board of directors.</li> <li>Responsible for undertaking specific ESG matters of the board of directors and coordinating every functional department for ESG-related target formulation, business implementation and information collection.</li> </ul>	Composed of relevant functions involved in ESG, such as human resources, operation, engineering, supply chain, product, and audit.
ESG working office	<ul style="list-style-type: none"> <li>Organizing the compilation of the ESG report and assisting the working committee in reporting ESG work to the board of directors.</li> </ul>	Composed of relevant functions such as securities affairs, brand management and capital management.

Stakeholder communication

Stakeholders	Demands & Expectations	Ways of Communication
Shareholders & investors	Transparent disclosure Safeguard shareholders' rights Compliant corporate governance	Regular disclosure of business information General meeting of shareholders Investor conference & roadshow
Governments & regulators	Law-abiding and compliant business operation Fully implement national policies Anti-Corruption and anti-bribery Support local development	Regular reporting and communication Forums and exchange events
Property owners/customers of malls & office buildings	Quality of products and services Effectively respond to customer complaints Customer's safety guarantee Customer's privacy protection	Effective complaint channels and responses Satisfaction surveys Disclosure of fee information Property/commercial service activities
Employees	Talent attraction and retention Development and training Safety and health Benefits and care	Regular communication Regular training session Employee activities
Environment	Energy conservation Pollutant emission reduction Effective utilisation of materials	Environmental information disclosure Forums and exchanges
Suppliers	Win-win cooperation for mutual benefit Good faith compliance	Regular daily communication Supplier conferences Procurement activities
Industry association/chamber of commerce	Comply with the industrial norms Promote industry innovation	Strengthen industrial exchange
NGO & social public	Local community development & care Support social welfare	Public benefit activities Community services Information disclosures

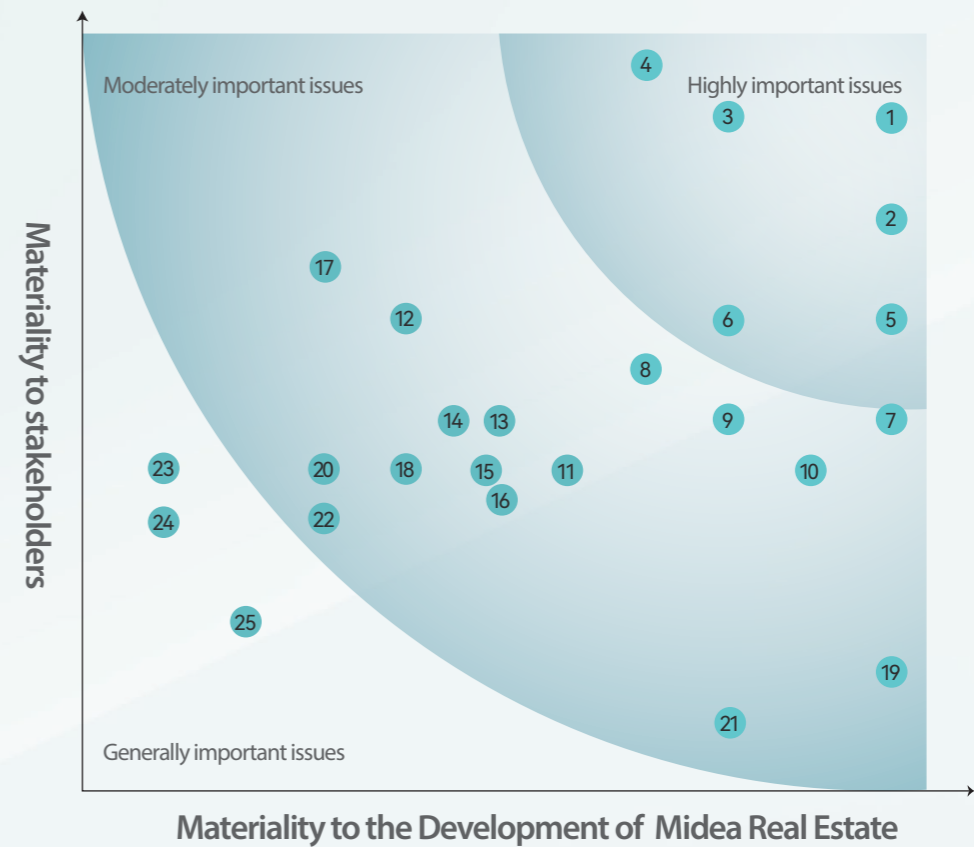
Analysis of substantive issues

Midea Real Estate continues to pay attention to the expectations and demands of internal and external stakeholders. Through the steps of issue identification, stakeholder surveys, issue analysis and review, etc., the importance matrix of issues was finally formed, with which we completely and accurately respond to stakeholders regarding the progress of sustainable development of Midea Real Estate.

In 2021, we took the ESG Guide of the Stock Exchange as the basis, referred to MSCI-ESG ratings, SASB (Sustainability Accounting Standard Board) and other industry standards related to sustainable development management of the real estate industry, reviewed the relevant ESG management issues of the previous year, and adjusted the major ESG issues based on the business development of the Group this year in comparison with peer enterprises.

In addition, we conducted a questionnaire survey for all levels of the Company's management , employees, owners, investors, suppliers, governments and regulators, and other stakeholders to understand the changes in the views and demands of key stakeholders. According to the important issues of sustainable development of the Group and the focus of stakeholders, we systematically sorted out the following 25 ESG issues and fully elaborated on them in this report. Meanwhile, the Group's sustainable development strategies and management policies were adjusted to closely match the concerns and demands of stakeholders.

Issue Materiality Analysis Matrix of Midea Real Estate in 2021



Importance	Issue	No.
Highly important issues	Product quality and health	1
	Customer satisfaction	2
	Employee health and safety	3
	Customer privacy and information protection	4
	Anti-corruption & anti-bribery	5
	Green building	6
Moderately important issues	Improvement of utilization efficiency of resources	7
	Waste management	8
	Talent attraction and retention	9
	Compliant operation	10
	Protection of employees' rights and interests	11
	Employees' remuneration & benefits	12
	Management of exhaust gas and wastewater discharge	13
	Responsible supply chain	14
	Water resources management	15
	Response to climate change	16
	Employee training and development	17
	Reasonable marketing and publicity	18
	Sustainable development management	19
	Intellectual property rights protection	20
	Green operation	21
	Biodiversity conservation	22
Generally important issues	Public charity	23
	Industrial cooperation and development	24
	Community communication and integration	25

# 03

## Contribute to the Goal of Carbon Neutrality Through Lean Management

In recent years, both the downward pressure and the intensified competition on the market have made the business operation of real estate enterprises more difficult. Meanwhile, according to the carbon peaking and carbon neutrality goals (“dual carbon” goals), enterprises are further required to explore intensive and efficient production approaches to improve the utilization efficiency of resources.

Based on this, in 2021, Midea Real Estate comprehensively advanced the efforts of lean improvement and gradually applied the thinking of lean management throughout the entire business operation. Efforts were made to convert the extensive management of development and operation into a lean management model which features improving quality, enhancing efficiency, reducing costs, and promoting satisfaction. By doing so, the operation efficiency was improved in all respects, contributing to the accomplishment of “dual carbon” goals.



## Guidance of the Senior Management

Midea Real Estate has set up a task force for lean management at the headquarters of the Group, consisting of the Group’s Senior Vice President, the head and business elites of each function, to coordinate and promote each task of lean management. Meanwhile, regional task forces for lean management have been set up in every regional company. The regional general manager holds the post of leader and at least one full-time staff member has been assigned to serve as deputy leader. Its members are the competent employees with stronger awareness of improvement from each functional department. The working mechanism and system development of the regional lean improvement have been refined to push forward the work of regional lean improvement at full stretch. Furthermore, the regional task forces and that of the Group are working together to improve the effect of lean management.

## Four Goals



Advancement by Stages

In 2021, in accordance with the step-by-step strategy, we projected a three-stage advancement plan consisting of introduction of awareness, enhancement of awareness, and quality improvement. In addition, a mechanism of improvement involving the independent improvement of employees and department management and the improvement of corporate core pain points was preliminary formed. Such mechanism promoted the proactive participation of employees, the elevation of department business and management capacity, and the improvement of the Company's core business performance, in an attempt to form the development strength of high quality, high efficiency, high customer satisfaction, and low cost. Meanwhile, we set up a golden idea submission system on the lean management portal so that front-line personnel who have close contact with customers, such as property consultants, customer service staff, project engineers and property management staff, can upload golden ideas at any time. In this way, we made improvement on small details.

Stage	Stage objectives	Tactical planning
Stage 1	The introduction of lean awareness, establishment of framework, cultural publicity, and creation of atmosphere	<ul style="list-style-type: none"><li>Teams were set up for lean improvement;</li><li>All employees participated in the improvement activities and their awareness of improvement was improved from trivialities such as reducing waste and improving the utilization of resources;</li><li>The improvement culture was promoted through posters, articles on social media platforms, short stories, view-sharing in interviews, training and other activities;</li><li>Working mechanisms were established, refined, publicized and implemented to facilitate all employees to understand the thinking of lean management and working methods.</li></ul>
Stage 2	The raising of improvement awareness and the participation of all employees in improvement activities	<ul style="list-style-type: none"><li>All employees were involved in improvement activities. In principle, the average number of lean management cases per person for each function/department should not be less than two (at least one case per person for employees ranked G4 and above) and the participation rate of employees should not be less than 70%;</li><li>Improvement activities were focused. For instance, one week of each month was selected to focus on improvement activities, during which special events were organized and all employees were encouraged to participate in actively;</li><li>A meeting was organised on a monthly basis at the Group level or regional level for publicity and guidance of improvement;</li><li>Outstanding cases and persons of improvement were publicized on a regular basis. Contributions were released on WeChat and special interviews were conducted to promote the further elevation of all employees' awareness of lean management;</li><li>Each region projected at least two improvement cases of core pain points.</li></ul>
Stage 3	Going from quantitative improvement to qualitative improvement	<ul style="list-style-type: none"><li>The improvement quality should be lifted. The average number of lean improvement cases per person for each function/department of class B and above should not be less than one (at least one case per person for employees ranked G4 and above) and the participation rate of employees should not be less than 90%;</li><li>Activities, such as, promotion meetings, cultural publicity and selection of benchmark projects, should be carried out continuously;</li><li>The projects for improving the Group's core pain points should be implemented and the improvement results should be reviewed;</li><li>The Group should organizes the election of annual outstanding cases, grant honours to the principal responsible persons in the outstanding cases and arrange them to share their experiences.</li></ul>

Assessment and Incentive

Midea Real Estate has set up four classes of lean improvement, which are, A (excellence +), B (excellence), C (good), and D (pass) and three belt certification standards, which are, green belt, black belt and black belt master. From the aspects of employees' activity, case quality, implementation of promotion, lean leadership and effectiveness of waste treatment, outstanding cases are selected and given rewards.

**Department incentives:** Statistic was made for the number of improvement cases by functional departments to conduct monthly ranking. The first and last three departments were announced correspondingly.

**Employee incentives:** Special funds for lean improvement have been granted from the general manager's special bonus resources to reward outstanding improvement projects and employees. Meanwhile, a mechanism that strongly correlates the employee's performance to lean improvement has been established to give opportunities of promotion and pay raise to employees who excel in lean improvement.

Presentation of Achievements

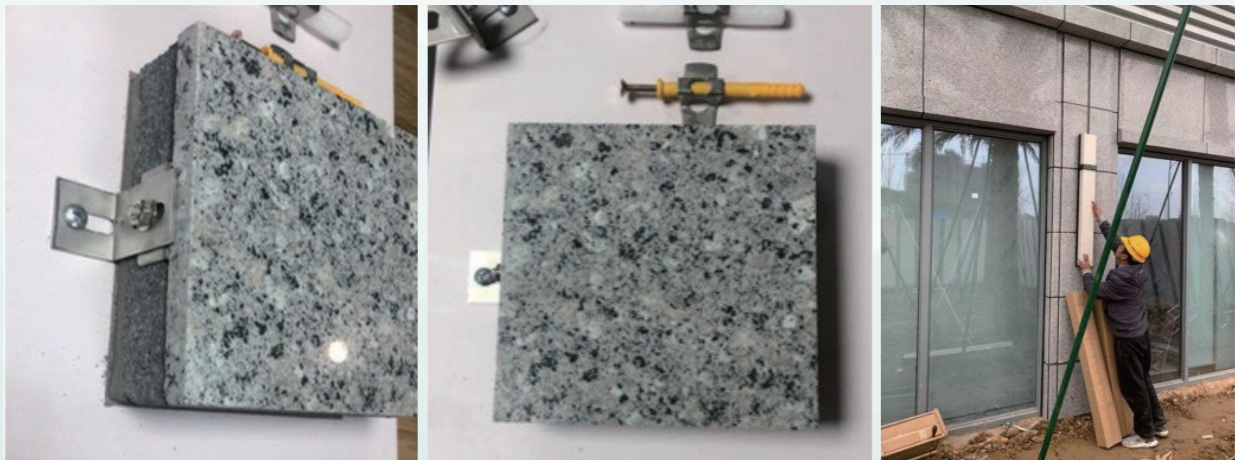
In 2021, Midea Real Estate received 26,708 improvement proposals in total, of which, 1,378 proposals were selected as class A, with 29,997 person-times of participation and the monthly number of proposals per person was 0.5. The average monthly participation rate was 57%. A total of 69 lean improvement schemes were promoted for implementation, of which, 65 schemes were completed, with an overall completion rate of 94%.

◎**Marketing centre of Hunan and Jiangxi Region** achieved the goal of reducing 5% of water and electricity consumption by standardizing the charge-off procedure of utilities charges, formulating suitable water and electricity saving measures and incentives based on local conditions. Meanwhile, regional paperless Q&A was formulated to encourage suppliers not to use paper for payment, completion and settlement so as to reduce the utilization of paper.

◎**Nanchang Midea Riverside Mansion** changed the LED lighting equipment in basement to radar sensor lamps. After the renovation, the daily energy consumption was approximately 373.3 KWh and electricity fee of RMB18,117 was saved per month, or approximately RMB220,000 a year.

◎**The engineering property department** properly controlled the on/off time of the boilers in shopping malls by monitoring actual temperature of the shopping malls in real time, which saved gas costs RMB825 per day, thus realizing the energy-saving effect.

◎**The Zhejiang and Fujian Region** developed a new material of integrated insulation plate made of stone (metal). Compared with ordinary dry-hanging materials, the costs of new material were lowered by more than 30% while the product strength remained unchanged. Besides, its fireproofing performance is better and the construction period is shorter. In future, the region will comprehensively adopt the integrated insulation plates. It is estimated that more than RMB50 million development costs can be saved annually.



Picture of integrated insulation plate sample and site construction

In the future, we will focus on the medium-term promotion and long-term internalization to advance the improvement of lean management from the perspectives of innovation management, training of top-notch talent and internal trainers, and IT-based project management. We plan to shape the implementation form of the integration of cultural publicity, spontaneous improvement, project improvement and lean operation by continuously advancing and deepening lean, standard, and digital management. By doing so, the management transformation of lean operation and high-quality development will be achieved so as to contribute to the "dual carbon" goals.

# 04

## Guided by Technology, Create Better Products by Craftsmanship

Creating smart products  
Providing high-quality services  
Strict control of product quality  
Consolidation of safety management

## Challenges

In 2021, the People's Republic of China issued the 14th Five-year Plan and put forward measures, such as encouragement of both housing rentals and purchases and city-specific policies. The market trend gradually changed from high turnover to the sophisticated management. As a result, real estate enterprises are confronting the transformation from scale to quality. We must comprehensively enhance our product strengths and develop a differentiated competitive edge.

## Main actions

©We have established an “1 + N + X” solution system to provide customers with panoramic smart space services, all-time smart life enjoyment, and ubiquitous smart scene experience.

©Based on craftsmanship and centred on customer satisfaction, we have set up a whole-process management system for the full lifecycle of products from the upfront investment, schematic design, and engineering construction to manage the product quality in a meticulous manner.

©The safety management system has been continuously improved to advance the safe construction. Safety training has been carried out to safeguard the safety of employees during production from multiple dimensions.

## Main performance

Score of customer satisfaction **86** points

The number of safety training sessions for employees **984**

Midea Real Estate ranked **Top 21** among real estate companies in product strength in 2021



# Creating smart products

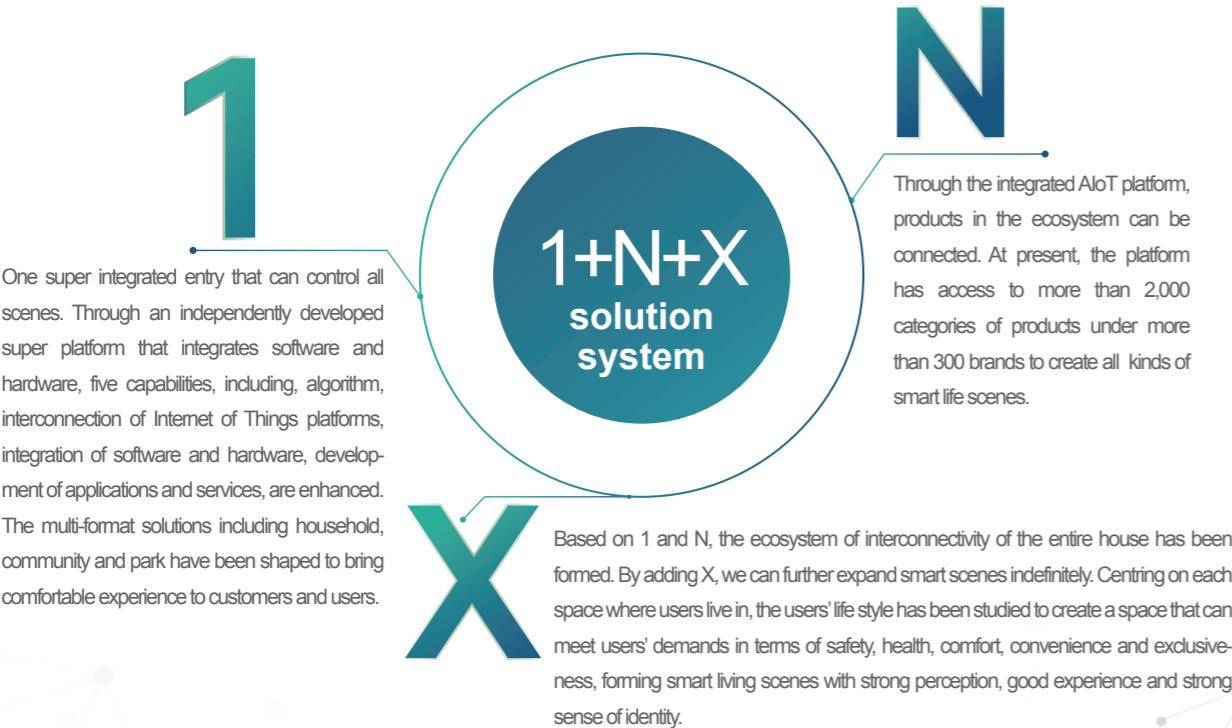
Adhering to the core values of product strength of the “long-termism and innovation”, Midea Real Estate lays the path of product strength improvement by taking the “intelligence and health” as special labels and focusing on the capacities of product planning, standardization, differentiating, influence, product quality and safety so as to enhance the management and control of products in the whole lifecycle and create high-quality smart products.

Midea Real Estate ranked

TOP 21among real estate companies in product strength in 2021

In 2021, centring on customer experience, Midea Real Estate established and upgraded the “1 + N + X” solution system in line with the value concept of making intelligence warm. The multi-format solutions including household, community, and park have been shaped with “one integrated scene control entry, N smart life scenes and X indefinitely expandable ecological scenes”. In this way, we can provide users with panoramic smart space services, all-time smart life enjoyment, and ubiquitous smart scene experience.

## “1+ N + X” solution system



## ◎ Smart home

Centering on users’ routine, we design 37 living scenes of smart home from the dimensions of safety, convenience, comfort, health, and exclusiveness. With XiaoMei Housekeeper as the entrance, we provide users with immersive and scene-based services through refined decoration, gardening, architecture, mechanical and electrical equipment, and other living facilities. With self-built AIoT platform as the medium, we connect smart home and smart household electrical appliances with community equipment and O2O resources, and apply the Tianmu system to carry out online, full-time and closed-loop fault diagnosis so as to provide users with scene guarantee in all respects.

### Constructing four formula scenes for smart scene experience through technologies

In 2021, we newly created four knowledge systems, consisting of the lighting formula that focused on protecting the growth of children, the air formula that simulated the comfortable and habitable climate, the green and healthy water formula, and the sound formula that managed the entire house by voice. With the whole-process services, we provide users with scientific and optimal living experience.

#### Lighting formula – Re-defining home lighting

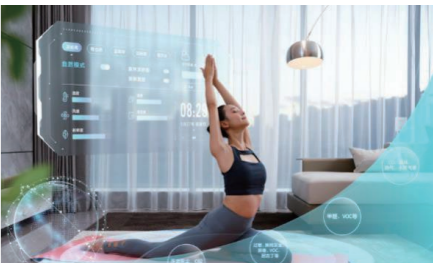
We conduct in-depth research on children’s reading habits in different scenes of life at different stages of growth to ensure the scientific use of light in children’s room. We developed focus mode, rhythm mode, painting mode, online class mode and other lighting modes by adjusting appropriate intensity of illumination, brightness, colour temperature and other lighting conditions, so that we can provide children with healthy and cosy light to take good care of children’s eyes, and safeguard their growth. In addition, we also develop gentle light for the female, care light for the elderly, magic light for the entire house to further satisfy demands of different users and scenes of the family.



Simulation scene for lighting formula - focus mode

#### Air formula – Enjoying the fresh air at home

XiaoMei Housekeeper platform, with the assistance of community meteorological stations and indoor environmental detectors, obtains diverse air information, such as indoor and outdoor temperature, moisture and air quality, to adjust air conditioner, central ventilation system, purifier, dehumidifier, humidifier, and other devices to achieve simulation of natural climate in indoor area. Seven air modes, simulating forest, lake side, typical cities, etc. are available, to allow users to enjoy diverse immersive scenes of life without going out. Furthermore, the platform is equipped with the real-time monitoring system for harmful gas and combustible gas and smart exhaust, ventilation and disinfection system to ensure the homeowner’s safety in all respects.



Simulation scene for air formula - natural mode

#### Water formula – Providing whole-process healthy water

Through technological empowerment, we provide users with the whole-process healthy water solution to ensure healthy water used by owners. We install devices, such as pre-filter, central water purifier, and drinking water purifier, to filter and purify water, comprehensively ensuring the quality of drinking water for users. The central water softener is adopted to soften part of domestic water, effectively improving users’ life quality. We manage users’ habits and actual water environment through AIoT technology in a scientific manner, providing different family members with showering water in different temperatures. In this way, users can enjoy a relaxing showering experience provided by the modern intelligent technologies.



Simulation scene for water formula - three-layer filtering mode for drinking water

#### Sound formula – Creating comfortable and quiet space

We independently develop the sound formula for the entire house. Thanks to the connection of indoor sound system with household appliances, users can control any household appliance through voice. For instance, users can close windows to lower the external noise, regulate audio system to play music to adjust mood, aid sleep in the master bedroom with background music, and wake up children in children’s room. In this way, the sound can be managed in a smart manner to provide users with a comfortable, healthy, and quiet space.



Simulation scene for sound formula - smart control mode

## ◎ Smart community

In 2021, we designed and updated more than 30 smart community scenes, including access with face recognition, elevator safety management, energy management, express delivery, takeaway, health care, shared charging, and other scenes. These scenes have covered all aspects of owners' life, further improving their experience in going home and their sense of happiness for living in the community.



At the community entrance, we add a management reminder for online car-hailing, express cabinet, and self-service registration of couriers, peripheral protection, trajectory tracking for special groups, and inviting system for visitors so that owners can go home in a more convenient manner and special groups can be taken care of.



At the entrance of garage, an anti-glare lighting system is set up. The system can adjust the lamplight of the passageway based on outdoor intensity of illumination. In this way, the indoor and outdoor light can be transitioned smoothly so that not too dazzling while owners go out for work and not too dim while they return from work.



When stepping into the community, users enter the mood theatre of the community that activates the fountain, light, background music and other devices, healing their mood in a natural manner.



Once users enter their home, they can enjoy the convenient life brought by community shopping robots, delivery robots and garbage-collecting robots.



Once users enter the building, cameras on top of the building will open the main gate in advance through face recognition, meanwhile, the elevator can be called to automatically lift users to the floor where they live after they enter the elevator.

## Zaolang Project creates new potential trends for future habitation

In 2021, we cooperated with NetEase News to carry out a Zaolang project, that is, the improvement plan competition for the new generation of users. The competition was specially held for the new generation of users. Each team consisted of owners born after 1995, prospective owners, designers, and designers of Party A. Meanwhile, we encouraged owners to intensively participate in the competition to express their unique insights and requirements on life. They were required to point out problems from our benchmark projects and co-created competition project with designers to portrait the ideal life scenes desired by new generations of owners. A total of 18 teams participated in the competition and 23 schemes were produced. This competition has helped us better understand user demands, motivate young teams, refresh our brand and products, and lead the new trend of future habitation.



## Launch TOP Series - Jingrui product

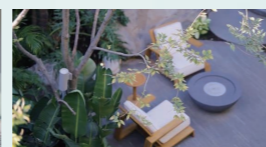
In December 2021, Midea Real Estate held the product launch of TOP Series - Jingrui in Kunming, Yunnan province. Meanwhile, the co-creation plan of Vision of Native was initiated. Famous designers from all circles gathered to explore the connection between the native culture and future lifestyle.

Based on years of precipitation of smart technologies, led by the strategic landscape of the city with unique geographic features, we have formed five standards for "Jingrui" series, which are, culture, technology, nature, craftsmanship, and services. With all these standards, the TOP product line of "Jingrui" series that can represent the Company's vision of ideal life can be polished.

In the future, we will take "Jingrui" series as a model to construct more native buildings with wisdom and insight, forging a core of authentic intelligence-based products. Meanwhile, we will remain committed to the philosophy of "smart healthy life service provider" to independently create and continue to build the product value system of "5M Smart and Health Community". In the way of the manufacturing industry, we will create high-end life experience for local residents with the technological empowerment and explore an upgrading path for ideal residence.



The naturally decorated bare concrete integrated casting thin shell structure



Immersive sunken rain-forest courtyard

## Providing high-quality services

Midea Real Estate always adheres to the customer-oriented concept to continuously improve service quality. In 2021, the Group upgraded the service brand "Chengyijia", creating a service system of "Chengyijia - Sincere service system". It covered all service stages in the whole lifecycle, namely, Xiangyujia, Qianshoujia, Qipanxia, Shouhuojia, Youxiangjia and Xiangbanjia. Services of different stages were classified and the corresponding services interfaces for major responsibilities were set up to effectively improve the customer satisfaction and achieve the continuous iteration and upgrade of service systems.

## Smart service

### ◎ Residential services – comprehensively digitalized business

In 2021, based on stepwise standardisation of service businesses, Midea Real Estate advanced the digitalization of service businesses at a faster pace. According to the guideline of "achieving the positive cycle by solving the problems of front-line businesses, upgrading customer services, and monitoring business data", working with the IT department, the Company developed several online platforms, such as, Customer Relation Beacon Tower, Midea Real Estate Cloud, and Midea Real Estate Cloud Delivery, and continuously improved the online service tools to promote the digitalization of services.

### Midea Real Estate Cloud

Midea Real Estate integrated the platform for recommendations for house purchase and customer services, which made us one of the real estate enterprises that firstly combines the marketing platform with customer service platform in the industry. Owners can enjoy exclusive online services through Midea Real Estate Cloud, including, request for repairs, complaints, consulting, and event registration. As a result, the customer experience can be improved.

### Cloud Delivery Platform

There are five functions of the platform, which are, online ID verification and review, online reading of delivery notices, online payment, online data verification, and reservation for house visit. The clear and transparent smart guidelines are available so that customers can readily complete the online one-stop delivery procedure. Signing and payment can be completed online, avoiding queuing offline. It is estimated that at least 20 to 30 minutes can be saved for each customer, which significantly improves the handling efficiency and reduces the use of paper.

### One-to-one customer ambassador service

The Group comprehensively promoted the one-to-one customer ambassador service in nine regions. Each customer can enjoy the instant services from contract signing to delivery. The services include Q&A and follow-up in terms of contract signing process, house design and decoration, and surrounding supporting facilities, aiming at enhancing the interaction with owners and developing mutual trust, and improving customer satisfaction.



One-to-one customer ambassador service

Meikejia APP

It creates the one-stop mobile office platform for internal employees. Maintenance engineers can receive, follow up and close the maintenance request, and make a return visit by one press via the platform. Meanwhile, they can check their personal performance in real time, and receive warning for uncompleted tasks. These help maintenance engineers manage their daily work and empower the front-line workers with digital tools.

Digital large screen and digital beacon tower

Through the real-time data presentation of core business indicators, they reduce the time for sorting out miscellaneous reports, achieve short, adaptable and fast response and iteration, and give early risk warnings in a timely manner. Business data can be more effectively analysed and applied in the new implementation process of business, and an optimum business upgrade can be realized in a closed-loop manner.

Building the user brand of “Chengyijia”

On 25 December 2021, the launch event for the user brand “Chengyijia” of Midea Real Estate was successfully held. The brand system integrates three modules, which are, “Chengyi Intelligence”, “Chengyi Home Building” and “Chengyi Company”. Through the continuous innovation and iteration of services, we upgrade the connotation of the service system to create a more influential unified user IP.

Chengyi Intelligence

Starting from users' genuine demands and taking the user experience as the core, we have created two core smart scenes of life, which are, Smart Home and Smart Community, striving to build a house that can “actively think” and a community that can enable users at any age to co-exist and perceive from multiple dimensions.

Chengyi Home Building

We forge four Chengyi craftsmanship standards of “real home-coming experience, transparent progress, craftsmanship quality and professional guidance”. We show owners around to understand the project progress and construction quality, display and introduce relevant technologies and methods, delivery standards and safety precautions, and answer owners' questions, so that they can fully know every detail of their future homes.

Chengyi Company

We formulate a full-dimension service system covering six cycles, including, house visit, signing contracts, waiting for house delivery, delivery and acceptance, move-in and property services. We extend services to more scenes to cater for users, creating a new high-quality lifestyle.



Smart Home



Smart Community



Transparent display



Full lifecycle services

Property management services – Sophisticated service standards

In 2021, Midea Property Management launched four series of services, namely Midea Royalty, Midea Enjoyment, Midea Joy and Midea Pleasure. These services cover over 1,000 executive standards for 251 service contacts in 26 spatial scenes from 14 dimensions. The Company formulated the manual for business management of panoramic plan, manual for customer contacts service scene, full-range visual standard operation manual for grassroots employees (window image to customers and service standards to customers), multi-format system of the third-party projects and other business guidance documents. Service standards are created through the systematic, product-based, and brand-based thinking and diverse demands of different customer groups are satisfied by the ability to provide differential products and services.

A total of 142 documents related to service system

Over 1,000 sessions of training related to the publicity of service system

More than 30 guidance documents for service

In 2021, Midea Real Estate launched the brand-new Midea Housekeeper service system. It covered seven tender cares, which are, full-range AI security care, healthy environment in the entire community, full-time worry-free convenience, all-dimension colourful life, community care covering people of any age, full lifecycle asset management, exclusive and tailored services, to form all-around professional services featuring company.

Through the “online + offline” management mechanism of quality control, we ensure the service quality supported by the PDCA closed loop. For online system, remote E control system is upgraded to achieve 100% access to all projects. The normalized monitoring by E control is fully initiated to supervise on-site quality. In the offline aspect, many approaches, such as, annual quality inspection, special snap check, major customers follow-up, and close watch of significant projects, are adopted to strictly control quality.

We have built a satisfaction assessment system centering on owner's demands. The Company understands owners' concerns by conducting surveys on perception satisfaction and contact satisfaction and continuously improves its property service level. In 2021, the satisfaction with the online housekeepers in the property service sector of Midea Real Estate was 98%, and the owner's perception satisfaction was 91.5 points.

Hidden safety risk examination and rectification were carried out for a total of 15,000 elevator-times

Hidden risks of fire-fighting devices were examined for 4,164 times

Hidden risk examination and rectification for water and electricity areas were carried out for 4,872 times

Safety investigation of swimming pools was conducted for 384 times

Parks were disinfected for 5,591 times

The Yunlin Community APP 4.0 was launched to foster experience of smarter services

In 2021, Yunlin Community APP 4.0 of Midea Real Estate was upgraded and launched nationwide. Based on brand new UI design and interactive experience, it brought more diverse use experience for users, further improved owner's life and enhanced owner satisfaction. Yunlin Community APP integrates all functions of one-stop community Smart Services, Smart Home and Smart Community, allowing owners to enjoy the smart control over all scenes of “indoor & outdoor + online & offline” life integration system. Owners can dispatch elevators of the building, check latest information of the property and remotely see their children playing in the community via the software without going out.

©Commercial services – Comprehensive and warm services

In 2021, we updated the Management Guidelines for the Business Operation of Midea Commercial to specify the specifications and guidelines for service management and operation from the preparation for opening period to the operation period. The guidelines covered ten parts, including organizational management, opening management, on-site management, and merchant management. In the field of commercial services, we offer 16 basic warm services, including consulting, luggage deposit, printing service, first aid kit, renting service, stroller sharing, etc.

In terms of procedure of handling customer complaints, we added the requirements on the time for handling complaints and customer follow-up. In addition, we designated the primary responsible person and compiled weekly reports and monthly reports for complaint records so that each complaint can be recorded and handled in time in a closed-loop manner.

Furthermore, according to the survey results of customer satisfaction, we continuously improved services and measures related to the utilization of parking lot, public hygiene, publicity and promotion, brand fitness, and warm services, constantly lifting customer experience.

Launching the debut plan for Meishang Xiaoyue Team to upgrade service content

In 2021, focusing on the “kid-centred” characteristics of young family customers, we launched the “Debut Plan for Meishang Xiaoyue Team” with children as the main service targets and carried out two-month activities themed warm services. The activity covered six themes, including, “outdoor camp”, “screaming camp”, “profession experience camp”, “science camp”, and “planting camp”. Based on the services provided to children, more comprehensive activities and services, such as, interesting experience and public charities, were provided to more family customers. The shopping mall became a “third space” with warmth far beyond a business site.



Outdoor camp



Science camp

©Real estate technology – Expansion of ecological services

In 2021, Remac Intelligence created an integrated service platform, covering installation services, post-sale operation and maintenance, smart recommendation, scene presentation, online shopping and other business capacities, to achieve the online request for decoration and repair, as well as batch-based, efficient, and standardized installation and deployment. All these efforts reduced the construction difficulty and raised the installation efficiency. Base on the technical capacity of cloud middle office, abnormal devices can be monitored and relevant firmware can be upgraded through remote OTA.

The scene laboratory of Remac Intelligence ensures a smart life

As the leading provider of panoramic smart space service, Remac Intelligence upholds the value proposition of “making intelligence warm” and adheres to the focus of user experience. Based on its great R&D strength and mature quality control capacity, Remac Intelligence has built a professional analysis and assessment system for smart products and scenes, and established a scene laboratory with complete devices and a variety of functions.

In the scene laboratory, engineers can simulate users' use habits and scenes and test the functionality, compatibility and stability of smart home products of different categories, terminal products and scene functions. With regard to smart community scenes, engineers can simulate various scenes in “household-community-property” from the perspectives of the user, community and property to test the compatibility and stability of the devices interconnection and data sharing. In this way, we understand the needs of users and improve user experience accordingly.



Test system of IOC smart management platform

Customers' interests

Based on the philosophy of customer-oriented services, Midea Real Estate continuously improves customer complaint mechanism and is dedicated to satisfying various demands of customers in all respects. In 2021, we formulated new policies, including the Customer Relationship Management Procedure, the Operation Guideline for Digital Management of Customer Relationship, and the Operation Guideline for Management of Complaint Handling. It also enhanced the mechanism of primary accountability, supervision mechanism of complaint handling, compliant escalation mechanism, and handling mechanism for serious complaints. In addition, it established the mechanism of customer liaison officer to specially handle important and major customer complaints.

©Customer privacy protection

Midea Real Estate attaches great importance to the protection of customer privacy. The Group strictly abides by the Cyber Security Law of the People's Republic of China and has formulated the Privacy Protection Policy of Midea Real Estate. It scrupulously abides by eight principles including consistency of authority and responsibility, clear purpose, informed consent, minimization and necessity, security assurance, subject participation, and openness and transparency to protect security of customer data and privacy.

In 2021, Midea Real Estate saw no disclosure of customer data and privacy.

Remac Technology passed the ISO 27001 information security management system certification

©Customer complaint handling

We have set up multiple interfaces for service demands. Customers can put forward their demands or file complaints through multiple interfaces, including, official account “Midea Real Estate Cloud”, Yunlin Community APP, customer service hotline 400-6619580, etc.

In 2021, we released an one-stop working platform for call centre to manage information about customer demands in a centralized manner. By rapid identification of customer ID and information, we can quickly ascertain the complaint handling progress and results while the customer calls the service supervision hotline. In this way, we can follow up the customer's problems in a timely manner and settle them promptly. Through the customer liaison officer mechanism and primary accountability mechanism, we work together with regions, cities and relevant functional departments and set up complaint handling teams, focusing on the follow-up and handling of complaints. By doing so, we solve customers' problems rapidly and ensure that all demands and compliants can be responded to and handled properly.

©Supervision and improvement of customer complaints

We have established a strict and refined supervision mechanism for customer complaints to ensure that complaints are handled in a closed-loop manner. In 2021, the Company established the mechanism of complaint escalation management. The call centre categorized various problems and escalate complaint level by level until it was properly handled, thus ensuring the efficiency and the quality of customer complaints handling.

The close rate of complaints in the residential development service sector throughout the year was **99.44%**

Customer satisfaction

We attach great importance to all comments and feedback from customers and continue to carry out the customer satisfaction survey. In 2021, Midea Real Estate comprehensively upgraded the mechanism of customer satisfaction survey. Through information pushed by the Meidihui Platform with a link to online survey for all owners, we listened to the voice of customers in all respects, so as to further improve the value of our services.

The Company established an admonition mechanism for red and black lists of customer satisfaction to give full play to the role of incentive and supervision. We release monthly red and black lists of customer satisfaction by cities, projects as a whole and in terms of maintenance, and finally select the service star based on the total annual times of being included in the red and black lists. According to the results of satisfaction on the red and black lists, we set the positive example as the benchmark, and give further incentive to continuously improve service quality. Meanwhile, we also take the negative example as a warning and help and supervise cities and projects that lag behind. We organized five special admonition meetings and adopted measures, such as, accurate identification of shortcomings, close watch and supervision mechanism of rectification till all problems were properly solved and closed, in a bid to ensure customer satisfaction.

The score of customer satisfaction was **86** points, up by **4** points compared with that of 2020



Strict control of product quality

In 2021, Midea Real Estate optimized the management system of product specification. By taking the enhancement of system, urging for actions, and focusing on presentation as strategic guidelines, the Company set up a whole-process management system for the full lifecycle of products, contributing to the transformation from high turnover to sophisticated management.

Stage of lifecycle	Control measures
Upfront investment	<p>In 2021, we issued the Control Standard for Pre-Investment Land Acquisition, the Measures for Pre-Investment Management and Control of Projects by Product Function and other policies and measures. In this way, the pre-investment management standards were put under strict control, ensuring the consistence before and after investment.</p> <p>We carried out intensive study to acquire accurate information about land before project investment and developed reasonable schemes by analysing customer research data and product development requirements after the project investment. In this way, we ensured the balance of the schemes and the safety limits of business operation by combining product strength with business demands.</p>
Schematic design	<p>We issued the Operation Guideline for Engineering Drawing Management of the Real Estate Group, the Management Measures for Reviewing Construction Drawings of Midea Real Estate, and other policies and measures to standardize the design review mechanism and management process on the whole.</p> <p>In 2021, we issued the Guideline for Refined Design of Basement Structure, the Key Points of Ineffective Cost Control and Operation Guideline for Management of Design of the Real Estate Group and other sophisticated control policies to further improve the product quality as well as reduce unnecessary cost.</p>
Construction	<p>We have established the Operation Guideline for Management of Design Suppliers of the Real Estate Group, the Operation Guideline for Management of Approved Sample Material of Midea Real Estate and other policies and measures to evaluate and manage the supplier's working quality in a classified manner, ensuring that the material is qualified, healthy and harmless.</p> <p>In 2021, we continued to specify specifications of construction to ensure the construction quality. We issued the Management Measures for Reviewing Construction Drawings of Midea Real Estate to further clarify the construction specifications and control construction quality.</p>
Product delivery	<p>In 2021, we issued the Assessment Policy of Product Research Function in Delivery Area of Residential Project to attract more attention on quality of delivery areas in each region by the unified scoring and assessment criteria for Product Function, in an effort to ensure the quality from the source.</p> <p>According to the complexity of projects, we carried out classified control (class S, class A and class B) over projects to ensure the quality delivery of projects. For projects of class S, the product research department of the headquarters participated in the control throughout the process, ensuring the presentation effect of major projects. As for projects of class A/B, the headquarters participated in the review throughout the process to control the stable quality of these projects.</p>
Post-sale maintenance	<p>We persistently provide customers with thorough post-sale services. In 2021, we issued the Operation Guideline for the Transformation of Product Defect Based on Customer Satisfaction of the Real Estate Group to further enhance the assessment specification after the delivery of products and drive the closed-loop all-round quality control of projects.</p>

# Consolidation of safety management

We strictly observe the Law of the People's Republic of China on Production Safety and have established and improved the production safety management system. We build smart construction sites and control construction facilities in a digital manner. Safety assessment from multiple dimensions is conducted for the construction sites of projects. We organize employees to carry out safety training in multiple forms and implement management of production safety to ensure the life health and occupational safety of employees.

## Production safety management system

We have set up a "headquarters-region-city-project" four-level safety management system. At the level of the Group's headquarters, the functional general manager in charge of production serves as the team leader. The headquarters' engineering department is responsible for carrying out specific work. At the level of the region/city/project, general managers of each level function as the primary responsible person and deputy general managers in charge of production at each level focus on the specific work. The safety management is pushed forward level by level. Meanwhile, the production safety is linked with the performance appraisal and the one-vote veto mechanism is adopted. In 2021, we updated the Measures for Safety System Establishment and Implementation (Trial), the Unified Standard Practices of Safety Civilisation and other policy documents to improve the safety management process and further underpin the foundation of safety management.

In 2021, we achieved the goal of zero casualty and zero accident during the production process.

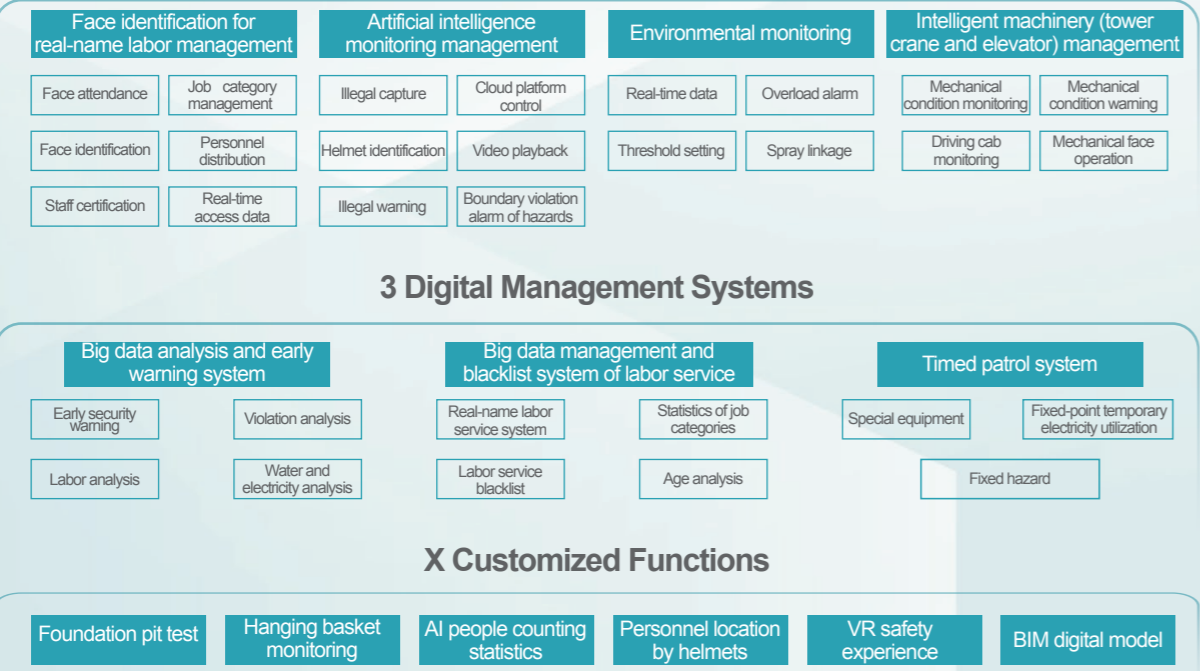
## Safe construction

We strictly implement the production safety management during the construction process to continuously improve the capacities of work safety and safety risk identification. Meanwhile, we actively create the digital management system for "Smart Construction Sites", ensuring the occupational safety and health of employees and relevant personnel of construction companies.

In an effort to further improve the capacity of production safety, relying on AI, Internet of Things, big data and other technologies, we have established a "4 + 3 + X" system for smart construction sites of Midea Real Estate to implement strict control over production process of each project and comprehensively improve the overall safety management level of the Group. By doing so, we further reduce the safety risks of construction and ensure the personal safety of workers. In 2021, Midea Real Estate achieved 88.67% in the assessment for the safety and civilisation management, among the best in the industry in terms of overall safety civilisation and production status.

### 4+3+X System for Smart Construction Sites of Midea Real Estate

4 AIoT (Artificial Intelligence & Internet of Things) Intelligent Hardware



# Safety assessment and inspection

We have formulated the Measures for Management of Project Quality and Safety Assessment to implement the safety assessment and inspection of projects. We control the risks in the construction process and conduct follow-up management for closed-loop rectification, fulfill the responsibility for production safety, and provide more effective safety protection for employees. We invite the third-party evaluation agencies to carry out unannounced inspection for regional companies and projects. The assessment is conducted from the aspects of production safety, civilised construction (environmental indicators, such as, dust and exhaust), the bottom-line requirements of quality, rationality of working procedure, precision of finished surface, process impression, penetration and cracking. The safety reports for all projects are issued on a quarterly basis to improve the level of safety management in a targeted manner.

## Safety training

We conduct different forms of safety training and publicity of safety knowledge for different scenes to raise employees' awareness of safety in all respects. We train employees to understand how the safety protection measures function and how to apply such measures so that the employees' ability to respond to accidents can be improved. Meanwhile, a safe and healthy working atmosphere is forged to enable employees to devote themselves to their work without any concern.

### ① Project construction sites

Special safety training is carried out for all projects under construction on a weekly basis and all contractors participating in the construction of the projects are required to receive the special safety training at least once. The main contents include training of safety skills and safety awareness, summarization and analysis of safety cases, which can help related parties quickly know risk points in each process of the construction and improve the accuracy of standard operation.

### ② Office areas

In terms of different scenes in office areas, presentation of accidents and work safety is made to improve employees' emergency response capability when the accidents happen.

The number of safety training sessions for employees **984**  
The coverage rate of safety training for suppliers (contractors) **100%**  
The number of emergency drills **12**

### Central Region carried out activities of "Production Safety Month"

The Central Region established and carried out special activities of Production Safety Month in 2021 so that every project could organize training on safety knowledge and conduct special discussion. In this way, it improved the safety awareness of employees, found the hidden safety risks of projects and enhanced the control over safety risks. As a result, the safety management of projects was improved step by step, and a safe and healthy production and living atmosphere was provided for employees.



"Work Safety Month" activities carried out in Central Region

	Unit	2020	2021
The number of work-related deaths	People	0	1 <sup>1</sup>
Lost days due to work-related injury	Day	1,546	2,125

Note: 1. With regard to the work-related death of the year, the employee was killed in a traffic accident on the way home after work.

# 05

## Low-carbon Integration to Protect the Beautiful Ecosystem

Green design and digital design  
Green construction  
Green operation  
Response to climate change

## Challenges

2021 is the first year of the 14th Five-Year Plan, and also the year of inception for the comprehensive promotion of carbon peaking and carbon neutrality goals. At present, problems such as global warming, energy shortage and environmental pollution become increasingly serious. As one of the first signatories of the United Nations Convention on Biological Diversity, China has launched the “dual carbon” goals and regards green development as an important factor to measure comprehensive national strength and international competitiveness. The real estate industry is a large energy consumer, and its carbon emissions are characterized by a large amount and high intensity. It is of strategic significance for real estate companies to carry out carbon reduction actions for the accomplishment of the “dual carbon” goals.

## Main actions

©Integrate the concept of sustainable development into the design, promote zero-carbon full life cycle solutions, and reduce the negative impact of building construction on the environment.

©Based on our own advantages in intelligent manufacturing, collaborate with the industry peers in research on prefabricated building technology, and deepen the practice of green construction.

©Incorporate climate change into ESG management, identify the risks and opportunities of climate change, and actively respond to climate change.

## Main performance

Science and technology innovation investment of Remac Intelligence **RMB32.90 million**

GFA of newly certificated green buildings in 2021 **1.81 million square meters**

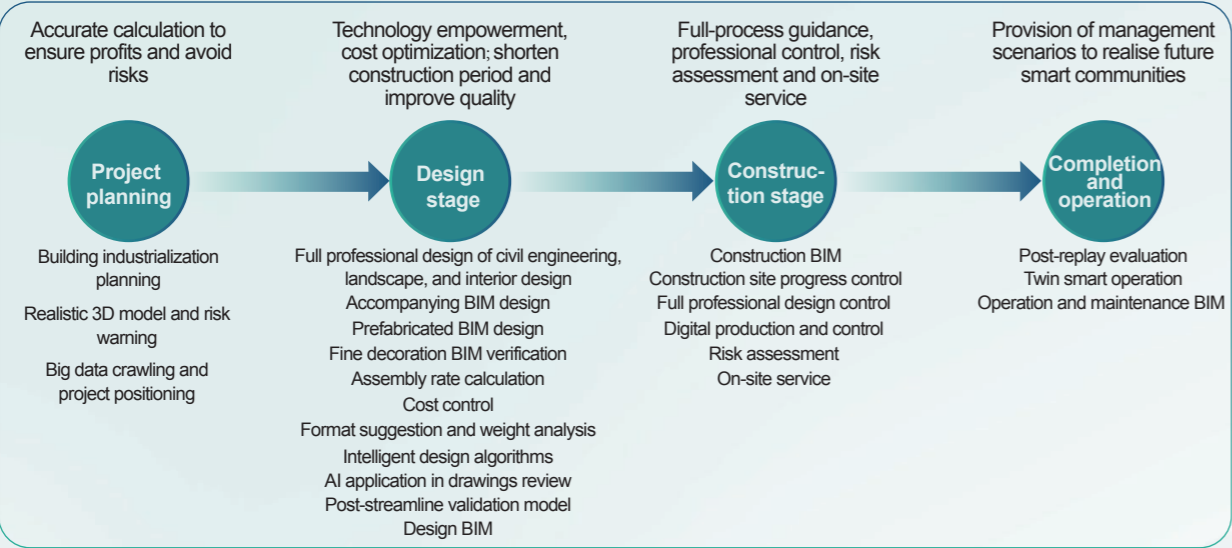
Cumulative area of prefabricated buildings **12.50 million square meters**



# Green design and digital design

Green design is the first step to incorporate the low-carbon concept in the entire life cycle of a product. Midea Real Estate integrates the concepts of environmental protection and sustainable development into architectural design to create resource-saving and environmentally-friendly green living from the source, strengthens exchanges in the green design industry, and jointly promotes the green transformation of the industry.

In 2021, Remac TY set up a science and technology innovation center to integrate R&D and design resources and carry out BIM R&D and design, intelligent design, prefabricated design, innovative business (including architecture, landscape, interior solutions, etc.) and standardized implementation business according to market demand. Remac TY strives to realize the digital transformation of enterprises through the application of scientific and technological means, the construction of digital management platforms, etc., creates digital application scenarios with digital, intelligent and other technology-based design methods, and promotes the implementation of digitalization throughout the whole life cycle of the project.

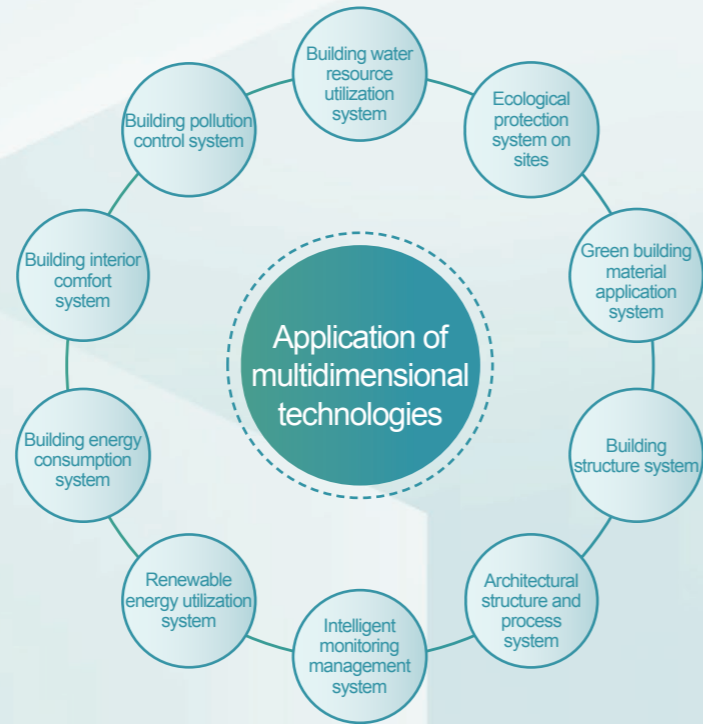


In addition, Remac TY explores a zero-carbon full life cycle solution. Through the whole-chain technology application, it aims to form a zero-carbon solution covering multiple and multi-dimensional business formats of all scenarios of smart life such as future community design, smart community design, zero-carbon community design, green building design, zero-carbon campus design, and prefabricated design, so as to reduce energy consumption in buildings and the impact of building construction on the ecological environment.

**Sustainable development design:** We adopt green design, digital design, prefabricated design, intelligent design algorithm, post-streamline validation model, and digital production and control in the design stage to create digital application scenarios. Through building energy consumption models to simulate, we select a construction model that saves energy and reduces consumption and is cost-effective, thereby implementing sustainable development in the whole process from design, construction to operation.

**Ecological protection on sites:** In order to reduce the ecological damage of the site and the waste of land resources, we restore the vegetation on the site, increase green space, foster a good ecological environment, and protect biological diversity.

**Promotion of green building materials:** To reduce carbon emissions from the source of construction, we use green and low-carbon building structures, indoor structural materials and gardening landscape materials to reduce energy and building materials consumption in the production process.



Remac TY has participated in the formulation of 9 industry standards

Remac TY has won the Leading Award - Best Architecture Technology Enterprise at the World Architecture and Technology Innovation Conference (WATIC), the title of Most Promising Smart Value Architecture Technology Company in China, Top10 Design Institutions by Brand Value in the Golden-Creativity International Space Design Competition, and "Top10 Real Estate Space Design Institutions" in the Asia-Pacific Space Design Competition

Remac TY ranked 5th among the top 100 interior design companies in China

## Building a think tank for design technology

In the context of the "dual carbon" goals, the green digital transformation of the construction industry is particularly critical, and building industrialization, digitalization and green building are the key paths for the achievement of the "dual carbon" goals. Remac TY has teamed up with the Royal Institute of British Architects (RIBA) to build a think tank for design technology, and has worked with leading technology firms to establish digital application scenarios and launch four design technology application models — urban renewal, intelligent investment screening, twin community, and smart commercial. It explores cutting-edge technologies, iterates application scenarios for zero-carbon buildings, and builds a full industry chain for building industrialisation, with a view to achieving the "dual carbon" goals and promoting the 2030 Agenda for Sustainable Development. In the meantime, as an ecological alliance, it jointly built an evaluation system with authoritative institutions around the world to realize the content co-development and wisdom sharing of international think tanks.



The unveiling ceremony

# Green construction

Developing energy-saving and low-carbon buildings and advocating green construction are critical to improving the quality of urban and rural development. Midea Real Estate actively promotes green buildings, prefabricated buildings and interior decoration, extends the use of green materials, continuously reduces negative impact on environment during construction, and strenuously boosts green construction.

In 2021, newly commenced prefabricated application area accounted for **20.5%** of the newly commenced GFA

In 2021, residential products of prefabricated buildings accounted for **34.29%**

## Green building

Continuing to create sustainable green buildings and providing a healthy and comfortable living environment are an important part of realizing the harmonious coexistence between human being and nature. Midea Real Estate has always been adhering to the concept of “green living, enlightening the future”. Relying on green design and environmentally-friendly building materials, it integrates the low-carbon concept into the whole process of building construction.

Projects complying with national green building standards account for **47%**

## Prefabricated buildings

The prefabricated building is an important practice for the construction industry in green development, and it effectively reduces energy consumption, material consumption and dust pollution during the construction process through integrated building design and construction by assembling prefabricated components on site. As the carrier of Midea Real Estate’s green prefabrication industry, Remac Industrialisation adheres to the concept of “green living”. Relying on prefabricated building design, industrialized technology research and development system, applying new building materials and new process technology, combining an informationalized, digital and visual “intelligent manufacturing” model, it is committed to creating a platform for full value chain services including prefabricated R&D, design, production, sales, installation, construction, operation and maintenance and industrial park cluster operation to provide customers with prefabricated building main structures and whole-house prefabricated interior decoration services, making great efforts to promote building industrialization.

Compared with traditional building model, the prefabricated building can save:

Water by <b>80%</b>	Energy by <b>70%</b>	Period by <b>70%</b>
Materials by <b>20%</b>	Land by <b>20%</b>	

In 2021, Foshan Lianhao Company of Remac Industrialisation passed the certification of  
**ISO 9001 Quality Management System**  
**ISO 14001 Environmental Management System and**  
**ISO 45001 Occupational Health and Safety Management System**

### © Technology research and development

Remac Industrialisation has set up the specialized technology research and development department and process quality management department to promote new technologies research, new process applications and standardization of prefabricated buildings based on market demand. Relying on its own technical experts and technical capabilities, Remac Industrialisation together with Remac TY, a brother unit in the industrial chain, joins forces with the Architectural Design and Research Institute of Tsinghua University, the State Key Laboratory of Subtropical Building Science of South China University of Technology, etc. to conduct strategic cooperation on green and low-carbon industrial technology research and development, and establish a technology research and development system covering the entire industry chain of prefabricated buildings.

Remac Industrialisation has applied for **291** patents in the field of prefabricated buildings

**Creating a prefabricated interior “REMAC+HOUSE” to meet the needs of multiple scenarios**

Remac Industrialisation independently developed the prefabricated interior “REMAC+HOUSE”, a movable and ever-changing smart space. It adopts a prefabricated appearance structure design, combined with intelligent interior products, and can be hoisted, moved, and repeatedly used. According to the different needs of customers, the interior structure of the product can be transformed and utilized to meet the business needs in different scenarios such as vacation, commercial, exhibition hall and accommodation. Remac Industrialisation has applied for relevant patents for “REMAC+HOUSE”, and “REMAC+HOUSE” has won the Red Dot Design Award and the Reard Design Silver Award of 2021.

### © Intelligent manufacturing

With the help of ERP (Enterprise Resource Planning) system, MES (Manufacturing Execution System) and SRM (Supplier Relationship Management) system, Remac Industrialisation integrates data information about planning, production scheduling, materials, production capacity, efficiency, output, equipment, etc. to realize intelligent manufacturing management with visual, digital and informationalized production and manufacturing, reducing cost and loss.

### © Industry cooperation

We strengthen industry cooperation, expand the territory of the prefabricated industry, and help the integration and green transformation of the construction industry. In 2021, Remac Construction Technology signed strategic cooperation agreements with XCMG Gongrun Technology, Guang Ya Aluminum, Tian'an New Material, and other urban representative enterprises. Based on professional capabilities in their respective fields, the parties aimed to focus on “pan-green smart business cooperation”, and carried out technology research and development and innovation cooperation in green assembly industry (PC, interior decoration, integrated bathroom), design technology industry, smart home industry and other aspects through the model of technology platform. Remac Construction Technology will operate with light assets and heavy assets combined under the intelligent manufacturing concept of “big data + cloud factory”. It aims to expand its industrial presence in the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei Region, West Side of the Straits, etc. and create a green and intelligent ecosystem integrating “design, research and development, production and sales”, centred on design technology, prefabricated interior decoration, prefabricated main structure and other industries.

## Assisting with the construction of Shenzhen Guangming Farm to establish a sample of energy saving and emission reduction projects

Characterized by standardization and integration, prefabricated buildings can effectively improve efficiency and contribute to energy conservation and emission reduction in the construction. With a green area occupancy rate of 95% and a forest coverage rate of 70%, Shenzhen Guangming Farm is regarded as Shenzhen's "urban rear garden". Remac Industrialisation has provided Shenzhen Guangming Farm with a total of 9,700 square meters of laminated floor slabs, bay windows, exterior walls, stairs and other prefabricated components, which provides a basic guarantee for intensive decoration of the project, greatly improves the energy efficiency, and eliminates leakage, cracking and other common quality defects, improving house quality and standard while saving energy and reducing emissions.



## Green materials

Promoting green building materials and the recycling of building materials is the key to vigorously developing energy-saving and low-carbon buildings. Midea Real Estate actively uses green and health-friendly building materials to create a resource-saving and environmentally-friendly living environment.

© **Low-formaldehyde materials:** Most of the materials of prefabricated decoration are new inorganic materials characterized by "zero formaldehyde", and the components of prefabricated decoration are prefabricated in the factory and assembled on site, reducing the use of glue, thereby lowering the emissions of indoor air pollution such as formaldehyde and benzene. According to calculation, the detected indoor formaldehyde content of the prefabricated decoration project is 0.02 mg/m<sup>3</sup>, which is only one fourth of the national standard, and can satisfy customers' needs to move in once decoration is finished.

© **Recyclable materials:** In the production of molds and components, 99% of molds are made of recyclable steel and aluminum materials, and 1% are made of renewable forest woodwork, thus the use of non-recyclable materials is reduced.

© **Other environmentally-friendly materials:** Most of the ten systems of Remac Bandi (睿住班邸) prefabricated interior decoration adopt waterproof, moisture-proof, fireproof, soundproof, anti-collision, scratch-resistant and environmentally-friendly materials. The wall is made up of light steel keel, partition soundproof system and decorative wallboard, and the floor partition is inorganic mineral board, all of which can greatly reduce the use of cement, mortar and other building consumables and mitigate environmental pollution.

## Green works

Midea Real Estate comprehensively considers the environment and the needs of surrounding communities during the construction process, and carries out green construction centred on water saving, material saving, resource utilization, environmental protection and other aspects, so as to minimize the impact of construction on the surrounding natural environment, living environment and social environment. In 2021, Midea Real Estate updated the Implementation Measures for Safety System Construction (Trial Version), United Standard Practices for Safety and Civilization, Management Measures for Project Quality and Safety Assessment and other policy documents to improve construction process management. In the meantime, it added a list of standards for smart construction sites that combines new construction techniques with digital technology to actively create smart construction site projects. We aim to reduce the intensity of non-hazardous waste transported to landfills by 8% in 2024 (compared to the base year of 2021). Meanwhile, we will strengthen the emission monitoring and control scope for sophisticated disclosure of operation data.

© **Saving energy:** We popularize the use of LED lamps on construction sites, install energy consumption monitoring equipment for construction equipment, monitor the electricity and water consumption and locate abnormal data in real time, repair and maintain malfunction equipments regularly to reduce waste of resources.

© **Reducing pollution:** We use robot actual measurement to replace manual measurement, and conduct accurate measurement through laser scanning in order to reduce the amount of tile cutting and tile glue usage and minimize the generation of construction waste such as leftover materials. We use plaster-free technology and packaged mortar and avoid making sand on site, lowering the thickness of plastering by 50% and greatly reducing the dust pollution on construction sites.

© **Smart construction site:** We apply smart tools such as face recognition, drones and robots to improve construction site management efficiency and reduce human errors. For example, we use face recognition technology to regulate the entry and exit of site management personnel and related persons, and install cameras and equip drones to identify unreasonable processes in time and reduce unnecessary waste.

## Green operation

We implement the concept of sustainable development in all aspects of production and operation, promote the implementation of green property, low-carbon commercial and green office through practical actions, and continuously reduce the negative impact of business operation on the environment.

## Green property

We advocate green concepts and lifestyles, improve community gardening, attach importance to energy management and control in public areas, classify and recycle solid waste, and create a green and habitable living environment.

© **Greening management:** Strengthening community greening management is one of the important tasks of property services. We increase the coverage rate of green plants in the community and beautify the community by reducing the hardened area of the community. We improve water efficiency and maintain community greening by adding an automatic watering system to adjust the frequency and intensity of sprinkler irrigation according to the variety and growth cycle of plants for scientific sprinkler irrigation.

© **Resource management and control:** We implement the concept of lean management, and play an important role in energy saving in public areas by installing energy-saving equipment, such as LED energy saving lamps, water pumps without negative pressure, and automatic switches, to significantly reduce power consumption in public areas. In 2021, we changed the water pipe irrigation in a number of communities to automatic sprinkler irrigation, and adjusted the intensity and time of sprinkler irrigation according to the height and variety of plants for scientific sprinkler irrigation, reducing water consumption by about 30% compared with traditional manual irrigation. We added a digital switch to the original controller of the waterscape pool in the project to upgrade to automatic control, saving about 30 kWh of electricity per day.

© **Waste sorting:** We equip 4 types of trash cans in more than 240 projects across China to guide residents to sort waste. We cooperate with local governments and sub-district offices to promote waste sorting, and put up posters about waste sorting to enhance residents' awareness of waste sorting.

## Low-carbon commercial

© **Green design:** We design commercial projects according to the energy-saving design standards of public buildings, and consider the use of environmentally-friendly building materials and equipment. For example, we use advanced refrigeration station, adopt thermal and sound insulation glass, and arrange photovoltaic equipment. We have arranged distributed photovoltaic power generation equipment on the roof for the Zhenjiang project, and the annual power generation is expected to reach 35,000 kWh.

© **Energy management:** We formulate the project's annual budget of energy consumption expenditure, and strictly monitor the energy consumption data and the operation period of equipment and facilities. We require the project to provide an energy consumption analysis table based on the energy consumption data every month, which is reviewed and monitored by the project manager and the platform to identify energy consumption abnormalities immediately and put forward solutions. We reduce energy consumption in operation through measures like adding time-controlled/light-operated switches and electric valves for air-conditioning water pipes.

© **Water management:** We formulate the annual budget target for the project and analyze the water consumption in order to strengthen the investigation and control of abnormal water consumption. We install water-saving equipment such as faucets with locks, water-saving faucets, and sensor faucets to reduce water running and water leakage. As a result, the water loss of our 6 projects in operation is all below 1% during the reporting period. We apply the sponge city design for some projects. For example, Guiyang Wonderful Square and Wonderful Time projects adopt a rainwater recycling system to collect rainwater for watering and cleaning, reducing the use of fresh water.

© **Solid waste management:** For wood boards and metal waste generated from interior decoration demolition, we organize third-party waste recycling companies to recycle them, and realize reuse of some materials. For domestic waste, we set classified trash cans in shopping malls, and provide merchants with waste sorting training. With the help of recycling companies, we prompt the recycling of bulky waste.

Green office

We encourage employees to apply frugality to daily work, identify and reduce the improper use of resources around them in a timely manner, and strive to create a green and low-carbon workplace. We aim to reduce the comprehensive energy consumption intensity arising from administration by 5%, GHG emission intensity by 5% and water consumption intensity by 5% in 2024 (compared to the base year of 2021).



Response to climate change

With reference to the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) , we disclose key work and results related to climate change in four fields: governance system, coping strategies, risk management, indicators and targets.

Governance system

Midea Real Estate has established an ESG working committee coordinated by the board of directors, and has set up an ESG working office under it to implement ESG governance on an ongoing basis. The committee is chaired by an executive director, and senior management and heads of various functional departments hold important positions to assist the board of directors in monitoring, reviewing and dealing with issues related to sustainable development, including responding to climate change. The ESG working committee organizes the updates of ESG-related policies and systems every year, integrates the annual ESG practice performance, reviews the Group’s annual ESG performance and the progress of achieving goals, and reports relevant information to the board of directors to ensure the effectiveness of ESG work.

Coping strategies

The risks resulting from climate change mainly include physical risks and transition risks. Physical risks are caused by extreme weather or rising temperatures, while transition risks arise from changes in markets, regulation, policies, etc. caused by climate change. Midea Real Estate actively promotes the digital transformation and sustainable development of the construction industry, and proactively responds to the risks and opportunities brought by climate change to reduce the adverse impact of climate change on its business and finance.

Identification of risks and opportunities resulting from climate change

Main risks or opportunities category	Main content of potential climate change risks and opportunities related to Midea Real Estate	Coping measures
Policy and legal risks	With the full implementation of the “14th Five-Year” plan, China has further promoted the “dual-carbon” goals and put forward higher-level requirements for the energy conservation and emission reduction work of enterprises, such as strengthening the control of pollutants in the field of building materials, improving the management and control of the three kinds of waste in industrial parks, and comprehensively implementing the green building standards for newly built buildings.	Actively connect with local governments, learn and understand the latest policy content, analyze the problems at the place where the Company operates, identify potential risks and opportunities, and standardize management, adjust operations and reduce risks according to the guiding direction of policies.
Market and technology risk	<ul style="list-style-type: none"><li>◆The restriction on carbon emissions of the “dual-carbon” policy may lead to an increase in the cost of construction, building material production, transportation and other links of the construction industry.</li><li>◆With the update of the Green Building Evaluation Standards, the green building certification standard has been elevated, and enterprises face more stringent building standards.</li><li>◆The domestic market lacks both experience in the full-cycle collaborative design of zero-carbon buildings and cases for reference.</li></ul>	Please refer to the subsections headed “Green construction” and “Green operation” in the report.
Extreme weather risks	With global warming, there will be more extreme weather such as extremely high temperature, extreme cold, torrential rain, floods and typhoons. Midea Real Estate faces challenges in terms of construction site safety and community security.	Consider the possible impact of extreme weather in the stages of architectural design and construction, and use reinforced design and materials with higher quality and strength to reduce house damage caused by extreme weather.
Green building development opportunities	In order to implement the dual-carbon goals, the state encourages industrial enterprises to gather in parks and further promotes the construction of “low-carbon city”, “sponge city” and “zero-waste city”. Local governments have successively issued relevant incentive policies to support green and low-carbon building projects, which will help enterprises reduce costs and enhance efficiency while contributing to the development of green communities.	Please refer to the “Green design and digital design” subsection of the report.

Risk management

Midea Real Estate attaches great importance to risk identification and control, and has established a risk management structure composed of the board of directors, the audit committee, senior management and all business units to comprehensively review and manage relevant risks including climate change. The Company implements risk management procedures in accordance with the four steps of risk identification, risk evaluation, response to risk, and supervision & improvement to continuously reduce the adverse effects of climate change and other risks on its business, finance and operations. In 2021, the Company added internal control in regions and business units that was under the dual-line management of the Group’s audit and supervision function and the general managers of the regions or business units in order to improve the management standards and risk management and control capabilities of various regions and business units, also to enhance the timeliness and marginal benefits of daily audit and internal control work.

Indicators and targets

We have established targets for energy use and greenhouse gas emissions in terms of administration. Please refer to the subsection of “Green office” for details. In the future, we will broaden the range of the relevant targets, and continuously optimise energy consumption management to reduce greenhouse gas emissions.

# 06

## Escort for Growth and Create a Dynamic Workplace

Protection of employees' rights  
and interests

Talent development

Occupational health

Employee care

## Challenges

In September 2021, Xi Jinping, CPC General Secretary, pointed out at the Central Talent-related Work Conference that talent-related work of China was standing at a new historical starting point and it was necessary to accelerate the establishment of a competitive advantage in resources of human talents. We regard employees as the driving force behind Midea Real Estate's steady progress. By studying and implementing the spirit of General Secretary Xi Jinping's important speech at the Central Talent-related Work Conference, we protect the basic rights of employees, escort employees to grow and develop, and enable each employee to realize their self-worth in Midea Real Estate.

## Main actions

©Build a multi-dimensional and diversified compensation structure; based on performance evaluation and supplemented by multi-channel incentives, provide employees with externally competitive and internally fair benefits.

©Establish a multi-level training and development system, continue to promote professional training programs such as the Rock Plans, namely, "Panshi" "Jishi" "Pushi" and "Lishi", and launch the Seed Plan to provide employees with a platform for rapid growth.

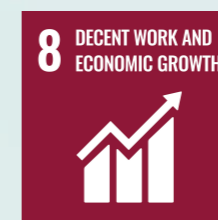
©Care about employees' physical and mental health, provide multiple consultation services for employees, and hold diversified sports activities.

## Main performance

Total number of employees **14,908**

Proportion of female employees **40.24%**

Training time per employee **59.44** hours



# Protection of employees' rights and interests

Midea Real Estate fully considers the diversity and equal employment of employees, improves and perfects the employee compensation and benefit system. We establish a variety of communication channels for employees, fully protect their privacy security, and spare no effort to protect the legitimate rights and interests of them.

## Equal employment

We strictly abide by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labor and other laws and regulations. We adhere to equal employment, and do not evaluate or discriminate against employees based on factors such as gender, age, ethnicity, race, nationality, native place, religion, sexual orientation, political affiliation and marital status. We strictly prohibit the employment of child labor and forced labor. In case of any related behaviours, they shall be terminated immediately and dealt with in accordance with laws, regulations and relevant requirements. In 2021, the Company signed labor contracts with 100% of its employees. The total number of employees was 14,908, all of which are full-time employees, including 14,896 employees from Mainland China, 11 employees from Hong Kong, Macao and Taiwan, and 1 overseas employee.

In 2021, we updated the Recruitment Management Measures to further standardize the recruitment process and standards which will implement strict management and control for applicant information to ensure the accuracy of recruitment information and guarantee equal employment. In addition, we actively promoted localized recruitment. For example, we have provided more than 1,000 local jobs in Xuzhou.

We give preferential treatment to veterans. In the social recruitment of the same post, veterans can receive an additional salary subsidy of RMB200-600. If a veteran is recalled by the state, his salary at Midea Real Estate will be paid normally. As at the end of 2021, Midea Real Estate had recruited more than 500 veterans accumulatively.



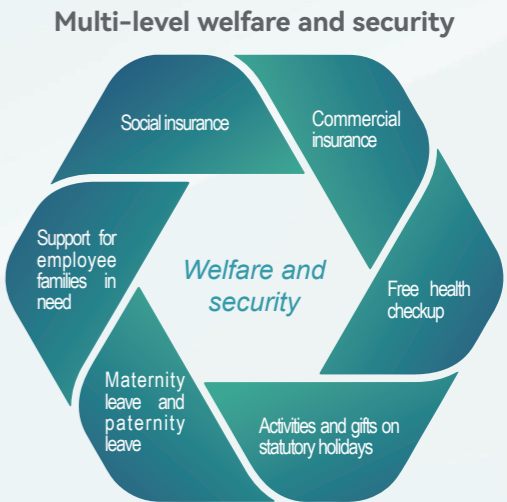
## Salary and welfare

Based on the principles of fairness and competitiveness, we continuously improve the salary distribution and performance appraisal mechanism. We establish a multi-level benefit system to effectively enhance employees' work enthusiasm and sense of belonging.

### ◎ Performance appraisal

We have formulated the Performance Management Measures to establish a talent evaluation and development system based on performance evaluation. The results of performance evaluation will be rigidly applied and vital to the decision in cadre evaluation, personnel review, regrading, promotion and salary adjustment. We give full play to the motivational role of performance appraisal and motivate the work enthusiasm and initiative of employees.

If employees have any objection to the results of performance appraisal, they can communicate with their superiors; if they still have the objection after the interview, they can file an appeal. The appellant should complete a Performance Appeal Form and submit the appeal application and supporting materials to the head of department or the Human Resources Department within 5 working days after receiving the notification of the appraisal results. The Human Resources Department will investigate the appraisal results and relevant processes, communicate and coordinate with relevant employee, and provide feedback on the handling of the appeal within one week.



## Democratic management

Putting a premium on the voices of employees, we establish a number of communication channels, solve employees' demands in a timely manner, and protect employees' right to know and participate. In 2021, the overall organizational atmosphere survey score increased by 9% compared with that of 2020.

### ◎ Regular communication channels

- MHR information platform**  
display the latest management system and daily work guidelines
- Intelligent robot platform**  
24-hour response to employees' frequently asked questions
- 400 customer service hotline**  
business Q&A and complaint feedback
- Human relations specialist**  
follow up on special questions about human resources

### ◎ Complaining and reporting channels

- Audit and risk control line**  
receive tip-offs and complaints related to anti-fraud and anti-corruption

### ◎ Business management channels

- Communication with line leader and cross-functional leader**  
feedback on business progress or issues

### ◎ Suggestion and feedback channels

- Organizational atmosphere survey**  
understand employees' difficulties at work and their perceptions and suggestions on systems

## Privacy protection

We respect and protect the information security and personal privacy of employees. We clearly stipulate that only the employees in the Human Resources Department have the right to inquire about information of employees, and set up multi-level access permissions within the Human Resources Department. Under normal circumstances, the employees in the Human Resources Department can only view information of employees who are within the scope of their responsibility; when they need additional permission due to work, they need to obtain the approval of the superior leader and pass the relevant examination to obtain the relevant permission, for the purpose of effectively protecting employees' information and privacy security.

# Talent development

The development of employees is an important driving force for Midea Real Estate to continue to forge ahead and make lean innovation. Upholding the concept of “Achieve Success with Talents, Accomplish Talents with Careers”, based on the development needs of employees, we continue to deepen and improve the talent training system, combine online and offline training methods, keep career development channels opening for employees, and strive to achieve the common growth of employees and the enterprise.

## Employee training

Based on the growth needs of different employees, we have developed employee training contents covering middle and high-level talents, front-line high-potential talents and new employees to meet the diverse training needs of employees. In 2021, we further improved the Midea Real Estate Measures for Training Management and the training system, strengthened the management of training lecturers and courses, and continuously lifted the quality of training.

### Diverse training contents

Training plan	Target group	Training positioning	Training courses (form)
Panshi Plan	Middle and high-level talents	Improve trainees' vision, mind and awareness, and shape the future leading talents of the Group and the industry	<ul style="list-style-type: none"><li>· Advanced studies program for city managers</li><li>· Reserved cadre training camp (mock negotiation, industry benchmarking, online reading clubs, bi-monthly special report and topic research)</li></ul>
Jishi Plan	Front-line high-potential talents	Improve the management ability and professional ability of trainees, and cultivate the excellent department management ability of employees	<ul style="list-style-type: none"><li>· Jishi Training Camp (face-to-face lectures and interaction, workshops, sand table simulations, action learning, site visits, challenge mission, and themed live streaming debates)</li></ul>
Seed Plan	Selected past outstanding graduates	Focus on the four course directions of crossover thinking, management logic, business acumen and professional improvement; according to the trainees' development stages and the management quality model, invite excellent internal and external think tanks to give lectures; advance in a two-year cycle to create a backbone force that redefines the future of Midea Real Estate	<ul style="list-style-type: none"><li>· Seed Training Camp</li></ul>
Pushi Plan	Comprehensive graduates	Improve the adaptability of new employees, and enhance the executive ability of employees	<ul style="list-style-type: none"><li>· Pushi Training Camp (face-to-face lectures and interactions)</li></ul>
Lishi Plan	Marketing graduates	Cultivate front-line marketing elites, and improve marketing capabilities of employees	<ul style="list-style-type: none"><li>· Lishi Welcoming Training Camp</li></ul>

Training plan	Target group	Training positioning	Training courses (form)
Rookie Plan	New employees	Publicize the core values and cultural orientation of the Company so that new employees can keep in line with the development direction of the Company in terms of thinking and action	<ul style="list-style-type: none"><li>· Rookie Training Camp</li></ul> <p>(Course study, discussion with excellent employees, visit to brand museum, and icebreaker)</p>



Held Pushi Training Camp once with 201 participants



Held Panshi Training Camp for four times with 37 participants

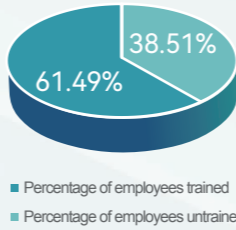


Rookie Training Camp covering all new recruits in 2021

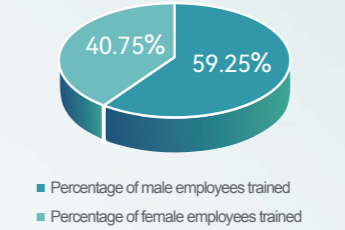
### Diverse training forms

In addition to offline face-to-face training, we set up E-Learning and “One Click” training platforms online to provide basic general training courses. Employees can learn relevant courses anytime and anywhere according to their own needs to improve general skills and professional capabilities.

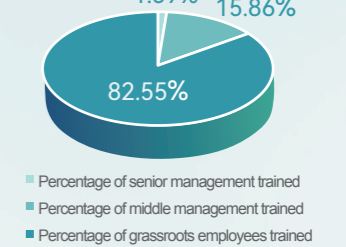
Employee trained in 2021



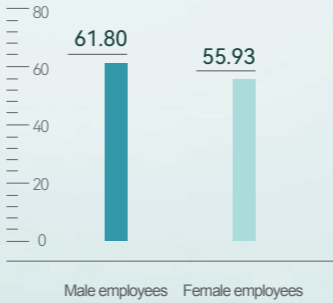
Gender distribution of trained employees in 2021



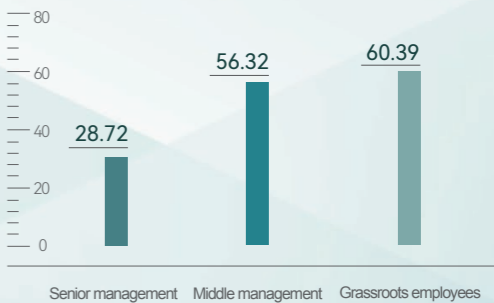
Grade distribution of trained employees in 2021



Average training hours of employee by gender in 2021 (unit: hour)



Average training hours of employee by category in 2021 (unit: hour)



## Development and promotion

Ensuring the fairness of employee promotion is an important factor for the stable development of an enterprise. In 2021, we push forwarded the simplification and compression of grades by cancelling the dual career development channels of “professional grade” and “management grade” and integrating them into G-grade. We correspondingly matched and improved the personnel and post settings, performance incentives and talent development mechanisms to clarify the bottom line, professional and ability requirements for positions at all levels, encouraged high-performance professionals, and advocated business forging. Meanwhile, we formed a promotion mechanism with more specific requirements and a clearer bottom line to select the best to ensure a smoother development path for employees with achievements and abilities.

# Occupational health

We strictly comply with the Code of Occupational Disease Prevention of the People's Republic of China and other laws and regulations, and carry out occupational health work at all functions, levels and links. We invite external professional organizations to provide employees with a variety of consultation services, and implement a sports club plan, setting up sports clubs such as badminton, basketball, football, swimming, yoga, and fitness, to enrich spare time life of employees as well as promote their physical and mental health development.

## Normalized COVID-19 prevention and control

In 2021, we strictly abided by the national COVID-19 prevention policy and continued to create a clean and healthy occupational environment for our employees. In internal management, we did basic work such as daily disinfection in the office area, body temperature measurement, and publicity of pandemic policies, prepared anti-pandemic kits with alcohol and masks for employees, and provided centralized ordering for lunch and dinner for employees in places affected by the pandemic. For employees who need to be quarantined, we did timely statistics and follow-up and cooperated in the implementation of local pandemic prevention regulations. In addition, we cooperated with local communities in organizing employees to accept nucleic acid testing and safeguard our employees' work and life during the pandemic.



Organized **12** collective vaccinations for COVID-19 vaccine, with a total of **3,018** people vaccinated.  
Organized **4** collective nucleic acid tests, with a total of **1,577** people tested.

## Providing consultation, diagnosis and treatment services

- **Shanghai, Jiangsu and Anhui Region**: In January 2021, we invited professionals from the health research institute of the academy of traditional Chinese medicine to the company to provide an one-week traditional Chinese medical consultation and diagnosis for all employees, focusing on consultation and auxiliary treatment for various health problems with cervical spine, lumbar spine, etc., to help employees to understand their health condition.
- **Guangdong and Guangxi Region**: We arranged professional resources to interpret physical examination reports for employees and guided employees to improve their physical condition accordingly.

## Sports activities

Midea Real Estate established the Basketball Club, and organized 13 daily basketball training activities during the year with 230 participants. We organized hiking activities with a total of 400 participants and held badminton team competitions to promote the physical and mental health of employees.



Midea Real Estate's badminton team competition

# Employee care

Midea Real Estate advocates the culture of "peers", regards employees as the Company's valuable assets, and is grateful for the hard work of every employee. We hold diverse activities, help employees in need, and carry out condolence activities on festivals to give love to our employees and sincerely care for them.



Midea Real Estate's "Striver" care activity

# 07

## Work Together to Build a Harmonious Community

Dedication to social welfare  
Creating a sustainable supply chain

## Challenges

In February 2021, the Central Committee of the CPC and the State Council issued the No.1 document – the Opinions on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization, which emphasized that in order to build a modern socialist country in an all-round way, China must consolidate the achievements of poverty alleviation and effectively connect them with rural revitalization. In terms of supplier management, more and more advanced enterprises gradually extend supplier management from supplier quality evaluation to supplier environment risk assessment, labor use risk assessment, and other aspects.

## Main actions

◎ Actively promote the construction of rural infrastructure, support education, contribute to the development of characteristic agriculture, and support rural revitalization.

◎ While normalizing the pandemic prevention and control, carry out popularization of community safety and environmental protection knowledge, and create healthy and livable communities.

◎ Build a green and clean supply chain, improve supplier admission, rating and withdrawal management, strengthen risk assessment, and join hands with suppliers for common progress.

## Main performance

Investment in public welfare projects RMB **17,605.8** thousand

Number of participants in public welfare projects **255** person-time

Total number of suppliers **6,410**



# Dedication to social welfare

Midea Real Estate has always adhered to the public welfare concept of “making good use of intelligent power to build a green future”, and has been carrying out public welfare activities across China revolving around a number of fields such as environmental protection, education support, health advocacy, charitable fundraising, community care, and knowledge popularization, to actively fulfill its social responsibilities.

In 2021, focusing on “green and low carbon + harmonious and beautiful communities + rural revitalization”, Midea Real Estate contributed to the construction of green low-carbon and sustainable communities through the joint participation of public welfare organizations and owners and the collaboration of various sectors such as regional companies across China, property management, commercial and Remac.



## Support for rural revitalization

Early in 2018, Midea Real Estate established a public welfare foundation with the theme of “rural revitalization” -- Shaoguan Rural Revitalization Foundation. Adhering to the assisting guidelines of “rural development + industrial development + small construction + foundation of charity”, the foundation has actively participated in the targeted poverty alleviation in Shaoguan City, Guangdong Province to promote the construction of beautiful and livable countryside, and has created an efficient and distinctive way to rural revitalization.

In 2021, Midea Real Estate and the foundation continued to promote relevant projects, including clean drinking water projects, digital library projects in township schools, and the rural revitalization project in Guaile Village, Butuo County to incubate and cultivate characteristics industries, realize the all-round development of environment, economy and education, and improve people’s living standards and sense of happiness step by step.



### ◎Optimising living environment

The living environment is the basic condition for a beautiful and livable countryside, as well as the focus for Midea Real Estate in participating rural revitalization. We implement water diversion projects in Zhenjiang and Nanxiong in Shaoguan, and Butuo and Jinyang in Liangshan, helping out the drinking water safety problem for a total of nearly 40,000 people in 14 impoverished villages, and the water supply problem for 18,000 villagers.



### ◎Supporting education

Rural revitalization ultimately depends on talents, and the cultivation of talents depends on education. Through the comprehensive improvement project of Renhua Middle School, we have improved the basic conditions of education in the county. By donating to build the digital library in the central campus of Meisa Township, Liangshan Prefecture, we helped children from the Yi minority broaden horizon, and gradually alleviated the shortage of educational resources in rural campuses.



### ◎Developing characteristic industries

Industry is the core carrier of rural revitalization. In Guaile Village, Butuo County, Lianshan Prefecture, with the development of beef cattle breeding industry as the starting point, and through the construction of rural cooperatives, rational development of wasteland, and training of breeding professionals, etc., we have promoted the revitalization of the breeding industry in Guaile Village and consolidated the achievements of poverty alleviation.



### ◎Helping farmers with love

We held the fourth season of “Public Welfare Beautiful +”, an activity to help farmers with love. We purchased 10,000 catties of sweet potatoes from the farmers in Shexian, Handan, then donated them to municipal sanitation workers and rural teachers in Ji’nan New Area to help the farmers overcome the reduction of output and storage problems.



### ◎Building a bridge of communication

We carried out the “UNION” action in Xinlong Village to build a youth hostel reconstruction camp, breaking the communication gap between city and countryside in order to encourage the flow of workforce and opinions, shorten the distance between people and attract more external forces to help improve the village.



## Focus on education and culture

We continue to focus on education and culture, and promote the development of educational and cultural undertakings by carrying out activities such as the “Black-Eyes Plan”, Spring Breeze Public Welfare Tour, and Examinee Assistance.

### Carrying out Black Eyes Plan

We actively connected and donated books to schools in mountainous area. The Jinhuai regional company held the Black Eyes Plan with the theme of “Knowledge in the Book Benefits China”. We set up a donation box in each community, called on the owners to donate books, and then sent those books and the school opening gift package prepared by Midea Real Estate to the students of Zhangji Primary School in Shouxian Town, Fengxian, letting knowledge enlighten the way forward for the children.



## Spring Breeze Public Welfare Tour

Jinhua Region joined hands with FM91.9 Music Radio to hold "Great Love - Caring for Autistic Children: 2021 Spring Breeze Public Welfare Tour" in the Color Deer Children's Development Center. They brought special teaching appliance, picture books and toys for autistic children and played games with them, lighting up children's life with love.



## Examinee Assistance

In June 2021, when the college entrance examination was approaching, Midea Real Estate coordinated with project companies in 11 cities to organize examinee assistance. The "Examinee Aid Station" in the Shanghai, Jiangsu and Anhui Region provided candidates with free transport and college entrance examination blessing gift boxes. Also they built sunshade tents, arranged tables and chairs and provided water for parents at the main exam centers, helping students with practical actions.

## Building of harmonious communities

In 2021, Midea Real Estate actively respond to the pandemic prevention requirements of local governments. While implementing the normalized pandemic control, the Company teamed up with the government, fire department and public welfare organizations to organize a series of community activities, popularize safety knowledge, advocate low carbon and environmental protection, and foster a healthy and safe community.

## Pandemic prevention and control

In 2021, with the normalization of pandemic control in China, Midea Real Estate effectively fought the battle of pandemic prevention and control through measures such as supplying personnel and allocating materials. In the face of the recurrence of the pandemic and the shortage of materials in the closed communities in Dali Town, Nanhai District, Midea Real Estate responded quickly and organized its subsidiaries to complete the procurement, coordination and transportation of tents, medical protective clothing, face shields and other materials shortly, relieving local pandemic prevention pressure.

## Popularize safety knowledge

① **Swimming pool safety special action:** In July, the Guangdong-Guangxi regional company launched a summer swimming camp named juvenile whale program to provide swimming lessons to 448 groups of children, popularize water safety knowledge, and improve their emergency capacity.

② **Electric bicycle safety special action:** In response to the "One Helmet, One Belt, and Safe Travel" public welfare activity of Zhuzhou Traffic Police Department, Zhuzhou Midea Purple Cloud Community, in cooperation with Zhuzhou Traffic Broadcasting Station, purchased and donated 100 helmets to raise the safety awareness of electric bicycle owners to wear helmets. Heyuan Company, together with Heyuan Civilization Office and other government organizations, held a large-scale public welfare activity, namely Zero-Violation of Traffic Regulations Challenge, which attracted more than 3,500 drivers and more than 60 units and groups to participate. The activity advocated civilized riding to create a civilized, courteous, safe and smooth traffic environment.

## Advocate low carbon and environmental protection

Midea Property organized owners at different age from a number of communities to participate in the public welfare activity of "Harmonious and Happy Reading: Little Guards of Environmental Protection" Picture Book Theater in Foshan Midea Wonderful Square to popularize the knowledge of waste sorting and shape the concept of sustainable development for the next generation.

Midea Real Estate, in cooperation with a number of communities across China, carried out the "One Hour to Protect the Earth" activity to spread the concept of low-carbon life. The projects in Hunan encouraged owners to turn off the lights, and participated in the low-carbon public welfare class together.



## Creating a sustainable supply chain

Midea Real Estate constantly promotes fair and open procurement, and has established a sound supplier management mechanism to continuously boost the supply chain's ability to fulfill its responsibilities. It works with suppliers to build a green and responsible supply chain.

## Transparent procurement

In 2021, we updated the Measures for Bidding Management and adjusted the methods of bidding planning and assessment to continuously standardize the bidding work; compiled the Operation Guidance on Distribution of Centralised Procurement to standardize the operational requirements of business distribution of centralized procurement, clarify responsibilities between divisions, and improve the standardized and refined management of businesses related to centralized procurement; formulated the Operation Guidance on the Management of Engineering Contract Performance to strengthen the management of construction contracts for projects by regional companies; launched the Smart Supply Chain System to adopt the shopping procurement model to realize the comprehensive visualization of products and online feature of all data so that the core indicator data of each part of the supply chain can be counted, displayed and analyzed in real time to elevate the digital management level of suppliers.

We insist on clean procurement and ensure that suppliers sign the integrity agreement during the admission stage. After admission, we keep monitoring the integrity of suppliers, issue anti-corruption slogans on holidays, and carry out transparent procurement culture publicity at supplier conferences, in an effort to maintain a clean and sustainable business environment.

## Supplier evaluation

We conduct annual review of suppliers in accordance with the Measures of Supplier Management to comprehensively evaluate four categories of suppliers rated A, B, C and D, thus strengthening the management of suppliers. In the meantime, we conduct unannounced inspection of suppliers' materials in batches to improve the effectiveness of supplier quality evaluation.



Distribution of core professional (construction, landscape, decoration) suppliers – By Grade

Distribution of Suppliers – By Region

## Supplier risk management

We have formulated the Implementation Rules for Supplier Information Research to comprehensively sort out the contract performance capabilities, capital position, management capabilities, external credit reference, and other information about core professional suppliers that are performing contracts, and compiled the Supplier Information Research Report relating to our cooperative suppliers. For suppliers with contract performance risks or operational difficulties, we suspend follow-up business cooperation, and formulate monitoring and assistance policies to continuously improve suppliers' performance capabilities. For suppliers who were not involved in business cooperation within 2 years or who were not invited to participate in bidding within 2 years, the supplier management system will automatically trigger the freezing process. If a supplier commits any red-line behavior in various supplier management systems, we will freeze or blacklist it in time.

# 08

## APPENDIX

List of ESG Policies  
ESG KPIs Table  
ESG Index

## List of ESG Policies

ESG Aspect	Applicable Laws and Regulations	Internal Policies of 2021
A1 Emissions	Atmospheric Pollution Prevention and Control Law of the People's Republic of China 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	Waste Management Measures
A2 Use of Resources	Environmental Protection Law of the People's Republic of China	Energy Management Measures
A3 The Environment and Natural Resources	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise	Energy Management Measures
A4 Climate change	—	Energy Management Measures
B1 Employment	Civil Code of the People's Republic of China Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on Minimum Wages	Measures for Personnel Management Measures for Recruitment Management Measures for Management of Internal Competition for Posts Measures for Benefit Management Measures for Performance Management Measures for Management of Cadres Measures for Management of Interns Measures for Management of Graduates
B2 Health and Safety	Labour Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Work Safety Law of the People's Republic of China Fire Protection Law of the People's Republic of China Emergency Response Law of the People's Republic of China Regulations on the Safety Management of Hazardous Chemicals Regulation on the Reporting, Investigation and Handling of Work Safety Accidents Interim Provisions on the Troubleshooting and Governance of Work Safety Accidents Regulation on Work-Related Injury Insurance	Measures for Safety System Establishment and Implementation (Trial) Management Measures for Work Safety Responsibility System (Trial) Measures for Work Safety Risk Classification Control Measures for Hidden Danger Identification and Control Unified Standard Practices of Safety Civilisation Measures for Work Safety Accident and Work-related Injury Management (Trial) Measures for Electricity Safety Management (Trial) Measures for Hazardous Operation Management (Trial) Measures for Finite Work Space Management (Trial)

ESG Aspect	Applicable Laws and Regulations	Internal Policies of 2021
<b>B2 Health and Safety</b>	Provisions on the Administration of Occupational Health at Work Sites	Measures for Special Operation Personnel Management (Trial)
	Classification and Catalog of Occupational Diseases	Measures for the Safety Management of Hazardous Chemicals (Trial)
		Measures for Project Quality and Safety Switch-out Management
		Measures for Fire Safety Management
		Measures for Security Management (Trial)
		Management Measures for the Prevention and Control of Occupational Diseases
		Guidance for Employee Information Security
<b>B3 Development and Training</b>	——	Midea Real Estate Measures for Training Management
<b>B4 Labour Standards</b>	Labour Law of the People's Republic of China	Measures for Recruitment Management
	Provisions on the Prohibition of Using Child Labor	Anti-Corruption Practices
	Law of the People's Republic of China on the Protection of the Minors	
<b>B5 Supply Chain Management</b>	Construction Law of the People's Republic of China (Amended in 2019)	Measures for Bidding Management
	The Bidding Law of the People's Republic of China	Measures for Supplier Management
	Regulation on the Implementation of the Bidding Law of the People's Republic of China (Amended in 2019)	Measures for Blacklist Management
	Government Procurement Law of the People's Republic of China	Integrity Agreement (for Suppliers)
	Civil Code of the People's Republic of China	Operation Guidance on Management of Engineering Contract Performance
		Operation Guidance on Distribution of Centralised Procurement
		Guidelines for Supplier Investigation
		Guidelines for Development of Suppliers in New Areas
		Management Rules on Cooperation with Civil Engineering General Contractors
		Management Rules on Decoration Suppliers
<b>B6 Product Responsibility</b>	Product Quality Law of the People's Republic of China	Management System of Products Quality
	Urban Real Estate Administration Law of the People's Republic of China	Guideline System of Standardised Management
	The Measures for the Management of Advance Sale of Urban Commercial Houses	Management System of Quality Control on Design

ESG Aspect	Applicable Laws and Regulations	Internal Policies of 2021
<b>B6 Product Responsibility</b>	Regulatory Measures on the Sale of Commercial Houses	Midea Real Estate Management System of Standardised Research and Development
	Regulations on Quality Management of Construction Projects	Measures for Civil Engineering Assessment and Management (2019)
	Regulations on the Administration of Development and Operation of Urban Real Estate	Measures for Management of Project Quality and Safety Assessment
	Regulations on Property Management of the People's Republic of China	Measures for the Administration of Delivery and Evaluation (2021)
	Advertising Law of the People's Republic of China	Management System of Quality Control on Engineering Construction
	Patent Law of the People's Republic of China	Midea Real Estate Measures for Management of Construction Drawing Review
	Copyright Law of the People's Republic of China	Remac Intelligent Measures for Management of Project Standard Actions
	Trademark Law of the People's Republic of China	Remac Intelligent Standards for Smart Community Construction Technology
	Law of the People's Republic of China on the Protection of Rights and Interests of Consumers	Remac Intelligent Standards for Smart Home Construction Technology
	Cybersecurity Law of the People's Republic of China	
	Civil Code of the People's Republic of China	Midea Real Estate Manual for Management of Energy Conservation Design of Residential Buildings
	Personal Information Protection Law of the People's Republic of China	Meijia Smart Home Construction Process and Installation Standard
	Provisions on the Administration of Mobile Internet Application Information Services	Midea Real Estate Guidelines for Green Building Design
	Provisions on Protecting the Personal Information of Telecommunications and Internet Users	Guidelines for Fine Decoration Engineering Management
	Provisions on the Cyber Protection of Children's Personal Information	Guidelines for Engineering Quality Enhancement
	Standards for Planning and Design of Urban Residential Areas GB 50180-2018	Guidelines for Delivery and Assessment
	Standards for Design of Intelligent Buildings GB 50314-2015	Operations Management Manual
	Standards for Evaluation of Green Buildings GB/T 50378-2019	Measures for Management of Key Processes
	Code for Design of Civil Buildings Thermal Engineering GB 50176-2016	Midea Property Management Group Guidelines for Service Operations
	Standards for Design of Energy Efficiency of Public Buildings GB 50189-2015	Management Guidelines for the Business Operation of Midea Commercial
	Standard for Evaluation of Green Renovation of Existing Buildings GB/T 51141-2015	Measures for Pre-investment Management and Control of Projects by Product Function
	Technical Specification for Waterproofing of Underground Construction GB 50108-2008	Midea Real Estate Guidance on Management of Product Inventory
	Standards for Design of Building Foundation GB 50007-2011	Real Estate Group Guidance on Drawing Management
	Standards of Fire Prevention for Building Design GB 50016-2014 (2018)	Guideline for Refined Design of Basement Structure
	Standards for Design of Building Foundation (Standards of Guangdong Province) DBJ 15-31-2016	Midea Real Estate Guidance on Value Exploration of the Underground Parking
	Standards for Design of Automatic Fire Alarm System GB 50116	Review Points of Demonstration Areas
		Bottom Lines of Project Quality Control
		Assessment Policy of Product Research Function in Delivery Area of Residential Project

ESG Aspect	Applicable Laws and Regulations	Internal Policies of 2021
B6 Product Responsibility	Engineering Technical Standards for Safety Protection GB 50348	45 Bottom Lines of Commerce at the Bottom in Complex
	Unified Standards for Design of Engineering Structure Reliability GB 50153-2008	Operation Guideline for Management of Approved Sample Material of Midea Real Estate
	General Standards for Aseismic Buildings and Municipal Works GB 55002-2021	Guidance on Management of Project Sites Opening and Delivering
	General Standards for Engineering Structure GB 55001-2021	Operation Guidance on Management of Simulation of Acceptance
	Standards for Classification of Seismic Fortification of Constructional Engineering GB 50223-2008	Operation Guidance on Management of Engineering Maintenance
	Unified Standards for Design of Building Structure Reliability GB 50068-2018	Operation Guidance on Management of Complaint Handling
	Code for Seismic Design of Buildings (2016) GB 50011-2010	Operation Guidance on Management of Three-level Customer Relationship System
	Load Code for the Design of Building Structures GB 50009-2012	Operation Guidance on Customer Service System Management
	Standards for Design of Concrete Structures (2015) GB 50010-2010	Operation Guidance on Management of Customer Service Quality Enhancement
	Technical Specification for Concrete Structures of Tall Buildings JGJ 3-2010	Operation Guidance on Management on Customer Experience Day
	Standards for Construction of Concrete Structures Engineering GB 50666-2011	Operation Guidance on Management of 400 Call Center
		Operation Guidance on Management of Customer Relationship Digitisation
		Customer Service Management Procedures
		Guiding Manual for Special Design of Kindergartens
		Guiding Manual of Intelligent Community Design
		Measures for Copyright Management
		Measures for Patent Management
		Measures for Management of R&D Projects
		Rules on the Implementation of Measures for Patent Management
		Operation Guidance on the Intellectual Property System
		Guidance on the Application for Copyright
		Reward and Punishment Measures for Information Security
		Guidance on the Employee Information Security
		Overall Policy on the Information Security Management

ESG Aspect	Applicable Laws and Regulations	Internal Policies of 2021
B7 Anti-Corruption	Company Law of the People's Republic of China	Measures for Management of Auditing and Supervision
	Anti-Money Laundering Law of the People's Republic of China	Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violation Information
	Anti-Unfair Competition Law of the People's Republic of China (2019 Amendment)	Measures for Management of Submission of Major Lawsuits
	Interim Provisions on Banning Commercial Bribery	Measures for Accountability Management
	Anti-Monopoly Law of the People's Republic of China	Anti-Corruption Practices
	The Bidding Law of the People's Republic of China	Integrity Agreement (for Suppliers)
	Civil Code of the People's Republic of China	Integrity Agreement (for Employees)
B8 Community Investment		Legal Risk Warning of and Guidance on Preventing Unfair Competition in Marketing and Operation Activities
B8 Community Investment	Charity Law of the People's Republic of China	Guidelines for Responsible Brand Construction
		Volunteer Management Manual

# ESG KPIs Table

ESG KPIs <sup>1</sup>	Unit	2019	2020	2021
A Environmental				
A1 Emissions				
A1.1 The types of emissions and respective emissions data <sup>2</sup>				
Sulphur oxide emissions	Ton	/	/	/
Nitrogen oxide emissions	Ton	/	/	/
PM emissions	Ton	/	/	/
A1.2 Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)				
GHG emissions <sup>3</sup>	Ton	5,974.92	5,149.42	9,039.28
Scope 1 GHG emissions	Ton	442.28	227.99	69.47
Scope 2 GHG emissions	Ton	5,532.64	4,921.43	8,969.81
GHG emission density <sup>4</sup>	Ton/RMB million of revenue	0.15	0.10	0.12
A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)				
Hazardous waste produced	Kg	454.53	599.19	1,861.29
Intensity of hazardous waste	Kg/RMB million of revenue	0.01	0.01	0.03
A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)				
Non-hazardous waste produced	Ton	43.50	847.71	1,434,480.06
Intensity of non-hazardous waste	Ton/RMB million of revenue	0.001	0.016	19.46

Note: 1. The performance data for 2019 and 2020 was extracted from the Environmental, Social and Governance Reports released for the corresponding years. The environmental data for 2019 covers the administrative data of 17 units, the environmental data for 2020 covers the administrative data of 55 units, and that for 2021 covers the administrative data and partial operational data of 155 units.

2. The statistical ledger for sulfur oxide, nitrogen oxide and PM has not been formed this year, but we will make gradual improvements and disclose relevant data in the future.

3. The GHG emissions were calculated with reference to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Public Building Operators compiled by the National Development and Reform Commission. In 2021, Scope 1 GHG emissions cover only emissions from natural gas combustion, and Scope 2 GHG emissions cover only emissions from purchased electricity and heat. The emission factor of purchased electricity refers to 0.5810 tCO<sub>2</sub>/MWh in the Notice on Key Work Related to the Management of Enterprises' Greenhouse Gas Emission Reporting in 2022 issued by the Ministry of Ecology and Environment on 15 March 2022.

4. The density and intensity indicators involved in this report were all calculated with the denominator of "RMB million of revenue".

ESG KPIs	Unit	2019	2020	2021
A2 Use of Resources				
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)				
Direct consumption <sup>5</sup>	kWh in '000s	2,112.70	1,041.84	317.46
Natural gas	m³	201,988.00	105,445.32	32,130.00
Indirect consumption	kWh in '000s	6,433.19	5,694.59	15,481.64
Purchased electricity	kWh in '000s	6,433.19	5,694.59	15,346.21
Purchased heat	GJ	/	/	487.84
Energy consumption in total	kWh in '000s	8,545.89	6,736.43	15,799.10
Intensity of energy consumption	kWh in '000s/RMB million of revenue	0.21	0.13	0.21
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)				
Water consumption in total	m³	115,598.00	49,117.00	13,726,696.25
Density of water consumption	m³/RMB million of revenue	2.81	0.94	186.24

Note: 5. The conversion coefficients among different energy sources refer to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

ESG KPIs		Unit	2019	2020	2021
B Social					
B1 Employment					
B1.1 Total workforce by gender, employment type, age group and geographical region					
Total number of employees		Person	14,413	15,252	14,908
Gender	Male	Person	8,817	9,340	8,909
	Female	Person	5,596	5,912	5,999
Employee type	Full-time	Person	/	/	14,908
	Part-time	Person	/	/	0
Age group	Aged 29 and below	Person	6,816	6,737	6,242
	Aged 30-49	Person	7,423	8,299	8,398
	Aged 50 and above	Person	174	216	268
Geographical region	Mainland China	Person	14,402	15,243	14,896
	Hong Kong, Macao, Taiwan and overseas	Person	11	9	12
B1.2 Employee turnover rate by gender, age group and geographical region					
Employee turnover rate <sup>6</sup>		%	/	/	32.0
Gender	Male	%	/	/	33.1
	Female	%	/	/	30.3
Age group	Aged 29 and below	%	/	/	30.4
	Aged 30-49	%	/	/	33.9
	Aged 50 and above	%	/	/	7.1
Geographical region	Mainland China	%	/	/	32.0
	Hong Kong, Macao, Taiwan and overseas	%	/	/	16.7

Note: 6. Employee turnover rate = Number of employees leaving during the reporting period / Total workforce during the reporting period \*100%. Employee turnover rate of a category = Number of employees leaving of the category during the reporting period / Total workforce of the category during the reporting period \*100%.

ESG KPIs		Unit	2019	2020	2021
B2 Health and Safety					
B2.1 Number and rate of work-related fatalities occurred in each of the past three years					
Number of work-related fatalities <sup>7</sup>		Person	0	0	1
Rate of work-related fatalities <sup>8</sup>		%	0	0	0.007
B2.2 Lost days due to work injury					
Total lost days due to work-related injuries <sup>9</sup>		Day	/	1,546	2,125
B3 Development and Training					
B3.1 The percentage of employees trained by gender and employee category (eg. senior management and middle management)					
Total employees trained		Person	/	/	9,167
Percentage of employees trained <sup>10</sup>		%	/	/	61.49
Gender	Male	%	61.17	63.05	59.25
	Female	%	38.83	36.95	40.75
Employee category	Senior management	%	0.18	0.08	1.59
	Middle management	%	12.57	7.96	15.86
	Grassroots employees	%	87.25	91.96	82.55

Note: 7. The number of work-related fatalities is the number of deaths of the employees identified as work-related injuries by the local social security bureau during the reporting period.

8. Rate of work-related fatalities = Number of work-related fatalities during the reporting period / Total workforce during the reporting period\*100%.

9. The number of working days lost after the date of injury due to work-related injury of employees identified by the local social security bureau.

10. Percentage of employees trained = Total workforce trained / Total workforce \*100%; Percentage of employees trained of a category = Total workforce trained of the category during the reporting period / Total workforce trained \*100%.

ESG KPIs		Unit	2019	2020	2021
<b>B3.2 The average training hours completed per employee by gender and employee category</b>					
Average training hours of total workforce <sup>11</sup>		Hour	34.96	59.84	59.44
Gender	Male	Hour	34.96	66.53	61.80
	Female	Hour	34.96	49.28	55.93
Employee category	Senior management	Hour	27.27	22.48	28.72
	Middle management	Hour	16.27	64.14	56.32
	Grassroots employees	Hour	37.66	59.30	60.39
Total investment in training		RMB million	/	/	11.63

### B5 Supply chain management

#### B5.1 Number of suppliers by geographical region

Total number of suppliers		unit	9,068	8,849	6,410
Geographical region	South China	unit	2,309	1,257	947
	East China	unit	3,427	3,111	2,178
	North China	unit	964	1,900	1,376
	Central China	unit	902	705	568
	Northeast China	unit	382	304	250
	Southwest China	unit	1,067	1,572	1,091
	Northwest China	unit	10	0	0
	Hong Kong, Macao, Taiwan, and overseas	unit	7	0	0

Note: 11. Average training hours of employees = Total training hours / Total workforce; Average training hours of employees of a category = Total training hours of employees of the category during the reporting period / Total workforce of the category.

ESG KPIs		Unit	2019	2020	2021
<b>B6 Product Responsibility</b>					
<b>B6.2 Number of products and service related complaints received<sup>12</sup></b>					
Number of complaints		unit	/	22,420	24,490
Complaint closed rate		%	/	/	99.44
Overall satisfaction of customers		Score	/	/	86

### B7 Anti-corruption

#### B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period

Number of brought and concluded legal cases regarding corrupt practices	Case	3	3	4
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### B8 Community Investment

#### B8.2 Resources contributed (e.g. money or time) to the focus area

Total public welfare investment	RMB'0,000	587.89	417.39	1,760.58
Targeted poverty alleviation	RMB'0,000	264.50	260.24	19.24
Education	RMB'0,000	89.31	/	1,633.38
Community	RMB'0,000	36.11	33.85	33.33
Environmental protection	RMB'0,000	16.80	2.30	0.75
Other volunteer activities	RMB'0,000	181.17	121.00	65.18
Anti-pandemic	RMB'0,000	/	/	8.7
Donation	RMB'0,000	/	/	0
Number of employees participating in public welfare/volunteer activities	Person/time	316	237	255

Note: 12. The number of complaints, complaint closed rate, complaint handling satisfaction rate, and satisfaction of customers are for the residential development segment.

# ESG Index

## Environmental, Social and Governance Aspects, General Disclosure and KPIs Chapter

### A Environmental

A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.  Note: Air emissions include NO <sub>x</sub> , SO <sub>x</sub> , and other pollutants regulated under national laws and regulations. GHGs include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.  Hazardous wastes are those defined by national regulations.		Low-carbon Integration to Protect the Beautiful Ecosystem  List of ESG Policies
	A1.1	The types of emissions and respective emissions data.	ESG KPIs Table
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Office
	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.	Green Construction
A2 Use of resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.  Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		List of ESG Policies
	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).	ESG KPIs Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG KPIs Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Office
	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.	Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3 Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		List of ESG Policies
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low-carbon Integration to Protect the Beautiful Ecosystem
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.		Response to climate change
	A4.1	Description of the significant climate-related issues which have impacted, and may impact, the issuer, and the actions taken to manage them.	Response to climate change

## Environmental, Social and Governance Aspects, General Disclosure and KPIs Chapter

### B. Social

B1 Employment	General Disclosure	Protection of employees' rights and interests	
	Information on:		
	(a) the policies; and	List of ESG Policies	
	(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.		
B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region	ESG KPIs Table	
B1.2	Employee turnover rate by gender, age group and geographical region	ESG KPIs Table	
B2 Health and Safety	General Disclosure	Occupational health	
	Information on:		
	(a) the policies; and	List of ESG Policies	
	(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.		
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	ESG KPIs Table
B2.2	Lost days due to work-related injury.	ESG KPIs Table	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational health	
B3 Development and Training	General Disclosure	Employee training	
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	List of ESG Policies	
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG KPIs Table
	B3.2	The average training hours completed per employee by gender and employee category.	ESG KPIs Table
B4 Labour Standards	General Disclosure	Protection of employees' rights and interests	
	Information on:		
	(a) the policies; and	List of ESG Policies	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to preventing child and forced labour.		
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Equal employment	
B4.2	Description of steps taken to eliminate such practices when discovered.	Equal employment	
B5 Supply Chain Management	General Disclosure		
	Policies on managing environmental and social risks of the supply chain.	List of ESG Policies	
	B5.1	Number of suppliers by geographical region.	ESG KPIs Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Creating a sustainable supply chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Creating a sustainable supply chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Contribute to the Goal of Carbon Neutrality Through Lean Management

B6 Product Responsibility	General Disclosure		Strict control of product quality
	Information on:		
	(a) the policies; and		Consolidation of safety management
	(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.		List of ESG Policies
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
B7 Anti-corruption	B6.2	Number of products and service related complaints received and how they are dealt with.	ESG KPIs Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliant operations
	B6.4	Description of quality assurance process and recall procedures.	Strict control of product quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customers' interests
B8 Community Investment	General Disclosure		Compliant operations
	Information on:		
	(a) the policies; and		List of ESG Policies
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to bribery, extortion, fraud and money laundering.		
	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.	Compliant operations ESG KPIs Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliant operations
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliant operations
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Dedication to social welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG KPIs Table