



越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code : 00405)



YUEXIU
REIT

2005-2022

Environmental, Social and Governance Report 2022



SHANGHAI



HANGZHOU

VISION FOR
A STEADY FORTUNE



WUHAN



GUANGZHOU

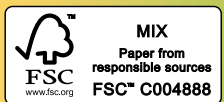


HONGKONG



17 YUEXIU REIT

2005-2022



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CONTENTS

2	Annual ESG Highlights
4	Annual Awards
6	About Yuexiu Real Estate Investment Trust
7	About This Report
10	Chairman's Message
14	Statement of The Board
15	Annual Topic Technical Leading, Low-Carbon Operation
17	Sustainable Development Management
18	Corporate Governance and Business Ethics
26	Risk Management and Internal Control
28	Sustainable Development Governance
30	Sustainable Development Management
31	Sustainable Development Goals
34	Sustainable Development Policies
35	Green and Sustainable Finance
36	ESG Ratings
37	Materiality Evaluation
37	Stakeholder Communication
37	Material Issues
39	Low-Carbon Operation Leading Green Development
40	Addressing Climate Change
49	Energy Management
54	Water Resources Management
56	Waste Management
58	Green Leasing
64	Biodiversity
65	Sustainable Consumption
69	Work with Partners for Win-Win Development
70	Service Quality
73	Property Safety and Health
77	Handling Customer Complaints
78	Information Security Protection
79	Value Chain Social Responsibility
81	Industry Development
85	Responsible Marketing
87	Work Side by Side with Employees for Better Development
88	Employee Rights and Communication
90	Talent Attraction and Retention
93	Employee Development and Training
95	Employee Safety and Health
97	Diversity and Inclusion
101	Involving Communities for Harmonious Development
102	Social Welfare
105	Prospects
106	Appendix
106	Sustainability Summary
116	Stakeholder Communication Methods
118	Materiality Evaluation Processes
119	Standards and Indexes
121	Feedback Form

ANNUAL ESG HIGHLIGHTS

Sustainable Development Management

- Checked and reviewed sustainable development goals
- Set up a working group on energy conservation and consumption reduction
- Engaged external experts to carry out 2 ESG topic sharing and training sessions, hosted by the chairman of the Board of Directors



Green and Sustainable Finance

- Signed the first sustainability-linked loan of HKD3.8 billion, and the proportion of green and sustainability related loan was 38.6%



Green Building

- GZIFC completed the renewal of LEED O+M Platinum Certification and BOMA China COE Certificate
- Wuhan Yuexiu Fortune Centre obtained the first LEED O+M Platinum Certificate
- The proportion of LEED Platinum certified properties increased to 68% in terms of gross floor area



Addressing Climate Change and Low-carbon Transformation

- Carried out climate scenario analysis by reference to TCFD recommendations for the first time, and reviewed the resilience against climate change
- Established the first Climate Risk Management Policy after research
- Engaged third-party institution to carry out carbon inventory and low-carbon transition planning
- Participated in the formulation of the first group standard of Code for Grade Assessment of Zero Carbon Intelligent Buildings in China
- Total investment of RMB14.35 million in energy conservation promotion asset appreciation projects during the reporting period



ANNUAL ESG HIGHLIGHTS

Information Disclosure



- Added sustainable development special column on the website of the Trust for centralized disclosure of ESG information

ESG Ratings



- MSCI ESG rating of 2022 was upgraded to "BB"
- Global Real Estate Sustainability Benchmark ("GRESB") promoted to Green "Four Star" rating, and obtained A grade (highest grade) public disclosure for two consecutive years
- Rated as "Low Risk" in annual Sustainalytics ESG risk rating for the first time, achieved "2023 ESG Regional Top Rated (APAC)"
- The 2022 S&P Global ESG score was 34, up 13.3% from last year. The score was better than 81% of the global participants of real estate industry

ESG Awards



- Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Investment Trust Funding) – "Visionary Sustainability-linked Loan Performance Metrics" and "Pioneering Organisation in Climate Disclosure Planning" from Hong Kong Quality Assurance Agency ("HKQAA")
- TOP10 ESG Development Performance Award of Commercial Real Estate Enterprise 2022 from Guandian Index

Concentric Pandemic Fighting



- Organized volunteers to support the anti-epidemic work during the outbreak of COVID-19
- Provided cumulative temporary rental concessions of RMB146 million to ensure the stable operation of tenants to as far as possible

ANNUAL AWARDS

THE TRUST

Awards/Honors

Listed Company Excellence Award 2022

Issuing Unit/Authority

Hong Kong Economic Journal (HKEJ)

2022 China Real Estate Assets Management
Comprehensive Strength TOP20

CAIC

Outstanding Award for Green and Sustainable Loan
Issuer (Real Estate Investment Trust Funding) –
“Visionary Sustainability-linked Loan Performance
Metrics” and “Pioneering Organisation in Climate
Disclosure Planning”

HKQAA



TOP 10 Performance Award of Commercial Real
Estate Investment Management Institution 2022

Guandian Index

TOP10 ESG Development Performance Award of
Commercial Real Estate Enterprise 2022

Guandian Index

GZIFC

Awards/Honors

2022 Commercial Assets Operation Performance
Award - National Top 20

Issuing Unit/Authority

Guandian Index



Fire Safety Management Standards Demonstration
Unit

Guangzhou Fire Rescue Team

Caring Charity Unit

Guangzhou Charity Association

WHITE HORSE BUILDING

Awards/Honors

China Clothing Brand Incubation Base

Issuing Unit/Authority

Distribution Branch of China Textile
Industry Federation
China Apparel Association



ANNUAL AWARDS

YUEXIU FINANCIAL TOWER

Awards/Honors

Intelligent Building Emergency Rescue
Demonstration (Pilot) Unit

RICS 2022 Real Estate Finance Innovation
Achievements Champion Award

Fire Safety Management Standards Demonstration
Unit

2022 Commercial Assets Operation Performance
Award - National Top 20

Guangzhou First Batch of Super Grade A Commercial
Office Building

Issuing Unit/Authority

Guangzhou Association of Building
Economy Promotion

Royal Institution of Chartered
Surveyors (RICS)

Guangzhou Fire Rescue Detachment
Unit

Guandian Index

Guangzhou Municipal Bureau of
Commerce



VICTORY PLAZA

Awards/Honors

Caring Charity Unit

Issuing Unit/Authority

Guangzhou Charity Association



FOUR SEASONS HOTEL GUANGZHOU

Awards/Honors

Five-star Hotels of Forbes Travel Guide

Issuing Unit/Authority

Forbes Travel Guide



ABOUT YUEXIU REAL ESTATE INVESTMENT TRUST

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

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

PROPERTY PORTFOLIO

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

As of 31 December 2022, Yuexiu REIT's portfolio of properties consisted of ten properties, namely, White Horse Building Units ("White Horse Building"), Fortune Plaza Units and certain Carpark Spaces ("Fortune Plaza"), City Development Plaza Units and certain Carpark Spaces ("City Development Plaza"), Victory Plaza Units ("Victory Plaza"), Guangzhou International Finance Center ("GZIFC") and Yuexiu Financial Tower ("Yuexiu Financial Tower"), located in Guangzhou; Yue Xiu Tower ("Shanghai Yue Xiu Tower"), located in Shanghai; Wuhan Yuexiu Fortune Centre, Starry Victory Shopping Centre and certain Carpark Spaces ("Wuhan Properties"), located in Wuhan; Hangzhou Victory Business Center Units and certain Carpark Spaces ("Hangzhou Victory"), located in Hangzhou; as well as 17th and 23rd Floors of Yue Xiu Building Units, located in Hong Kong ("17th and 23rd Floors of Hong Kong Yue Xiu Building"). The total gross floor area of the properties was approximately 1,184,156.5 m², and the valuation of the properties was up to RMB42.359 billion yuan. For more information on property, please refer to Yuexiu REIT Annual Report 2022 Section "Property Portfolio" (Page 42). Please refer to Yuexiu REIT Annual Report for Property Valuation Report (Page 128).

During the reporting year, Yuexiu REIT transferred the leasing management and promotion service functions (collectively referred to as "Leasing Agents") of each property to Guangzhou Baima Business Operation Management Co., Ltd ("Baima BM"), Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd ("Yicheng BM") and Guangzhou IFC Business Management Co., Ltd ("GZ IFC Management"). The staff of the leasing agents are seasoned professionals who are dedicated to the market for lots of years, and equip with extensive experience in commercial property leasing, marketing and leasing management in the PRC. For more information on the leasing agents please refer to Yuexiu REIT Annual Report 2022 Section "The Leasing Agents" (Page 100).

To maintain good business momentum, stabilize existing customers and introduce new quality customers, the Manager plans to upgrade some of the properties annually. It is our aim and objective to maintain and improve the values of properties, create a solid foundation maximize leasing revenue and protect the rights and interests of our investors. More information on asset appreciation projects of 2022 please refer to the relevant chapters of this Report.

ABOUT THIS REPORT



OVERVIEW

This Report is the seventh independent Environmental, Social and Governance Report (“ESG Report” or the “Report”) of Yuexiu REIT, focusing on the disclosure of the Trust’s philosophy, significant measures and efficiency of ESG aspects in 2022. The annual update on the sustainable development performance under the major aspects of the Trust in 2022 (Environment, Economy/Market, Employment and Community) has been provided in the Report.

EXPLANATION FOR ABBREVIATIONS

To facilitate the preparation and reviewing of the Report, Yuexiu REIT and the Trust mean Yuexiu Real Estate Investment Trust. The Manager means Yuexiu REIT Asset Management Limited, who is responsible for managing Yuexiu REIT in accordance with the Trust Deed. Therefore, in the Report, the Company indicates Yuexiu Real Estate Investment Trust and Yuexiu REIT Asset Management Limited. Depending on the specific context, “We” refer to “Yuexiu Real Estate Investment Trust”, “Yuexiu REIT Asset Management Limited” and parties who have been delegated with functions. Unless otherwise specified, terms used in the Report shall have the same meanings as defined in the Yuexiu REIT Annual Report 2022 (“Annual Report”).

BASIS OF PREPARATION

 Organization	 Guideline, Criteria or Recommendation
The Stock Exchange of Hong Kong Limited (“HKEX”)	The Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) in Appendix 27 to the Main Board Listing Rules
The Global Reporting Initiative (“GRI”)	With reference to Sustainability Reporting Standards of the GRI (“GRI Standards”)
Task Force on Climate-related Financial Disclosures (“TCFD”)	TCFD Recommendations
International Sustainability Standards Board (“ISSB”)	Exposure Draft IFRS S2 Climate-related Disclosure (“Climate-related Disclosure Standards”)

ABOUT THIS REPORT

REPORTING PRINCIPLES

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

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

SCOPE AND BOUNDARY OF THE REPORT

The Report covered properties held by Yuexiu REIT from 1 January to 31 December 2022 (“this Year” or “the Reporting Year”) other than 17th and 23rd Floors of Yue Xiu Building. The Trust acquired the 17th and 23rd Floors of Yue Xiu Building on 20 December 2022. Based on the practical management principle, the relevant data of the 17th and 23rd Floors of Yue Xiu Building were not included in 2022 ESG performance and data statistics scope.

To facilitate the recording, part of the content of the Report may be applicable beyond the above-mentioned period. The Report is prepared in RMB. The Report provides concentric ESG disclosure and it is recommended to read part of the content together with the Annual Report.

ABOUT THIS REPORT

REVIEW AND APPROVAL

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

DISCLAIMER

The Report contained forward-looking statements, including but not limited to the words or wording such as "will", "expect", "forecast", "future", "aims to", "estimate", "plan", "believe", "potential", "continue to", "continuously", "goals", "objectives" and "possible". This part of content is based on current expectation, assumptions, estimates and prediction and may be significantly different from the actual results due to the impact of uncertainties. Yuexiu REIT does not assume the obligation to update any of the forward-looking statements in the Report, except for those required by applicable laws.

ACCESS AND RESPONSE TO THIS REPORT

We suggest to synchronously refer to the Annual Report 2022 of Yuexiu REIT and the sustainable development special column on its website when reading the Report so as to comprehensively understand our ESG concept, measures and performance.

The Report was made in both Chinese and English. Should any difference between both versions, the Chinese Version shall prevail. The electronic version of the Report has been uploaded to HKEXnews <https://www1.hkexnews.hk> and Yuexiu REIT's website www.yuexiureit.com.

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

CHAIRMAN'S MESSAGE



I am delighted to present you the ESG Report 2022 of Yuexiu REIT on behalf of the management team of the Manager.

LIN DELIANG
Chairman

2022 is the deepening year of China's 14th Five-Year Plan. Under the new development pattern, we seized development opportunities, gathered striving force, conducted proactive management and implement steady operation in a bid to create high quality returns to unit-holders.

PROACTIVE MANAGEMENT AND MOVING FORWARD

During the reporting period, we implemented proactive management and steady operation, and tackled COVID-induced shocks and mounting downward pressure on the global economy by virtue of the "three-in-one" management pattern and "operation + asset + finance" promotion. At the end of the reporting period, the valuation of properties of the Trust reached approximately RMB42.359 billion. The gross income of the Trust was approximately RMB1.873 billion, a year-on-year increase of 4.2%. The total distribution for the reporting year was approximately RMB533 million. The distribution per unit ("DPU") was approximately HK\$0.1306. Based on the closing price of per unit on 31 December 2022, the distribution yield of 2022 was approximately 6.63%. We reported Yuexiu REIT's business review and financial review for the past year, and future prospects in Annual Report 2022.

CHAIRMAN'S MESSAGE

GREEN AND LOW-CARBON LEADING HIGH QUALITY DEVELOPMENT



In the past year, we continuously focused on the trends of global sustainable development issues and have deeply understood that it has become one of the contemporary global consensus to addressing climate change and the green and sustainable development has become the new indicator that directs the global high-quality development. During the year, the International Sustainability Standards Board ("ISSB") issued the Exposure Draft on Sustainability Disclosure Standards; United Nations Climate Change Conference ("COP27") and United Nations Conference on Biological Diversity ("COP15") were held successively and the global discussion on addressing climate change has never decreased. In addition, the Consultation on Management and Disclosure of Climate-related Risks by Fund Managers' released by the Securities and Futures Commission of Hong Kong officially came into effect, advocating and proposing to include related risks in the investment and risk management process. We are making progress in this direction.

We consider the ESG capacity building from a strategic perspective and take it as an important way to promote core competitiveness. We deeply believe that the integration of commercial real estate with ESG from the perspective of green building, energy conservation and carbon reduction, service improvement and risk prevention has become a critical path to promote the asset value, and continuously pursue the vision of ESG. We have set the targets of reducing power consumption and carbon emission intensity by 13.5% and water consumption intensity by 10% by 2025 or before, based on the level of 2019.

We attach great importance to the ability of our asset to address climate risk and capture opportunities. During the reporting period, we established Climate Risk Management Policy and included it in Compliance Manual. We analysed and adopted the recommendations of Task Force on Climate-Related Financial Disclosure ("TCFD"), carrying out climate change scenario analysis which analyzes the opportunities and challenges from the climate change systematically and comprehensively, and laying a consoling foundation for promoting resilience to climate. We reviewed the progress towards short-term, medium-term and long-term climate goals and promote the zero-carbon transformation gradually.

In terms of climate change, we know that action trumps all and persistence is the only way to succeed. Last year, we realized that technology should play a leading role in energy conservation and consumption reduction. Therefore, we set up a special team and engaged a professional third party to carry out carbon footprint survey and low carbon transformation planning, and invested RMB14.35 million in energy conservation and consumption reduction projects to promote sustainable development goals. We continued to promote green building certification for our properties, including the first LEED O+M Platinum certification for the Wuhan Yuexiu Fortune Centre, and the completion of LEED O+M Platinum and BOMA China COE renewal certification for the GZIFC. As of the end of the reporting period, the Trust's portfolio of LEED-accredited properties reached 68 % in terms of gross floor area.

We consider green and sustainable finance as an important part of creating a closed loop for high quality development. Relying on the advantages in the aspect of green building and sustainable development, subsequent to the first green club loan of HKD4.8 billion signed in 2021, we successfully signed the sustainability-linked loan of HKD3.8 billion in November 2022 and won the two awards issued by HKQAA, for which we were deeply encouraged.

CHAIRMAN'S MESSAGE

We pay close attention to the comprehensive ESG performance and actively and proactively improve management around the ESG-related guidelines. In addition to an publication of independent ESG report on a yearly basis, we also added a special column for sustainable development on the website of the Trust in a bid to continuously promote the disclosure level of ESG. Various ESG ratings of the Trust kept improving, demonstrating the recognition of the capital markets to us.

VALUE CO-CREATION TOWARDS A BRIGHTER FUTURE

We have been continuously promoting the integration of ESG with existing business models and mechanisms, integrating ESG concept to daily operation management and building a green development ecology in the multiple scenarios for partners, employees, tenants and the public.

Develop with the industry

We keep exchange with various parties of the industry. During the year, we exchanged our experience in the aspect of ESG sustainable development in the activities sponsored by the organizations such as Guangzhou Private Equity Council ("GPEC"), World Green Building Council ("WorldGBC"), Royal Institution of Chartered Surveyors ("RICS") and BOMA China. As one of the promoters, we participated in establishing Hong Kong REITS Association ("HKREITA"), in a bid to strengthen exchanges between Hong Kong and mainland agencies and contribute to the overall development of REITS industry in Hong Kong. During the year, we completed the research project "Low-carbon Technology System for Commercial Buildings" and the "Low-carbon Development Report for Commercial Buildings". We participated in the development of the country's first group standard of Code for Grade Assessment of Zero Carbon Intelligent Buildings, which covers 3 major items, 50 details and 3 grades and has been recognized by the industry and promoted to 52 buildings nationwide.

Benefit with tenants

We guide tenants to operate in a "low-carbon" way. We take green leasing as one of the core competitiveness and invite tenants to co-create green community by signing Green Convention. We continue to focus on "intelligence + health + community", aiming to provide customers with more excellent building experience and offer one-stop support service according to the project characteristics and tenants' demand at various stages of development. During the severe COVID-19 epidemic, we implemented rental concession policy to ensure stable operation of tenants. As ESG sustainable development concept got more popularized throughout the society, our measures were well recognized and supported by the tenants.

Progress with employees

We strictly follow related national labor regulations to protect the legal rights of our employees. We establish comprehensive talent gradient and training system, take care of employees' physical and mental health, creating a fair and equal, democratic and caring environment that is full of opportunities and happiness.

Be prosperous with community

We care for the natural environment and green development. In the past year, our properties organized multiple environment protection and carbon reduction activities. We continue to fulfil the commitment of corporate citizens, contribute to the harmonious development of the community, and sincerely serve the society.

CHAIRMAN'S MESSAGE

PROSPECT

In 2023, as the Chinese economic activities comprehensively resume, high-quality development pattern will continuously get deepened. Under the general international economic development pattern of co-existence of opportunity and challenge, we remain cautiously optimistic and confident, stick to steady and sustainable management strategy, adhere to resilience growth, keep up with the national 14th Five-Year Plan, seize new economy growth points under Dual Circulation, follow a "long-distance" mindset, promote risk resistance capacity, and strive to maximize economic and social benefits. We will continue to showcase our determination and fulfill our commitment of "pursue excellence and keep improving" to all stakeholders with practical actions.

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

LIN Deliang

Chairman

STATEMENT OF THE BOARD

The Board, as the top decision-making level for ESG governance of the Trust, is responsible for approving ESG strategies and reports. The ESG management events where the Board is involved mainly include: (1) participation in materiality issues questionnaires, and review and approval of materiality evaluation results of ESG issues; (2) review and inspection of the short-, medium- and long-term sustainable development goals established by the Trust; (3) review of the result of climate change scenario analysis and supervision of management of climate-related risks and opportunities; (4) review of the Sustainability Steering Group's ESG-related working summary; (5) approval of ESG-related information disclosure.

To implement the ESG management concept of the Trust, under the guidance of the Board, the Manager has established the Sustainability Steering Group at the management level to report to the Board on a regular basis, established the Sustainability Working Group and Sustainability Teams of Properties at the execution level. Each level works in accordance with established responsibilities, organizes and launches materiality issues evaluation yearly, develops short-, medium- and long-term sustainable development goals by combining the evaluation results and business characteristics, reviews the goal attainment progress yearly, and submits quarterly reports to the relevant board committee based on ESG working progress. Board committees review and discuss ESG-related reports and report to the Board in accordance with established responsibilities.

The Report has disclosed ESG-related information of the Trust for 2022 and has been approved by the Board.

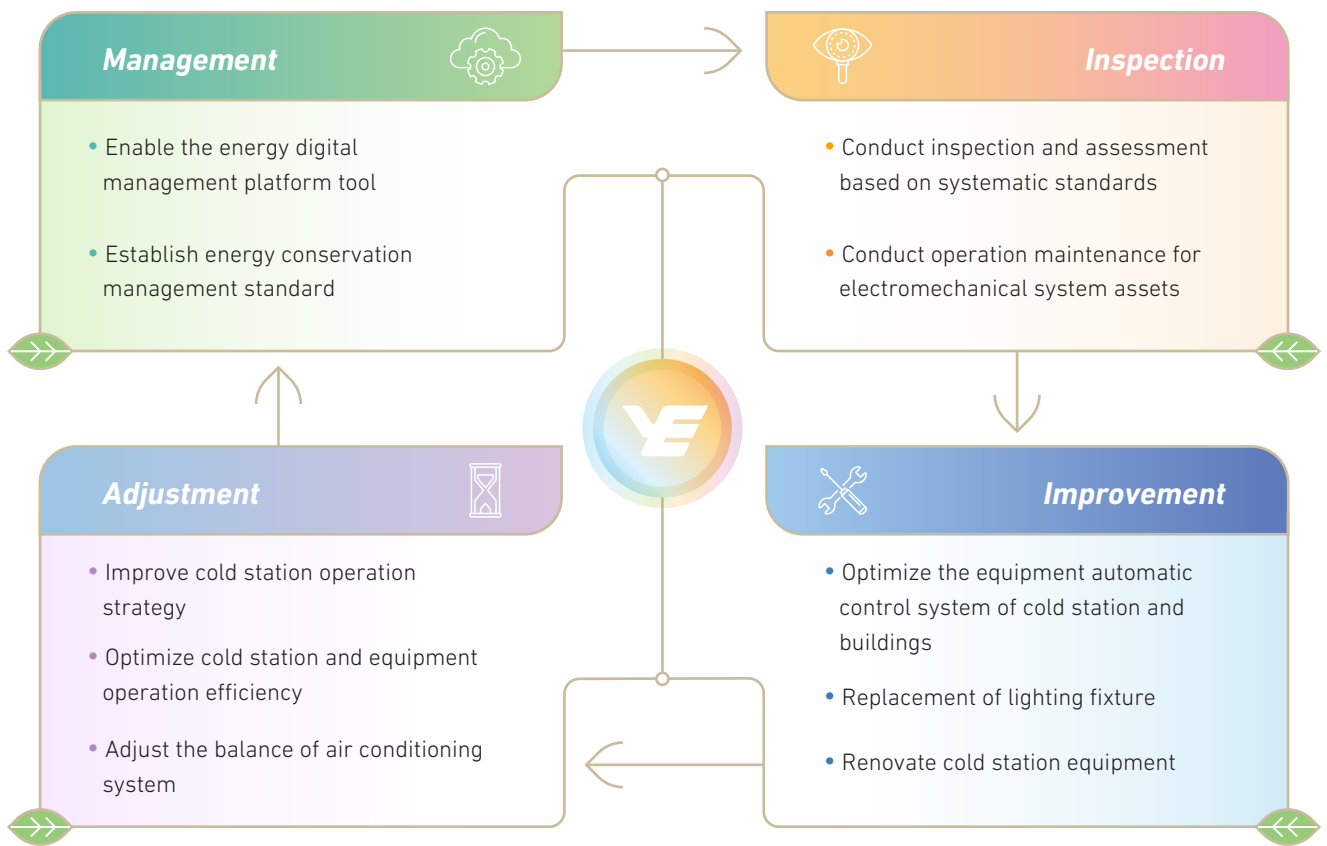


ANNUAL TOPIC TECHNICAL LEADING, LOW-CARBON OPERATION

Currently, we have set up the multiple-stage carbon reduction targets: reducing GHG emission intensity (Scope 1 + Scope 2) by 13.5% by 2025 based on the level of 2019, and formulate 2030 carbon reduction targets and action plans by 2025. During the reporting period, the Manager hired professional third-party institutions to carry out energy consumption audit and carbon inventory for our properties, turning the green vision into green action. Through the evaluation of energy consumption and analysis of present situation, we identified the professional improvement direction regarding the energy saving for various properties and pinpoint the “breakthrough point” of green and low-carbon, providing more scientific evidence for further promoting energy conservation and consumption reduction.

ENERGY CONSERVATION AND CARBON REDUCTION PLANNING

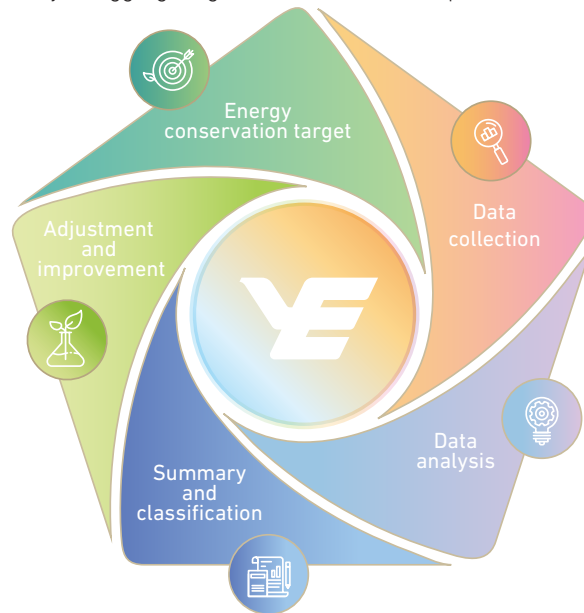
Through data assessment, diagnosis, taking into consideration of the operation characteristics of our properties and the present conditions of the buildings, we selected four directions of energy conservation and consumption reduction management, forming energy conservation roadmap to support our emission reduction targets, which is implemented gradually according to the complexity. Based on our roadmap, we divided the energy conservation actions into four categories (“management - inspection - adjustment - improvement”) according to the difficulty of implementation, and conduct assessment, analysis and classification of our assets to effectively improve the operation quality of the engineering electromechanical system of our properties and further improve our energy conservation and carbon reduction management system.



ANNUAL TOPIC TECHNICAL LEADING, LOW-CARBON OPERATION

LEAN OPERATION MANAGEMENT

After defining the roadmap, we defined the energy conservation management process through the cooperation between operation personnel and digital energy management system. We implemented the lean management of energy conservation and carbon reduction by disaggregating the actions under the process.



Energy Conservation Management Process

Energy consumption data management

For distribution room, air conditioning, equipment and machine room which are key areas of energy consumption, the digital management system regularly collects energy consumption data to provide the evidence for the Manager to tailor the targets and operation strategy

Energy-use target management

Refine the energy consumption budget to a day-to-day and item-by-item basis so that the system can timely track and rectify the energy consumption deviations

Energy-use process management

Continuously monitor, analyse and diagnose the use of energy, send timely alerts of abnormal events, identifying project deficiency and optimizing operation strategy

Improvement and adjustment management

The visual interface of energy-use indicators enables operation personnel to view energy consumption in real-time, and finally achieve circular promotion in energy consumption management through regular review, analysis and optimization

SUSTAINABLE DEVELOPMENT MANAGEMENT

Under the overall planning and leadership of the Board, the Manager has continued to consolidate the sustainable development framework and work system. In May and September 2022, we invited external experts to carry out ESG topic sharing and training activities which were hosted by the chairman of the Board of the Manager. Through a combination of top and bottom approach, we have put the concept and work of sustainable development into practice and firmly promoted our three major principles of sustainable development.

Economy Win-Win Development

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

Environment Green Development

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

Society Inclusive Development

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

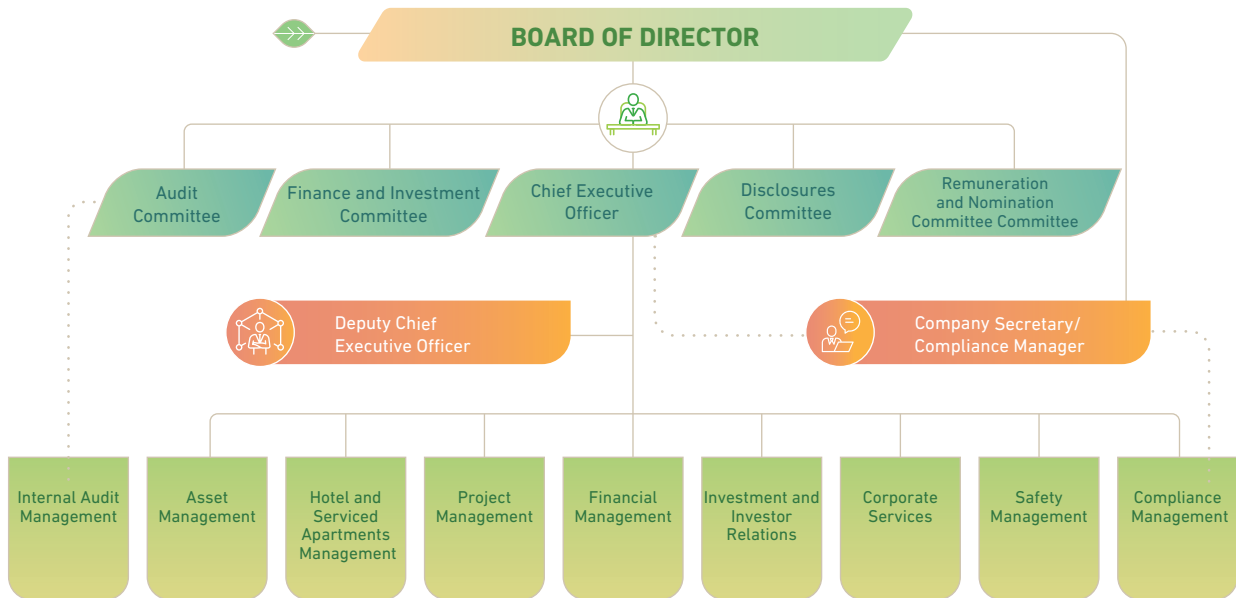


ESG Topic Training Session Hosted by the Mr. Lin Deliang,
the Chairman of the Board, Executive Director and Chief Executive Officer of the Manager

SUSTAINABLE DEVELOPMENT MANAGEMENT

CORPORATE GOVERNANCE AND BUSINESS ETHICS

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



Board Diversity

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

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

At the end of the reporting period, the proportion of female directors is 13%. The proportion of Independent Non-executive Directors is 50%, and their independence is confirmed in writing every year according to the standards set out in the Compliance Manual. For more information on the Board, please refer to the section "Directors' and Senior Executives' Profiles" of Yuexiu REIT's Annual Report 2022 (Page 91). For more information on corporate governance, please refer to the section "Corporate Governance" of Yuexiu REIT's Annual Report 2022 (Page 102).

SUSTAINABLE DEVELOPMENT MANAGEMENT

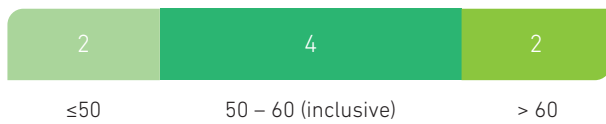
Structure of The Board



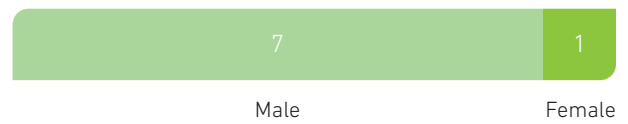
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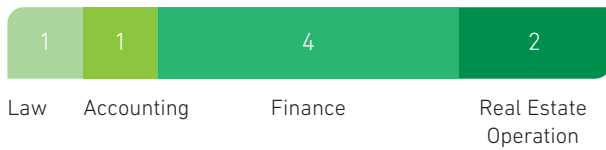
Age



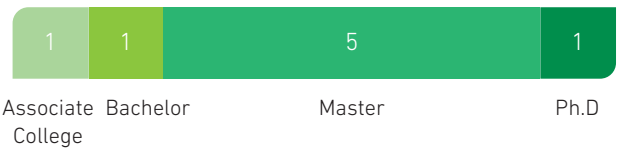
Gender



Professional Background



Educational Background



The Year of Being The Manager's Director



Number of Listed Companies Serving as a Director



SUSTAINABLE DEVELOPMENT MANAGEMENT

Connected Party Transactions Management

The Manager has clearly defined Connected Party Transactions (“CPT”) management requirements in the Compliance Manual, developed and implements Related Lease Management Business Guidelines, and establishes a complete mechanism around CPT management, covering the establishment of connected parties information database, comprehensive identification of various CPT, and CPT contracts management, exemption limit monitoring, independent valuation, multi-level approval according to authority, regular reporting, information disclosure, independent inspection and special audit, etc., so as to ensure the compliance of CPT. Please refer to Page 115 of Annual Report 2022 for CPT Report.

Remuneration Policy

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

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

ANTI-CORRUPTION AND ANTI-COMMERCIAL BRIBERY

Issue connotation: Attach great importance to business ethics construction and management, abide by integrity standards, strengthen internal supervision regarding anti-corruption and anti-commercial bribery, prevent corruption and bribery at various stages, establish an integrity corporate culture.

Concept

The Trust and the Manager attach great importance to transparency, independence, accountability, responsibility, fairness, and compliance, strictly abiding by the requirements of the applicable laws and regulations. The Manager has formulated a series of anti-corruption rules and regulations to ensure asset transparency, management process routinization, and expenditure rationalization, which further clarifies that anti-corruption and anti-commercial bribery are the "red line" that each employee must strictly adhere to. The Company has established an internal supervision and management system on anti-corruption and anti-commercial bribery. All kinds of illegal, irregular and violating behaviors or misconducts that may cause great losses to the Company's reputation or economy are put under strict supervision and handled strictly. Internal rules and regulations, training, and supervision mechanism on anti-corruption and anti-commercial bribery cover directors, employees (full-time/internship), front-line operators, and various outsourcing service providers. The Manager emphasizes the integrity management of supply chains. We have "zero tolerance" for any suppliers who violate the integrity agreement.

Target and Progress

Target	Carry out annual trainings with anti-corruption and anti-commercial bribery as the theme, covering 100% of departments of the Manager, hotel and serviced apartments and front-line operator
Annual progress	Achieved

Management Practices

Mechanism and Operation

The Manager continuously improved various rules and regulations in order to ensure that all branches of the Company abide by business ethics and consolidate non-corrupt corporate culture through prevention, supervision, and reward and punishment measures. In 2022, the Manager has revised the Compliance Manual and proposed anti-corruption policies to enhance integrity management. On the basis of the compliance management system documents such as Guideline on Anti-money Laundering, Measures for Risk Preference Management, and Implementation Measures for Internal Audit, the Manager closely monitors and controls various compliance risks, and has established a supervision and reporting mechanism. The Manager has also established the procedure for dealing with conflicts of interest, which all directors and employees must strictly follow.

Independent Supervision and Whistleblower Protection

The Manager reviews formulated anti-corruption and anti-commercial bribery policies and improves system contents every year to broaden the jurisdiction of the system, and has established and maintained an independent supervision mechanism. The Manager has formulated reporting policies in the Compliance Manual and established reporting channel to receive various complaints and always keep the source and whistleblower information strictly confidential to ensure that whistleblowers can be protected by law and away from interference. For complaints received, violations/internal control defects found in the inspections/audits, we uphold the principle of impartiality and objectivity, and instruct relevant departments, the hotel and serviced apartments or front-line operators to follow up timely according to the investigation results, formulate rectification/optimization plans and implement them. Any violation of law, discipline or business ethics will be reported and investigated according to the established mechanism.



SUSTAINABLE DEVELOPMENT MANAGEMENT

Area of Specialization

Mechanism and Operation

COMPLIANCE MANAGEMENT




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

INTERNAL MONITORING



- The Internal Audit Management Department is responsible for risk management and internal monitoring functions, and reports directly to the Audit Committee with independence.
- The internal auditors independently or simultaneously hold professional Certificates of Lawyer (Chinese mainland), Corporate Counsel (China), Certified Public Accountant (CPA), Accountant and Tax Accountant, and participate in continuing education every year to ensure professional competence
- According to Implementation Measures for Internal Audit, the Internal Audit Management Department conducts internal control assessments/special audits on the departments of the Manager, the hotel and serviced apartments and front-line operators irregularly every year. The Internal Audit Management Department can accept all kinds of reporting information and always keep the source and whistleblower information strictly confidential to ensure that whistleblowers can be protected by law and away from interference.
- The Manager aims that internal audit shall cover the departments of the Manager, the hotel and serviced apartments and front-line operators at least once in every five years. During the period from 2018 to 2022 (5 years), the internal audit working scope has covered the Manager, the hotel and serviced apartments and front-line operators, and the coverage has met the goal. 100% of audit recommendations were accepted and implemented

SUSTAINABLE DEVELOPMENT MANAGEMENT

Area of Specialization	Mechanism and Operation
<p data-bbox="225 470 467 528">EXTERNAL AUDIT AND SUPERVISION</p> 	<ul data-bbox="555 454 1407 670" style="list-style-type: none"> • According to the Listing Rules, the Manager hires an independent auditor to review the interim financial statements of the Trust and audit the annual financial statements of the Trust on an annual basis. Please refer to Yuexiu REIT's Annual Report 2022 for the Independent Auditor's Report (Page 180). • The Manager's management of Yuexiu REIT is supervised by the Trustee. Please refer to Yuexiu REIT's Annual Report 2022 for Report of the Trustee (Page 90).

During the reporting year, the Manager neither identified nor confirmed any commercial bribery case. There were also no legal proceedings as a result of commercial bribery against the Manager or its employees.

Business Ethics Training

The Manager requires employees to make commitments to integrity, organizes business ethics training every year, and requests the hotel and serviced apartments and front-line operators to effectively promote and train integrity. The Manager would carry out special supervision from time to time to prevent the occurrence of events that damage the overall image of the Trust. As at the end of the reporting period, the Manager, the hotel and serviced apartments and front-line operators conducted a total of about 1,761 hours and accumulative 1,169 person-times of anti-corruption and anti-commercial bribery training, covering directors, management and employees.

Anti-bribery of Suppliers

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

SUSTAINABLE DEVELOPMENT MANAGEMENT



CASE

Corruption Risk Management of Asset Appreciation Projects

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

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

Anti-Money Laundering

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Issue connotation: Abide by laws and regulations regarding intellectual property rights, improve management methods and measures for intellectual property rights protection, attach great importance to our own intellectual property rights and enhance the management and promotion and implementation of intellectual property rights protection, avoiding infringement of intellectual property rights of others.

Concept

We respect intellectual property rights, regarding trademarks, brands and other intellectual property rights as important assets, prohibiting all employees from copying or disseminating any unauthorized copyright materials in order to avoid encroaching on the rights of copyright owners. If any infringement of intellectual property rights is found, we will take remedial measures as soon as possible, including withdrawing relevant materials or making compensation.

Target and Progress

Target	Continuously carry out publicity and training on intellectual property rights
Annual progress	Achieved



Management Practices

The intellectual property rights of the Trust is collectively managed by Asset Management Department. During the reporting period, the Manager neither identified nor became aware of any confirmed events or litigations regarding infringement of intellectual property rights that are related to the Trust or Manager.

At the meantime of fulfilling our duties, we want to spread the concept of respecting intellectual property rights to all sectors of the society. The tenants of the Trust’s wholesale malls involve a wide range of brands, and we create and promote an original atmosphere in the mall through various channels, calling on and monitoring tenants and the public to use practical actions to protect the various types of intellectual property involved in business activities.



CASE

Maintain Intellectual Property Rights and Support Original Brands

As the incubator base of Chinese brands, the White Horse Building has adhered to creating original design brands and protecting intellectual property rights of original customers over the years. In 2022, the White Horse Building carried out a series of customer trainings in the mall via online channels, and cooperated with professional third-party copyright protection agencies to apply for copyright and knowledge protection packages, integrating legal institutions to establish business relationship and providing customers with more professional and legally effective copyright protection services.

SUSTAINABLE DEVELOPMENT MANAGEMENT

ANTI-UNFAIR COMPETITION

Issue connotation: Carry out business activities with integrity and fairness, actively identify the potential unfair competition risks and formulate control measures.

Concept



We are well aware that healthy competition not only can improve efficiency and promote innovation, but also enhance service quality to meet the needs of owners and thus better customer experience. The Manager advocates that all business activities shall be conducted in good faith and fairness to gain the trust of business partners, tenants, investors, and the public.

Target and Progress

Target	Review the controls over procurement process on a yearly basis
Annual progress	Achieved



Management Practices

We are strictly abide by Competition Ordinance, The Law of the People's Republic of China Against Unfair Competition and other laws and regulations, prohibit unfair competitive behaviors, advocate fair competition and compliance development, actively identify risks in the competition routine and formulate control measures. We include bidding and tendering regulations clearly in the internal system and independently review the procurement management process to strengthen the preventive management of unfair competition. During the reporting year, the Manager neither identified nor became aware of any incidents of non-compliance with laws and regulations relating to competition.

RISK MANAGEMENT AND INTERNAL CONTROL

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

Management Mechanism

Three Lines of Defense

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

Line of defense of risk

Major duties

First line of defense

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



01

- Proactively manage, monitor and report risk events and indicators in accordance with responsibilities.
- Major risk categories are covered, such as revenue risk, interest rate risk, exchange rate risk, liquidity risk, reputation risk, compliance risk, human resource risk, work safety risk, and information security risk. Potential risks and opportunities from climate risk across key sectors are within their scope of interest.

Second line of defense

Risk management



02

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

Third line of defense

Internal audit



03

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

ESG RISK MANAGEMENT

We are well aware that ESG risks are an important part of risk management. We advocate and are committed to integrate the ESG elements into the risk management framework system, improve risk management system, formulate risk response measures and promote ESG risk management capability.

Target and Progress

Target	Review the ESG framework, policy and targets annually
Annual progress	Achieved

Management Practices





In 2022, we improved the Measures of Risk Preference Management, expressly integrating ESG risk into risk management system, and established Climate Risk Management Policy and included it in Compliance Manual. The measures for ESG risk management mainly include:

- Take into consideration of ESG related risks in performing risk management procedures, and ensure appropriate steps are adopted to identify, assess, manage and monitor related and significant ESG risks
- Adopt appropriate tools and indicators to assess and quantify ESG related risks
- Assess the relevance and practicability of scenario analysis when reviewing the resistance of the investment strategy under different paths against climate related risk
- Adopt reasonable steps to identify the GHG emission by scope 1, 2 and 3(if feasible) of our properties, and define its calculation method and related assumptions

SUSTAINABLE DEVELOPMENT GOVERNANCE

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

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

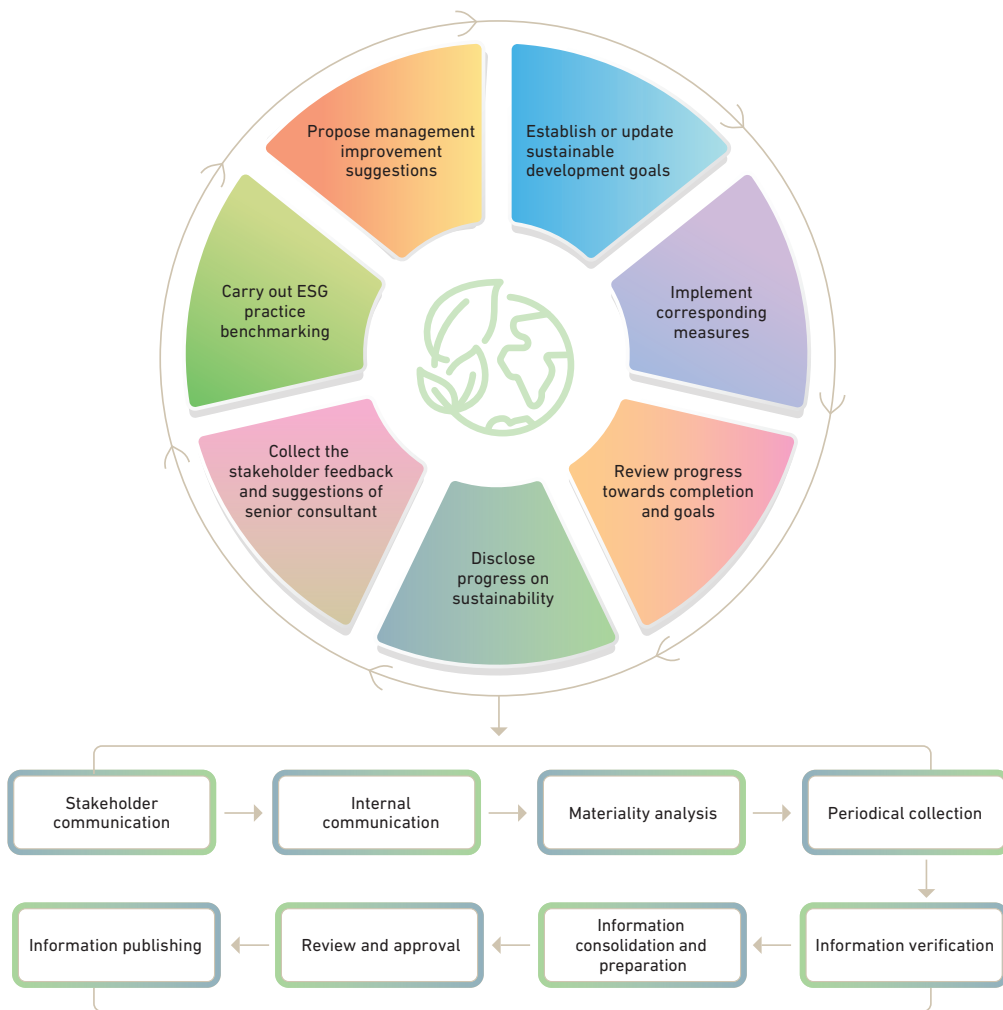
SUSTAINABLE DEVELOPMENT MANAGEMENT

SUSTAINABLE DEVELOPMENT MANAGEMENT

Adhering to the concept of "Creating Sustainable Value" and following the cycle of P(plan), D (do),C (check), A (action), we constantly review our sustainable development performance and continuously consolidate the management of each stage of ESG, in a bid to create greater ESG benefits for stakeholders.

Through regular communication with stakeholder, peer comparison and analysis, development goal planning and considering improvement suggestions, we integrate the ESG concept with existing business model and control. In addition, we publish independent ESG report annually, actively respond to the expectations of stakeholders, comprehensive present the annual sustainable development performance of the Trust.

In the assessment investment, we include the ESG elements and sustainable development performance (including green building certification, energy consumption intensity, building safety, etc.) in the scope of assessment of investment in target assets.



SUSTAINABLE DEVELOPMENT MANAGEMENT

SUSTAINABLE DEVELOPMENT GOALS

With reference to the UN Sustainable Development Goals ("SDGs")¹, the Science Based Target² and China's Carbon Reduction Goal and Action Plan³ during the 14th Five-Year Plan, we have accordingly adopted comprehensive and feasible measures step by step oriented towards the short-, medium- and long-term sustainable development goals in the combination of the materiality issues of the Trust.

Scope: ◆ Governance/Economy ◆ Environment ◆ Society

 Material Issues	Sustainable Development Goals (Towards 2030)	Progress in 2022
Anti-corruption and Anti-bribery	Carry out anti-corruption and anti-bribery training every year and 100% cover departments of the Manager, the hotel and serviced apartments and front-line operators	✓
ESG Risk Management	Review the overall ESG framework, policies, and goals every year	✓
Stable Value Creation	Review the risk management framework, policies, and goals every year	✓
Anti-unfair Competition	Review the procurement control every year	✓
Intellectual Property Rights Protection	Continuously carry out publicity and training related to intellectual property rights protection	✓



¹ The UN Sustainable Development Goals (SDGs) refer to the 17 global development goals formulated by the United Nations.

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

³ The 2025 and 2030 goals and action plans mentioned in China's Action Plan for Reaching Peak Carbon Emissions by 2030.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Material Issues	Sustainable Development Goals (Towards 2030)	Progress in 2022
Energy Management	① Based on 2019, reduce power intensity ⁴ by 13.5% by 2025	In progress
	② Complete the formulation of 2030 energy conservation goals and action plans by 2025	In progress
Water Resources Management	① Based on 2019, reduce water intensity ⁵ by 10% by 2025	In progress
	② Complete the formulation of 2030 water conservation goals and action plans by 2025	In progress
Addressing Climate Change	① Based on 2019, reduce total greenhouse gas ("GHG") emission intensity ⁶ by 13.5% by 2025	In progress
	② Complete the formulation of GHG reduction targets and action plans for 2030 by 2025	In progress
Waste Management	① Adhere to the promotion of paperless office, promote the reduction of waste ⁷ from daily operation. Complete the formulation of waste reduction goals and action plans for 2030 by 2025	In progress
	② Continue to carry out garbage classification every year and entrust a qualified third party to deal with 100% of hazardous waste	✓
Green Leasing	① Continue to promote green conventions and advocate green office	✓
	② Continue to promote green building certification/selection and increase the proportion of green building certificate	✓
Biodiversity	Incorporate biodiversity into the scope of interests of public service/publicity campaigns every year	✓
Sustainable Consumption	Continue to call on tenants and customers to reduce the use of disposable items every year	✓



⁴ The power consumption intensity of the purchased power grid in the public areas of the property and the operation of the hotel and serviced apartments, calculated by unit area or room night.

⁵ The water consumption density in the public area of the property and the operation of the hotel and serviced apartments, calculated by unit area or room night.

⁶ Including Scope 1 and Scope 2, calculated by unit area or room night.

⁷ Waste generated from asset appreciation projects is excluded.

SUSTAINABLE DEVELOPMENT MANAGEMENT

	Material Issues	Sustainable Development Goals (Towards 2030)	Progress in 2022
Employee Development and Training	① Every employee receives at least 36 hours of training every year	✓	
	② Provide training for 100% of new employees	✓	
Employee Attraction and Retention	① Annual employee performance appraisal and performance communication	✓	
	② Keep in touch with schools and provide internship positions every year	✓	
Employee Rights and Communication	① Enter into a written labor contract with 100% of employees	✓	
	② Purchase social insurance/labor insurance for 100% of employees	✓	
	③ Organize employee satisfaction survey every year	✓	
Employee Safety and Health	① No confirmed work-related deaths every year	✓	
	② Provide annual health check for employees	✓	
Diversity and Inclusion	Review the diversity policy and progress every year	✓	
Social Welfare	① Stay connected to communities and provide venues for all kinds of charity activities every year	✓	
	② Stay connected to the labor unions and continuously strengthen the volunteer team building	✓	
Information Security Protection	Review information security management and control mechanism every year	✓	
Property Safety and Health	① Organize at least one fire drill every six months, covering 100% of the properties of the Trust	✓	
	② Rectify 100% of equipment and facilities safety hazards every year	✓	
Value Chain Social Responsibility	Evaluate and review 100% of suppliers every year	✓	
Service Quality	The overall customer satisfaction of annual third-party survey shall be no less than 90% ⁸	✓	
Customer Complaint Management	Response to 100% of customer complaints every year	✓	
Responsible Marketing	Continue to carry out publicity and training on consumer protection to protect the legitimate rights and interests of consumers	✓	
Industry Development	Continuously carry out tenant empowerment activities. Promote industry development through continuous participation in professional forums and industry associations	✓	



⁸ Refers to comprehensive satisfaction, applicable to office buildings, clothing wholesale mall and retail malls.

SUSTAINABLE DEVELOPMENT MANAGEMENT

SUSTAINABLE DEVELOPMENT POLICIES

By reference to international and local guidelines and standards on sustainable development and centering on multiple scopes, we established sustainable development policies and mechanism to regulate and guide the sustainable development management of the Manager and the front-line operators who manage our properties.



Compliance Manual

The Manager has incorporated ESG management requirements into the Compliance Manual, specifying the contents such as allocation of ESG management responsibilities, risk management covering ESG risks, ESG disclosure.



Climate Risk Management Policy

- (1) Clarify the climate risk management and governance framework and division of duties, integration of ESG elements into investment management and risk process, climate risk management process and indicators.
- (2) Integrate climate change elements and introduce climate scenario analysis with reference to the recommendations of the TCFD. For details, please refer to the "Addressing Climate Change" of this report.



Policy and Guideline

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

SUSTAINABLE DEVELOPMENT MANAGEMENT

GREEN AND SUSTAINABLE FINANCE

Concept



We are deeply aware that the multi-layered green financial product and market system is being gradually improved, bringing new opportunities for industry development. We take advantage of the combination of asset operation and capital operation capabilities. On the one hand, we reduce the financing cost by enhancing financing competitiveness through excellent ESG performance; on the other hand, we further optimize the asset operation performance on the basis of green finance. We are committed to accelerate the upgrading of product and service by utilizing the green capital opportunities, contributing to high-quality asset appreciation.

Practice

Type	Year	Summary	Usage
Green loan	2021	Signed the first green club loan with DBS Hong Kong totalling to HKD4.8 billion	Acquisition of Yuexiu Financial Tower
Sustainability-linked loan	2022	Signed the first sustainability-linked loan totalling to HKD3.8 billion with syndications. The KPIs of sustainability include reduction of GHG emission intensity, increase in proportion of green building in asset portfolio, improvement of mainstream ESG ratings	Refinance



By the end of the report period, the proportion of green and sustainability-linked loans accounted for **38.6%**.

External Evaluation

With our efforts and performance in green and sustainable finance, we were awarded two prizes in the awards ceremony of Hong Kong Green and Sustainable Finance Awards 2022, Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Investment Trust Funding) – “Visionary Sustainability-linked Loan Performance Metrics” and “Pioneering Organisation in Climate Disclosure Planning”, which represent the full recognition of our achievements in green finance and sustainable development areas.



SUSTAINABLE DEVELOPMENT MANAGEMENT

ESG RATINGS

MSCI ESG Rating

According to the rating report released on February 24, 2023, the Trust's 2022 MSCI ESG rating was upgraded to "BB" rating.

Notes: The use by Yuexiu REIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Yuexiu REIT by MSCI. MSCI service and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Global Real Estate Sustainability Benchmark ("GRESB")

- Improved to Green "Four Star" Rating
- Awarded public disclosure Grade A rating (highest rating) for two consecutive years

Sustainalytics ESG Risk Rating

In December 2022, the Trust received "Low Risk" rating for the first time and scored 13.3, representing that the Trust has minor risk of significant finance impact due to ESG factors. In January 2023, the Trust was awarded the "2023 ESG Regional Top Rated (APAC)".

S&P Global ESG Score

In the annual S&P Global Corporate Sustainability Assessment ("CSA"), the Trust scored 34 out of 100, compared with a global real estate sector average of 22 in 2022. This year's score of the Trust increased by 13.3% compared with last year, and the score was higher than 81% of the world's participating real estate enterprises.



MATERIALITY EVALUATION

STAKEHOLDER COMMUNICATION

Our stakeholders mainly include tenants, customers, employees, government and regulators, unit-holders and investors, ESG third-party evaluation institutions, suppliers, media and communities. The interests of stakeholders and communication methods are set out in the Stakeholder Communication Methods section of the appendix of this report.

MATERIAL ISSUES

Based on our business development, we conducted a multi-dimensional review of material issues on a semi-annual basis from the perspectives of compliance requirements, investor expectations, ESG international standards, peer interests and other issues that stakeholders are concerned about. In 2022, the Manager keeps close communication with stakeholders in the form of interview, questionnaire, meeting, etc. and carries out questionnaire survey on material issue with the assistance of ESG professional consultant. The steps of material issues analysis are set out in Materiality Evaluation Processes section of the appendix of this report.

According to the evaluation results, a material topic was added this year, namely diversity and inclusion. At the same time, we maintain the materiality of topics such as energy conservation, water conservation, addressing climate change, waste reduction, talent attraction and retention, and actively respond to the country’s requirements for high-quality development.

Material Issues and Matrix



Environment

- 1 Energy management
- 2 Water resources management
- 3 Waste management
- 4 Green leasing
- 5 Addressing climate change
- 6 Biodiversity
- 7 Sustainable consumption

Society

- 1 Talent attraction and retention
- 2 Employee development and training
- 3 Employee interest and communication
- 4 Employee safety and health
- 5 Diversity and inclusion
- 6 Social welfare
- 7 Information security protection
- 8 Property safety and health
- 9 Value chain responsibilities
- 10 Service quality
- 11 Customer complaint handling
- 12 Responsible marketing
- 13 Industry development

Governance

- 1 Anti-corruption and anti-commercial bribery
- 2 Stable value creation
- 3 ESG risk management
- 4 Intellectual property protection
- 5 Anti-unfair competition





LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

OUR CONCEPT

We are committed to fully integrating sustainable development concept into operation, actively promote green leasing, improve energy management efficiency, actively respond to national and local “carbon dioxide peaking and carbon neutrality” strategy, and integrate concept of sustainability management into the whole process of the Manager’s investment and risk management. We formulate and improve climate related management system and policies to provide standard guidance and regulatory instructions for our properties, include climate related factors in the Manager’s risk management framework, identify climate risk list and enhance climate risk management to further lead low-carbon green development.

SDGs RESPONDED IN THIS SECTION



LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

ADDRESSING CLIMATE CHANGE

Issue connotation: Identify and analyze potential risks of climate change, actively address the risks and opportunities from climate change.

Concept

In order to provide transparent, consistent, comparable and verifiable climate related information and data, on the basis of the latest TCFD recommendations and with reference to the Climate-related Disclosure Standard issued by ISSB in March 2022, our disclosures are as follows.

Climate Information Disclosure

Governance

The Board is the top policymaker of the ESG governance framework. It oversees climate change related work, review the asset and operational risks (including climate related risks) in property portfolio, reviews progress towards climate related targets and discusses the implementation of risk mitigation measures. The Audit Committee is responsible for risk management matters, managing and overseeing ESG risks, including climate related risks, and assessing the integration of climate related risks in risk management procedures. The Finance and Investment Committee is responsible for review the investment management process, inclusion of significant climate related risk in investment strategy. The Disclosure Committee is responsible for compliance of climate related disclosures, ensuring the information disclosure comply with relevant regulations.

There are three levels of management structure under the Board, Sustainability Steering Group, Sustainability Working Group and Sustainability Teams of Properties, which are responsible for identification, assessment of climate related risk, and continuously implement climate related action plan in daily operations and regularly report climate change related indicators.

Strategy

Under the background of global temperature control targets and China's "Carbon dioxide peaking and carbon neutrality" policy, the climate change risk will bring more severe challenges. Adhere to green low-carbon concept, the Manager actively addresses climate risk and captures high-quality development opportunities.

The Manager has established governance structure, formulated the Climate Risk Management Policy, specifying the duties of various, and regularly review the suitability of the framework. On the one hand, we actively took measures to mitigate climate change, establish carbon reduction targets and action plan. On the other hand, we started to optimize the strategy to adapt to the climate change, heard interests and expectations regarding climate change related matters from stakeholders, including climate related risk and opportunities in overall business strategy and investment decisions, and improve service standards and expand the radius of low-carbon management.

During the reporting period, we carried out climate scenarios analysis by reference to relevant requirements and guidelines of Climate Information Disclosure Guidelines issued by HKEX. We identified and analyzed the entities and transformation risk parameters under the turquoise and brown scenarios, further summarized climate risk indicators list, and clarified the potential impact of climate related indicators on business to promote the climate risk management capability of the Yuexiu REIT. In the future, we will further refer to TCFD reporting framework, deepen the actual and potential impact of climate change risks and opportunities on business, strategy and financial planning.

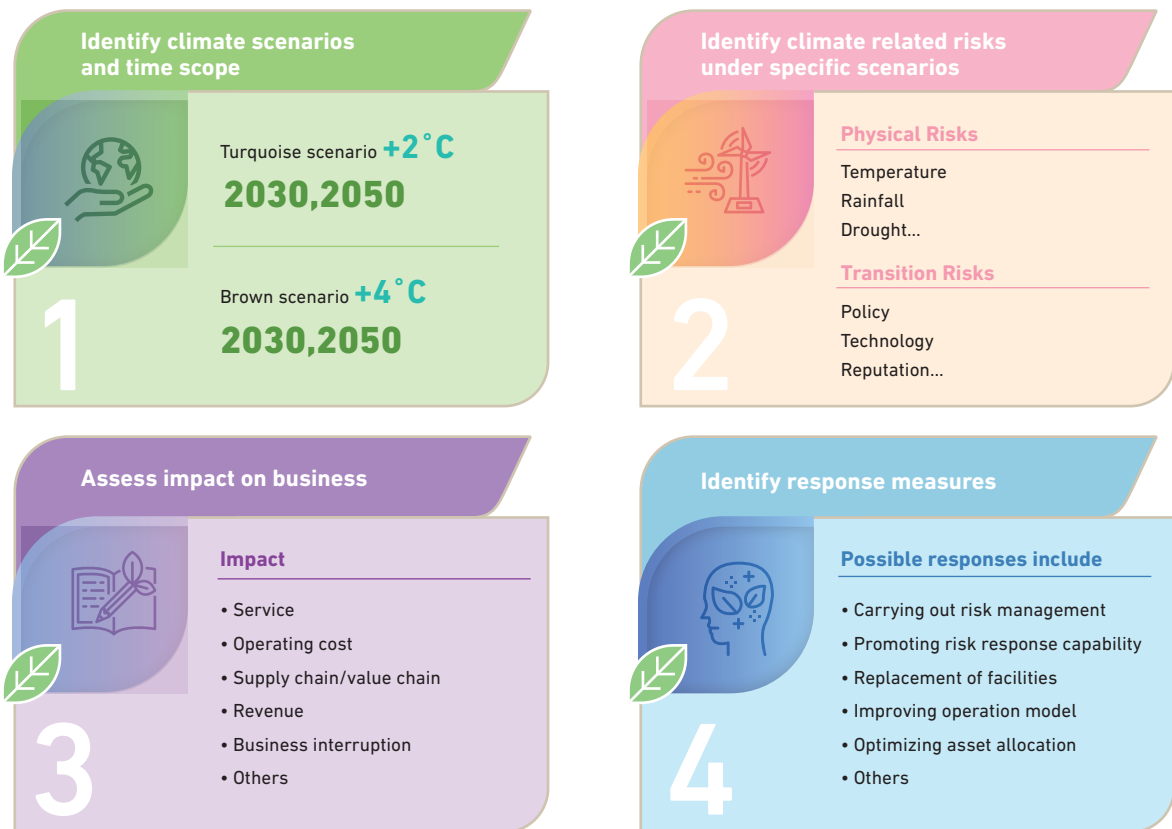
LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Risk Management

Climate Scenarios Analysis

During the reporting period, we respectively proposed two possible climate change scenarios to carry out impact analysis by reference to TCFD recommendations. On the basis of the principle of materiality and proportionality and in combination with the distribution of property assets of the Trust, the risk assessment for the current year focuses on Guangzhou China.

In order to assess the climate risks under different scenarios more scientifically, we adopt several international leading institutions' public dataset and third-party database to establish comprehensive scenario. The public data sources include the sixth assessment report issued by Intergovernmental Panel on Climate Change ("IPCC"), International Energy Agency ("IEA") and the third-stage data of Central Banks and Supervisors Network for Greening the Financial System ("NGFS").



Climate Scenarios Analysis Steps

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Type	Turquoise scenario	Brown scenario
Description	Attach great importance to climate crisis, with ambitious commitment of net zero emissions, active response to and fast promotion of strict policy	Insufficient importance attached and lack of support to climate action, frequent setbacks and ineffective implementation of current policy, without carrying out business transformation
Assumption	<ul style="list-style-type: none"> • Temperature rise: 2 °C • Emission outcome: RCP 2.6 	<ul style="list-style-type: none"> • Temperature rise: 4 °C • Emission outcome: RCP 8.5

Physical Risks

We adopt applicable historical climate data and estimated climate changes, including temperature, rainfall, wind speed and drought days, to predict local climate scenarios in the future so as to help accurately assess the risks faced by the assets and businesses over the medium to long term (2030 and 2050).

At present, the contingency plans of the relevant property portfolios have incorporated the above-mentioned solutions for the risk of hot temperature and extreme rainfall. In addition, we have implemented multiple mitigation measures, including optimizing the efficiency of refrigeration equipment, increase the frequency of air conditioning ("AC") maintenance, regular checking of glass exterior wall, upgrading anti-seepage and drainage facilities. In the future, we will continuously review the effectiveness of relevant measures.

Type	Risk description	Potential financial impact	Response
Urgent	Typhoons, floods, high temperatures, pests and other climate change related extreme weather/disasters	<ul style="list-style-type: none"> • Property safety under acute threat and rising safety management costs • Supply chain fracture and increasing procurement costs • Service interruption and impact on operating income • A reduction in assets or early scrapping of assets in case of non-compliance with environmental protection requirements 	<ul style="list-style-type: none"> • Better understand the impact of climate change on business operations and its associated risks and opportunities • Develop extreme weather management plans and conduct regular drills to cope with the increased frequency of extreme weather events due to climate change • Develop appropriate work procedures and measures to prevent or mitigate potential damage to our properties due to climate change • Develop plans for telecommuting and online meetings, and equip employees with laptops



LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Type	Risk description	Potential financial impact	Response
Chronic	Intensifying greenhouse effect, decreasing precipitation, rising sea level and other chronic changes	<ul style="list-style-type: none"> Chronic threatening of property safety, especially in coastal, river-side, typhoon-prone and arid areas The shift in energy mix and subsequently higher operating costs, as renewable energy is generally more expensive than fossil energy The potential increase in engineering costs, such as more expensive property renovation if using materials of higher environmental standards The potential increase in insurance costs, such as buildings in coastal, river-side, typhoon-prone and arid areas requiring high insurance costs 	<ul style="list-style-type: none"> Purchase property safety and operating continuity insurances for the properties, and regularly review the adequacy Maintain or improve the greening environment and coverage inside and outside the properties, select green plants according to the characteristics of climate environment, e.g. select local cold-resistant and drought-resistant plants for cold inland region <p>For practical cases, please refer to the relevant chapters of this report</p>



CASE

Responses to High Temperature and Extreme Rainfall

High temperature	<ul style="list-style-type: none"> Set AC temperature adjustment points in the properties to realize precise adjustment of AC terminals and reduce AC load under high temperature Strengthen AC maintenance and protection, perform additional maintenance of air-conditioner unit before high temperature season and closely monitor the machines and parameters to avoid shutdown of AC Formulate hourly AC load schedule in advance to reduce the impact of high temperature on business operation, maintain cooling for building in the case of power rationing Clean the scale on AC evaporator to improve cooling effect Adjust the water consumption for afforestation irrigation according to the seasonal temperature, increase pump pressure and extend pipeline, form water mist irrigation for afforested areas to address extreme heat
Extreme rainfall	<ul style="list-style-type: none"> Formulate emergency plans and carry out emergency drills regularly in view of summer flood season risks Check drainage system prior to flood season to avoid rainwater backfilling and renovate drainage ditch



LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Transition Risks

When the world is determined to move towards a net zero carbon economy, the green transformation is an inevitable trend for entities. In this case, we drew up a risk list and assess the importance and impact of climate factors on the components of value chain by referring to publications of multiple international leading institutions and external experts' opinions.

Type	Potential Impact	Response
Policy and Law 	<ul style="list-style-type: none"> • Tightened building energy codes and guidelines: ensure the compliance with potential regulatory measures for energy use in building facilities • Introduction of carbon pricing in operating markets: the carbon pricing may increase the procurement cost of carbon-intensive raw materials so as to affect the total cost of operation and maintenance • Enhanced emissions-reporting obligations: incompliance risk may arise if the emission reporting obligation is not strengthened and complied with • Emerging concern about liabilities: inadequate disclosure of climate risk exposure may be inconsistent with investors' expectations, or even contentious 	<ul style="list-style-type: none"> • Follow the policy and regulatory requirements closely, organize policy interpretation and training activities • Focus on the development of carbon pricing and carbon emission market, and pay attention to the voluntary emission reduction certificate dynamics • Actively comply with stricter emission reporting obligation and adopt TCFD recommendations to report climate related matters
Technology 	<ul style="list-style-type: none"> • Substitution of existing products and services with lower missions options: the downstream tenants may turn to climate adaptable building and lease greener office • Increased adoption of lower-carbon technology: if the research of relevant technologies can't be completed in time, the entity may be subject to the risk of technologically backward. The renovation and renewal for the purpose of energy conservation and consumption reduction may result in additional cost input while the energy conservation technology needs time to verify • The existing equipment and facilities may be subject to early retirement and relevant equipment assets may decrease 	<ul style="list-style-type: none"> • Promote the green and environmental performance of the buildings and offer more green and environmental services and operation facilities • Continuously improve the efficiency of energy management, upgrade equipment and facilities, explore and popularize renewable energy, and examine carbon emissions of the value chain • Maintain communication and interaction with government regulators, industry associations, science and technology groups, real estate companies and ESG third-party evaluation institutions, etc

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Type	Potential Impact	Response
Market 	<ul style="list-style-type: none"> Increased adoption of renewable energy (change in energy mix): stakeholders focus on use of renewable energy sources in buildings, and the procurement and application of renewable energy equipment may result in certain cost Increased market demand for green and climate resilient properties: the demand of climate-friendly products is ever increasing. Failure to meet customers' expectation may result in loss of tenant and customers Increased tenant demand for data transparency: the downstream tenants may require higher transparency in terms of electricity and water consumption 	<ul style="list-style-type: none"> Focus on preferential policy and trend regarding renewable energy Increase the ratio of green and environmental buildings in portfolio Enhance data collection and management measures Keep close communication with institutional investor and financial institutions
Reputation 	<p>Risk of management's losing trust and confidence: improper handling of climate related events, or lag in performance for higher expectation may affect the Manager's reputation</p>	<p>Organize ESG and climate related expertise training for the Board and employees of the Manager, the employees of the trust and front-line operators to improve their professional competence</p>

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Climate Related Opportunities

Type	Climate related opportunities
Customer demand	As the concerns about environment and health increase day by day, the tenants and customers may need greener buildings and services. The provision of excellent green building services may increase customer satisfaction and stickiness, and is expected to increase rental values
Energy transition	The increase in market demand of renewable energy contributes to the emergence of more new energy products, providing opportunities for the Trust to get involved in renewable energy projects, and may further increase the use of renewable energy and reduce Scope 2 emissions
Technological advance	The technological advance provides the Trust with opportunities to improve energy efficiency and reduce energy cost and carbon emission. Taking the lead in adopting innovative technologies may give the Trust a first-mover advantage. Though the initial expense on these technologies is significant, the cost may be reduced as demand increases over time
Green finance	As the investors' demands of green and low-carbon finance and investments increase, excellent ESG performance may bring more financing opportunities
Brand enhancing	Being a first-mover allows more time to complete the transition to a lower-carbon economy and build strong brand recognition
Partner attraction	Excellent ESG performance can better attract high quality employees and suppliers

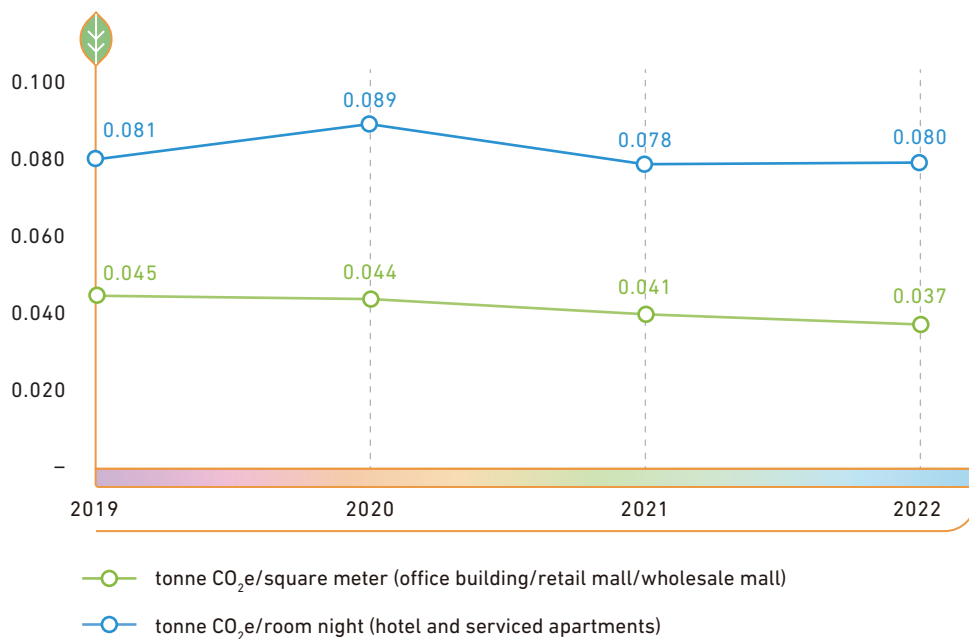
LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Targets and Metrics

Targets

Based on the scientific goals and China's carbon reduction goals and action plans during the 14th Five-Year Plan period, combined with the current operating conditions of its various business formats, the Manager has set short-, medium- and long-term targets and realization pathways for reducing GHG emissions.

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



LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Carbon Footprint Related Indicator

We calculated the carbon footprint of the properties of the Trust, including GHG scope 1 and scope 2, in accordance with the Circular to licensed corporations-Management and disclosure of climate-related risks by fund managers issued by the Securities and Futures Commission of Hong Kong.

Indicator	Unit	2022
GHG emission (scope 1)	Tonne CO ₂ e	2,349.50
GHG emission (scope 2)	Tonne CO ₂ e	49,424.60
GHG emission (scope 1+ scope 2)	Tonne CO ₂ e	51,774.10

Type	Indicator	Unit	2022
GHG emission	GHG emission intensity (scope 1+ scope 2)	Tonne CO ₂ e/million revenue (RMB)	27.65
		Tonne CO ₂ e/million property valuation (RMB)	1.23
		Tonne CO ₂ e/square meter (office building/retail mall/wholesale mall)	0.037
		Tonne CO ₂ e/room night (hotel/serviced apartment)	0.080
Climate related opportunities	Property certified by LEED, proportion of floor area to asset portfolio	Percentage	68%
	Property certified by LEED, proportion of operating income to total revenue	Percentage	75%

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

ENERGY MANAGEMENT

Issue connotation: require our properties to conduct energy conservation and consumption reduction management, improve the development of energy management platform, pilot and promote the use of new energy sources, apply renewable energy installations and technology, promote energy conservation and emission reduction, improve energy management efficiency.

Concept



The Manager requires the front-line operators to formulate energy conservation plans according to the conditions of properties and taking into consideration of the characteristics of the properties. The Manager regularly reviews the energy conservation conditions of the portfolio of property assets, and continue to carry out energy conservation renovation of hardware facilities. According to the tenants' work and business arrangements, each property reasonably controls the management mechanism for the opening and closing of lighting and AC systems, and explore the application of renewable energy.

Target and Progress

Target	Based on 2019, reduce power intensity ⁹ by 13.5% by 2025; and complete the formulation of 2030 energy conservation goals and action plans by 2025
Annual progress	In progress



Management Practices

Energy Conservation and Low-carbon Transformation

We decompose the sustainable development goals, implement differentiated management methods, and continue to deploy green and low-carbon management and control measures in our properties. During the reporting period, the Manager established an energy conservation and carbon-reduction special group to promote the carbon reduction planning and follow up the achievement of targets, with energy conservation and consumption reduction as the focus of work. During the reporting period, the Manager carries out energy conservation and consumption reduction asset appreciation projects, with accumulated investment of about RMB14.35 million.

⁹ Represents the power intensity of the outsourced grid for the public areas of properties and serviced apartment, which is calculated by floor area of buildings or room night.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Property	Project
Four Seasons Hotel Guangzhou	Replacement of the air-conditioning cooling tower and the foam fire suppression system of the aircraft parking apron on the roof
White Horse Building	Retrofit of fan coil unit of air conditioners on the third floor
Fortune Plaza	Replacement of wind cabinet on the second and third floors of the podium Replacement and retrofit project of certain air-conditioning system terminal
City Development Plaza	Retrofit project of fan coil unit of air conditioners

The carbon emission of our properties is mainly arising from consumption of the outsourced power. The energy consumption equipment mainly includes lighting and AC system. As of the end of the reporting period, the lighting systems of properties have been updated or gradually updated to LED lighting to reduce the carbon footprint of lighting. The AC is gradually replaced with energy conservation equipment. Some properties carry out intensive and hierarchical management of air conditioners to achieve energy conservation management of building cooling and heating.



CASE

Yuexiu Financial Tower 24-hour Lighting Renovation Project

During the year, Yuexiu Financial Tower carried out 24-hour lighting renovation project, aiming to reduce the number of lights in the premise of maintaining appropriate brightness. After the renovation, the electricity consumption is reduced by 90%.



Before improvement



After improvement

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT



CASE

Extensive Adoption of Energy Conservation AC Equipment

During the reporting period, multiple properties upgraded and renovated air conditioning system, selecting equipment with high performance and efficiency, including DC coil fan, EC inverter fan, etc.

- Fortune Plaza: Replaced 200 pcs of inverter coil fans and 8 pcs of DC inverter air cabinets, saving 50-60% energy under the same cooling conditions.
- City Development Plaza: Replaced 234 pcs of coil fans, expected to reduce 10% energy consumption.
- White Horse Building: Replaced 142 pcs of new model coil fans and 4 pcs of new model energy conservation air cabinet, expected to save over 50,000 kWh/year; replaced 12 pcs of new model water heaters, expected to save 130,000 kWh/year.

Renewable Energy and Energy Recycling Technology Application

We actively explore the application of renewable energy and equip our properties with renewable energy installations at appropriate locations to reduce carbon footprint.

- **Application of solar technology**

(1) GZIFC has set up solar cell phone charging tables and chairs outdoors. The photovoltaic solar lighting panels on the top generate electricity to provide power for light box advertisements, mobile phones, USB devices, and lighting; (2) the White Horse Building installs solar street lamps in public areas, and 6 lamps had been put into use. (3) Ascott Serviced Apartments GZIFC has renovated part of the outdoor garden lamps into solar lamps since 2022, saving 1,800kWh/year of electricity; (4) the roof of Yuexiu Financial Tower is equipped with solar collectors. It can supply about 9.6 m³ (60°C) of solar hot water every day, saving 335kWh/year of electricity.

- **Elevator electric energy feedback device**

The elevators of GZIFC generate electricity when the elevator is unloaded upward and fully loaded downward and feed it back to other electrical equipment in the building through the elevator electric energy feedback device, reducing the elevator electricity consumption by 8% annually.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

- **Heat Collection and Recycling**

Four Seasons Hotel Guangzhou uses the air source and water source heat pump hot water units to provide hot water for guestrooms, and the generated cold energy is transferred into the hotel air-conditioning system, achieving significant energy conservation results. It is estimated that this can save more than 300,000 m³ of natural gas and 600,000 kWh of air conditioning electricity a year. For the steam heating system in the logistics area, the steam exchange tank system has been renovated into a water source hot water pump and air source heat pump hot water system, and connected with the AB risers of air conditioning chilled water to make use of the waste heat of central air conditioning in the building. A total of 110,655 m³ of natural gas is saved every year. The two projects achieved carbon emission reduction of 605 tonnes a year.

- **Cold and Heat Source Interconnection**

Wuhan Properties completed the Cold and Heat Source Interconnection Renovation Project in 2021. In case of boiler failure in the shopping mall, the office building's air conditioning system can supply heat for the shopping mall; When the customers of the office building apply for overtime air conditioning, it will be supplied by the shopping mall starting from 20:00; During the peak period of the shopping mall in the transition seasons, the office building's air conditioning system will provide cooling for the shopping mall's food shops. The renovation guaranteed the continuous heat supply of the mall on the one hand and realized interconnection as required to reduce energy consumption on the other hand. The energy conservation rate reached 32.6% at interconnection upon testing.

Lean Management

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

- Adjust the operation time of lamps and cooling equipment according to the seasonal temperature, sunshine duration, human traffic, tenant peak, etc.
- Explore the operation parameter of maximum efficiency, e.g. adjust the chilled water setting value of the refrigeration host, detect the optimal secondary pump operating frequency and fine control of exhaust fan
- Set the temperature limit for air conditioners to avoid that the indoor temperature is too low
- Optimize the lighting in parking lots, including change of lighting for underground parking from constant to induction lamp model and reduction of part of the lighting for remote areas or areas with less parking

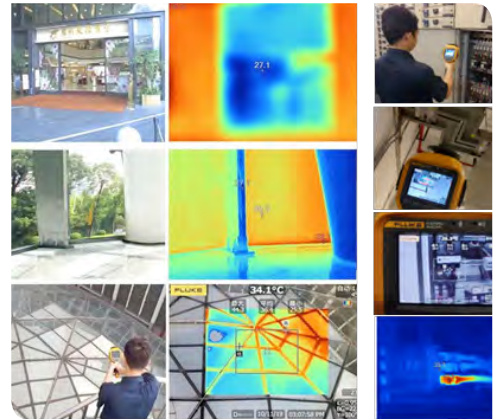
LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT



CASE

Uses Infrared Imaging Technology to Eliminate Energy Consumption Anomalies

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



Infrared imaging examination

Digital Energy Consumption Monitoring

We use the digital platform to conduct intensive and intelligent management of electricity consumption, implement daily monitoring and monthly analysis, and identify room for improvement in energy conservation management. We timely feedback to relevant engineering personnel upon receipt of abnormal energy consumption alerts from the platform to effectively improve the equipment maintenance service quality and emergency response speed of troubleshooting. As of the end of the reporting period, digital energy consumption monitoring covered 77% of property area of the Trust's portfolio.

- **Building Equipment Management System**

Both GZIFC and Yuexiu Financial Building have been equipped with the Building Equipment Management System ("BMS") which realizes real-time, centralized, correlated monitoring of all kinds of equipment, and real-time monitoring of the energy consumption intensity of the building.

- **Digital Energy Consumption Monitoring Platform**

The GZIFC launches energy consumption management platform, and identifies room for improvement in energy-saving management through monitoring and analysis. Wuhan Properties realize real-time electricity visual management and energy consumption analysis of the whole region by means of centralized control management.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

WATER RESOURCES MANAGEMENT

Issue connotation: Attach great importance to water conservation and water recycling, improve water efficiency, call on tenants and customers to save water.

Concept

We advocate the concept of water conservation, set the requirements of improving water efficiency to our properties and front-line operators, reduce water consumption as possible through standard management, monitoring analysis, water conservation improvement, recycling, etc. We also encourage tenants and customers to save water, develop water-saving habits and use water-saving devices.

Target and Progress

Target	Based on 2019, reduce water intensity ¹⁰ by 10% by 2025. Complete the formulation of 2030 water conservation goals and action plans by 2025
Annual progress	In Progress



Management Practices

We are concerned about water risk and have been optimizing water conservation management, promoting water-saving renovation and recycling in our water resources Management practices, and advocating water conservation. The water source of our properties mainly comes from municipal water supply and no hazardous waste water is generated in the course of operation, so there is no difficulty in water extraction and the risk of water consumption is controllable.

Water Conservation Management

During the year, we continuously promoted water conservation awareness among our properties and increase the application of various water-saving measures.

- **Standard management:** Formulated and issued Troubleshooting Guide for Common Faults on Water Supply System, providing our properties with troubleshooting guidelines for equipment fault to improve troubleshooting capability to address faults on water supply system
- **Periodic analysis:** Summarize and analyze the water usage of all our property projects on a monthly basis, and enhance and optimize the water conservation management according to the results of analysis
- **Optimization and overall planning**
 - ✓ Summarize and analyze the real-time customer flow in public areas, select appropriate cleaning method according to the customer flow, and reduce the frequency of cleaning as the customer flow decreases
 - ✓ Schedule the renovation of fire sprinklers at the same time as tenants' decoration to avoid repeated discharge of water

¹⁰ Represents the water intensity of the public areas of properties and serviced apartment, which is calculated by floor area or room night.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

- **Lean management**
 - ✓ Change the traditional flushing using water pipe, and adopt smart devices equipped with high-pressure water gun. Assess the degree of the stain prior to cleaning and apply cleaner for local stubborn stain to promote cleaning efficiency and reduce consumption of clean water
 - ✓ Adjust the frequency and volume of watering according to the drought resistance of plants
- **Water leakage inspection:** The personnel of front-line operators check status of water equipment to identify and handle water leakage in a timely manner

Water Conservation Renovation

The adoption of water-saving and smart equipment can further optimize water resources management and reduce the waste of water resources. During the reporting period, we renovated the following water-saving facilities:

- Automatic closing device: Change the ground faucets in public areas to press type water tap
- Automatic spray device: Install automatic spray device in public afforested areas and adjust the watering frequency according to the seasons and plant characteristics
- Automatic induction device: Install energy conservation inductors or alarms for water devices to automatically monitor and report the water leakage, realizing timely maintenance and avoiding long-time leakage
- Purification and filtration system: Install water recycling purification and filtration device for landscape fish pool, keeping water clean and reducing water change frequency. This device is expected to save water by 150m³/year
- Water-saving faucet: Gradually replace the water devices with water-saving type devices for our properties, saving water while ensuring the effect of flushing

Recycling

We actively explore efficient use of resources and encourage our properties to promote the reuse of reclaimed water and resourceization of waste water, realizing the dual effect of opening source and reducing expenditure and reducing pollution.

- **Rainwater recycling:** Collect rainwater for toilet flushing, garage flushing, plant watering, etc. to achieve the purpose of water saving
- **Condensate water recovery from air conditioning:** GZIFC and Yuexiu Financial Tower are equipped with air conditioning condensate water recovery devices to collect condensate water from the air cabinets of each floor and supply to the cooling tower for recycling use
- **Water recovery from cooling tower:** Through the renovation of the cooling water, the White Horse Building can shut down the cooling tower to store water, recover and place the water in the water storage pan, and filter out the slag before pumping water for high-pressure washing machines. The recovered water is used for cleaning the cooling tower, saving 1,200 m³ of water a year

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Water Conservation Advocacy

The Manager and our properties continuously promoted the water conservation advocacy, specifically, by putting up water-saving signs near the water tap and sprinkler, carrying out public publicity on water conservation, and calling on tenants, customers and the public to save water.

WASTE MANAGEMENT

Issue connotation: Improve classified management of wastes, dispose of wastes properly, and advocate waste reduction at the root and waste recycling, to reduce wastes generated.

Concept



We are committed to reducing wastes generated, the Manager requires properties of the Trust to sort types and proportion of wastes, develop specific waste reduction plans and monitor progress of plan completion. Besides, we focus on cooperation with tenants and customers, advocate garbage classification as well as waste classification and recycling among tenants/customers. Moreover, we attach close attention to waste recycling and proactively “turn waste into wealth” to reduce wastes generated at the root.

Target and Progress

Target	<ul style="list-style-type: none"> Adhere to promotion of paperless office, reduce wastes from daily operation Continue to carry out garbage classification every year and entrust a qualified third party to deal with 100% of hazardous waste No violation against environmental protection regulations as determined yearly
Annual progress	Achieved



Management Practices

Garbage Classification

When disposing of emissions, properties of the Trust strictly comply with national and local laws and regulations, resolutely implement relevant local requirements of waste classification, carry out strict waste classification, storage and treatment, and hire third-party professional institutions with valid qualifications for professional waste treatment. In addition, we encourage tenants to develop green work habits, work with tenants in various activities, and constantly renovate garbage classification facilities and promote environmental consciousness. During the reporting period, we have not found or known any violations of regulations relating to waste and emission disposal.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Garbage classification measures mainly include:

- Set up classified trash cans, plan motion lines of different types of garbage in the garbage chamber reasonably, and post clear waste sorting guidelines
- Set up individual waste collection windows or recycling boxes, and recycle tenants' waste fluorescent tubes, waste batteries, etc.
- Publicize garbage classification knowledge and assign classified trash cans from door to door
- Carry out various environmental protection activities, and invite garbage classification experts to give relevant lectures
- Check garbage classification conditions regularly

Sanitary Sewage

All sewage from the properties is collected into the municipal sewage network and then treated together with the urban sewage. We check the smoothness of sewage pipes regularly to avoid silting up, and invest resources in the renovation of storm sewage pipes.



CASE

Storm Sewage Pipe Renovation Project of Hangzhou Victory Center

Project inspection results showed that storm sewage pipes of Hangzhou Victory Center were subject to a blockage risk. We entrusted a third party to inspect storm sewage pipes to ensure proper drainage and sewage discharge by replacing blocked pipes, repairing access shafts and re-surfacing the ground.



Pipeline Inspection

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Recycling

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



CASE

“Environmental Protection & Carbon Exploration” Science Camp Activity Organized by GZIFC

On August 27, GZIFC launched the “Environmental Protection & Carbon Exploration” science camp activity, introduced green and environmental work as well as professional property equipment to children, and enhanced their understanding of garbage classification operation.



Event Photos

GREEN LEASING

Issue connotation: Continuously promote the Green Convention among tenants, advocate green office, energy conservation operations and use of green and environmentally friendly decoration materials, and proactively carry out energy conservation and low-carbon transformation.

Concept

We adhere to the concept of green and low-carbon, facilitate properties of the Trust to comply with the best practices of sustainable development, continue to promote green building certification/selection and increase the proportion of green building certificates. Meanwhile, we consolidate asset management and investment with the concept of green operation and low-carbon management requirements throughout, proactively expand application scope of the Green Convention, and advocate green office. We also regard customers as common partners in green development, and guide customers to operate in a more “low-carbon” way by organizing various green and environmental protection activities.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Target and Progress

Target	<ul style="list-style-type: none"> Continue to promote the Green Convention and advocate green office Continue to promote green building certification/selection and increase the proportion of green building certificate
Annual progress	<ul style="list-style-type: none"> 100% of super-A office buildings are covered by the Green Convention The proportion of LEED gold or above certified properties increased to 68% in terms of gross floor area



Management Practices

Operating Green Building

Strict and effective management and a gradually improved mechanisms are important pillars for us to achieve green leasing. During the reporting year, we set up a working group on energy conservation and consumption reduction, and standardize and guide internal environmental management of our properties to consolidate the energy consumption management mechanism.

Green Building Certificate

As of the end of the reporting period, properties held by Yuexiu REIT have won a number of green building-related certificates or awards. Among them, the proportion of LEED gold or above certified properties increased to 68% in terms of gross floor area, which has met the coverage goal.

Property	Certificate	
GZIFC	<ul style="list-style-type: none"> LEED V4.1 O+M Platinum Certificate 	
	<ul style="list-style-type: none"> BOMA 360 Certificate 	
	<ul style="list-style-type: none"> BOMA China COE Certificate 	

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Property	Certificate	
<p>Yuexiu Financial Tower</p>	<ul style="list-style-type: none"> • LEED V4 O+M Platinum Certificate 	
	<ul style="list-style-type: none"> • Platinum WELL Certificate 	
	<ul style="list-style-type: none"> • Certificate of Green Building Design Label of China (Three-Star) 	
<p>Wuhan Yuexiu Fortune Center</p>	<ul style="list-style-type: none"> • LEED V4.1 O+M Platinum Certificate 	
<p>Hangzhou Victory</p>	<ul style="list-style-type: none"> • Certificate of Green Building Design Label of China (Two-Star) 	

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Promoting Green Convention

We deeply integrate world-class management requirements with the Company's standardized management system, agree on the maintenance of environmental performance for operators, tenants, decoration teams and employees in decoration, operation and other links, and continuously promote the Green Convention and green clauses. As of the end of the reporting period, the Green Convention have been extended to 100% of super-A office buildings of the Trust.

Green Initiative

We advocate energy conservation and carbon reduction measures and further inspire customers to make green procurement, using cleaner and paper meeting CQC standard, FSC and HACCP certificates. We appeal to customers for purchasing daily consumables certified by FSC and office equipment products certified by EPEAT and Energy Star. Moreover, we manage decoration materials strictly, advocate tenants to use green and environmentally friendly decoration materials such as low-smoke zero-halogen fire-retardant cables, fire-retardant boards with formaldehyde emissions reaching E1 level, and paintings and coatings meeting technical requirements for products with eco-labels, and prohibit uses of high energy-consumption lamps.

We have set up a Green and Health Committee with our tenants to promote and implement green office practices. Certificates and awards will be given to outstanding members. In addition, we reinforce publicity and training of front-line operators, post propaganda posters in properties, and advocate and guide customers to act in an environmentally friendly manner.

Building Green Communities

Properties of the Trust carry out various promotion and public welfare activities themed with low-carbon operation to actively respond to the Earth Hour, International Earth Day and World No Tobacco Day. Meanwhile, our customers pay increasing attention to low-carbon operation, environmental protection and other topics, which not only makes the green publicity effective, but also forms a positive cycle and feedback with customers in low-carbon operation and environmental protection.

We call on tenants, customers and employees to:

- Turn off lights in the office
- Turn off the computer and unplug after getting off work
- Reduce the use of disposable products
- Promote paperless office
- Take stairs to go up to the second floor and go down from the third floor
- Recycle plastic bags
- "Clean Plate" campaign to cherish food
- Set air conditioner temperature to 26°C

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT



CASE

Skyline Farm

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



Event Poster

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT



CASE

"Responding to Climate Change, Creating a Green Planet" Art Charitable Tour

✓ **Environmental Charitable Salon**

On July 21, GZIFC held the "Creating a Green Planet" environmental charitable salon. Guests shared concepts of artistic creation and green life & office, and called on the public to join them.

✓ **Themed Photography Exhibition**

From July 18 to 22, with photography exhibition as an augmented vision medium, M-SPACE of GZIFC exhibited effects and threats of climate disasters, China's strategic actions to address climate change and reduce carbon emissions, in three chapters, namely, climate disaster, national action and mass participation, to raise public concern about climate change.



Event Photo



Mrs. Ou Haijing, Executive Director and Deputy CEO of the Manager (third from the right) attended the activity and delivered a speech

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

BIODIVERSITY

Issue connotation: Focus on and emphasize biodiversity protection, and proactively advocate and promote activities related to biodiversity protection during routine operation management.

Concept



We focus on effects of routine operations on biodiversity protection, contribute to regions in which businesses operate where practicable, publicize the significance of biodiversity protection among tenants and the public, include biodiversity in annual charitable/propaganda activities, and actively hold relevant theme activities.

Target and Progress

Target	Incorporate biodiversity into the scope of interests of charity/publicity activities every year
Annual progress	Achieved



Management Practices

We evaluate nature-related risks and opportunities on a regular basis. All our properties are in the downtown, none is located at or adjacent to protection zones of high biodiversity value, including but not limited to world heritage sites, special sites for scientific interest (SSSI) and category I-IV protection zones under the International Union for Conservation of Nature (IUCN I-IV). As a whole, we are facing limited biodiversity risks and associated effects.

In spite of this fact, we note that physical footprint of our properties may have potential effects on biodiversity. As the effects spread over different value chains, we are committed to mitigating adverse effects and giving full play to positive effects.

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Publicity

We carry out charity/publicity activities themed with environmental protection and ecological protection in several properties of the Trust, and post posters concerning biodiversity introduction or place biodiversity-related picture books and books in public areas for the public to learn more about biodiversity and read freely.

Inspired by natural experience and green elements, we build nature-integrated building scenes and space including outdoor greening, green gardens and waterscapes, which intensifies property biodiversity, mitigates the heat island effect and rainfall runoff of properties, creates atmosphere of vigor and vitality, and promotes consumers' connection with the nature.

In July 2022, the Trust, as one of the sponsors, and the international environmental protection organization Wild Aid, as a charitable partner institution, jointly held the "Creating a Green Planet" activity in GZIFC. By taking advantage of offline charitable tour, online topic discussion posting, etc., we call on the public to draw attention to climate change, reinforce endangered wildlife protection, reduce marine plastic pollution, practice the concept of green and low-carbon life, etc.

SUSTAINABLE CONSUMPTION

Issue connotation: Continue to call on tenants and customers to reduce the use of disposable items, encourage recycling and promote propaganda of sustainable consumption.

Concept

We take the initiative to promote the concept of sustainable consumption, and advocate green and low-carbon lifestyle as well as consumption pattern.

Target and Progress

Target	Continue to call on tenants and customers to reduce the use of disposable items every year
Annual progress	Achieved

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT

Management Practices



Properties of the Trust work with partners to integrate the concept into diversified scenes and proactively advocate the concept of green living, e.g. reducing plastics and wastes, saving resources and ordering moderate meal, to lead customers to develop a green and low-carbon consumption mode gradually.

Reduce plastics and wastes



- Advocate using electronic LED screens for marketing, and reduce replacement of traditional printing and inkjet materials like headlight protection films and paper
- Post publicity posters, call on tenants and customers to reduce the use of disposable items
- Advocate the catering industry to minimize offering of plastic tableware and use degradable packaging for takeout service

Improve resource utilization



- Advocate guests to bring their own toiletries, and provide a set of durable toiletries for guests to use repeatedly during the stay
- Replace disposable toiletry containers with sustainable ones
- Remind guests of replacing beddings less frequently to save water

Build low-carbon consumption scenes



- Offer incentives to green consumption, such as "bring your own cup" discounts, reward points for less frequent room cleaning
- Introduce stores advocating concept of green and environmental protection, launch garbage classification, use low-energy appliances and renewable energy
- Install new energy vehicle charging piles to meet requirements of green commuting

LOW-CARBON OPERATION LEADING GREEN DEVELOPMENT



CASE

Promoting Sustainable Consumption in Various Forms

- (1) Four Seasons Hotel Guangzhou launched multiple initiatives to reduce generation of plastic products:
- Travel-sized shampoo, conditioner, body wash, body lotion, etc. in rooms were replaced with bottled ones, soaps were replaced with hand sanitizers
 - Disposable tableware was replaced with degradable tableware, including takeaway boxes, tableware, straws and stirring rods
 - Cafés offered “bring your own cup” discounts, customers who bring their own cups enjoyed discounts when ordering drinks



Event Poster

- (2) White Horse Building launched fashionable and recyclable shopping bags bearing traditional Chinese features to replace common plastic ones and distributed to members of buyers for free on the Gild (Fashion Source 2022 Fall Procurement Festival).
- (3) Starbucks Green Concept Store settled in Yuexiu Financial Tower and integrated concepts of health and greenness into business office scenes.



Site Photo





WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

OUR CONCEPT

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

SDGs RESPONDED IN THIS SECTION



WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

SERVICE QUALITY

Issue connotation: Continue to improve customer service management system, assure operational service quality of properties and offer better quality service experience.

Concept

According to the characteristics of various properties, we develop differentiated management standards and regulations, improve the customer service system and details, and strive to create better quality service experience for customers. We positively maintain high level of customer satisfaction and trust, hire third-party institution yearly to carry out customer satisfaction surveys and feedback the survey results to front-line operators, pushing them to continuously improve the service system and quality.

Target and Progress

Target	The overall customer satisfaction of annual third-party survey shall be no less than 90%
Annual progress	The overall customer satisfaction of annual third-party survey reaches 98%

Management Practices

In 2022, the properties of the Trust fully launched the YEService to provide comprehensive services to customers through the six value systems of YESintelligence, YEShealthy, YEScare, YESeasy, YESshare and YESocial, and provided customers with wonderful services in terms of comfortable environment, safety and efficiency, and humanistic care services. In 2022, the properties' overall customer satisfaction of annual third-party survey was 98%, and we received letters of thanks from tenants and customers repeatedly. During the reporting period, the Manager carried out several asset appreciation projects for operation and image enhancement, with a cumulative investment of approximately RMB25.84 million.

Property	Project
Shanghai Yue Xiu Tower, Fortune Plaza, City Development Plaza, Yuexiu Financial Tower, Wuhan Fortune Center and White Horse Building	Leased unit decoration and renovation project with a total area of approximately 17,000 sq.m.
Wuhan Properties	Quality improvement and public areas facilities renovation project
Four Seasons Hotel Guangzhou	Ground renovation project of the logistics passage on the B2 floor and the logistics passage of the 1F banquet hall
	Water leakage renovation project of the corridor on the 1st floor and the roof glass on the 103rd floor

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

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

YESintelligence

- ✓ Apply cloud technology and big data to monitor traffic flow, passenger flow, room temperature, air flow, electricity consumption and other data in real time
- ✓ Apply intelligent energy management systems to check and analyze energy consumption
- ✓ Wuhan Yuexiu Fortune Center is covered by 5G network
- ✓ Complete intelligent renovation in parking lots

YEShealth

- ✓ IAQ air quality control system, WELL healthy building standards
- ✓ Standardize tobacco odor control for smoke-free environment
- ✓ Use ultraviolet light tubes and 84 disinfectants for frequent disinfection, clean the air conditioning system regularly
- ✓ Health topic propaganda and charitable consultation
- ✓ Build the "Skyline Farm" for tenants to relax their minds and bodies

YEScare

- ✓ Offer escort service at midnight and handy services for the public on rainy days
- ✓ Make comfortable nursing rooms or baby care rooms available
- ✓ Equip with AED facilities

YESeasy

- ✓ Provide wheelchair accessible facilities such as braille for elevator buttons, wheelchair accessible parking spaces and wheelchair accessible passage

YEShare

- ✓ Build a platform of communication and interaction, and link the building ecosphere

YESocial

- ✓ Launch diversified social network activities offline

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT



CASE

Digital and Intelligent Emergency Rescue System for Buildings Themed with "Digitalization and Intelligence Contribute to A Healthy Guangzhou"

In May 2022, under the guidance of Emergency Management Bureau of Guangzhou City, GZIFC and Yuexiu Financial Tower jointly participated in the launch event of a digital and intelligent emergency rescue system for buildings themed with "Digitalization and Intelligence Contribute to A Healthy Guangzhou". Yuexiu Financial Tower became the first demonstration building of digital and intelligent emergency rescue among super-A office buildings in South China. Focusing on seizing "Golden Four Minutes" for sudden cardiac arrest rescue, the service system applies digital technologies to open up all steps of calling for rescue, positioning, and dispatching emergency rescue personnel, and unites the power of community volunteers, which have greatly accelerated the response speed of building rescue and achieved higher level of life care and occupational environment security.



Event Photo

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

PROPERTY SAFETY AND HEALTH

Issue connotation: Promote property safety management, assure safety performance of properties of the Trust, identify and rectify hidden safety hazards, create safe and healthy environment, and proactively publicize concepts of safety and health.

Concept

Properties of the Trust have implemented the safety production work guidelines "Safety first, Prevention foremost and Comprehensive management and incorporated safe operations into the property management system. Besides, we resolutely implement laws and regulations, constantly improve system building, take prevention as the main entry point, actively organize and carry out health and safety training and fire drills, and collaborate with tenants in jointly promoting safety and health management. Safety management goes on indefinitely, and we continuously attend industry experience exchanges to boost property safety and health management capabilities.

Target and Progress

Target	<ul style="list-style-type: none"> Organize at least one fire drill every six months, covering 100% of properties of the Trust Rectify 100% of equipment and facilities safety hazards every year
Annual progress	Achieved

Management Practices

We take property security as our top priority, and intensity safety management by performing safety inspections, emergency drills, safety publicity, etc. Furthermore, we vigorously work with tenants and customers to organize regular safety training, selection of safety ambassadors and other activities, to improve self-protection skills of tenants and customers, and make safety awareness and safety concepts deeply rooted in the hearts of the people. During the reporting period, the Manager has carried out a number of safety and security asset appreciation projects, with a cumulative investment of approximately RMB13.35 million.

Property	Project
Ascott Serviced Apartment GZIFC	Upgrading and renovation project of swimming pool
Four Seasons Hotel Guangzhou	Replacement and retrofit of heat medium pipelines
GZIFC	Structural safety monitoring project
White Horse Building	Retrofit project of fire-fighting main engine
GZIFC, Yuexiu Financial Tower, City Development Plaza and Victory Plaza	Window renovation and identification of safety inspection of glass curtain walls
Victory Plaza	Retrofit project of surveillance system
Wuhan Properties	Fire water pumps to switch to star-delta starting
Shanghai Yue Xiu Tower	Retrofit project of the collecting well of pumping and drainage system for rainwater catchment for the office building
Hangzhou Victory	Rainwater and sewage pipeline retrofit project

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Building Safety

To ensure building safety, we focus on deploying more advanced safety monitoring systems as soft measures, hiring third parties to perform evaluation and inspections as hard measures, and selecting safety ambassadors to learn and publicize safety knowledge.

- **Monitor hidden safety hazards**
 - ✓ Monitor operation states of building facilities in real time using BMS system
 - ✓ Introduce IoT devices to monitor operation states of facilities and equipment
- **Third-party inspections**
 - ✓ Hire third-party institutions to inspect building safety
- **Collaborate on safety management**
 - ✓ Select tenants to act as safety ambassadors, and expand coverage of the safety management team



CASE

Building Structural Health Monitoring in GZIFC

In 2022, the Manager monitored structural health of GZIFC, extended the monitoring content and scope, including anemographs, accelerometers, dynamic inclinometers, settlement monitoring points, etc., and offered new functions including informationized monitoring.



System Interface

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Fire Safety

Fire safety is the top priority for property safety and health management. We have set up a fire safety culture wall, built mini fire stations, regularly inspected fire equipment and provided the tenants with fire safety manuals, so that employees and tenants can promptly understand fire control knowledge, enhance fire safety participation and cooperate to maintain building fire safety. Properties of the Trust organize one fire drill in the first and second half-year, respectively, and the publicity of safety production month regularly.



Fire safety training in GZIFC



Fire-fighting Simulation Drill in Yuexiu Financial Tower



Safety Drill in Victoria Plaza



First-aid Simulation Drill in White Horse Building

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Safety Inspections

The Manager carries out a number of safety inspections every year, including monthly inspections, quarterly inspections, special inspections, sudden inspections and holiday inspections. We include safety management in performance appraisal. For the hidden security risks identified in inspections, we urge front-line operators to make and fully implement rectification plans.



CASE

Safety Inspection and Evaluation of Glass Curtain Wall

To protect glass against cracking, the Manager performed safety evaluation to glass curtain walls of GZIFC, Yuexiu Financial Tower, Fortune Plaza, Victory Plaza and City Development Plaza this year. According to inspection results, the five properties are well-performed in terms of glass curtain wall design, construction, materials and maintenance conditions, and the inspected properties performed well as a whole. Through the evaluation, we have monitored and guaranteed safety of the assets effectively.

Safety Training

We work with tenants to set up the role of Safety Ambassador to deepen safety culture publicity, extend safety training scope, and improve self-rescue capability of tenants and customers. Each year, we organize all kinds of theoretical and hands-on safety training, covering employees and tenants.



CASE

Elevator Safety Public Welfare Activity Themed with "Landmark Cloud-based Intelligent Elevator Use"

Yuexiu Fortune Center launched the public welfare activity themed with "Landmark Cloud-based Intelligent Elevator Use", invited an engineer from Hitachi Elevator to introduce elevator operating principles and safety precautions for taking elevators to its tenants, and deepened tenants' participation by setting up exhibition areas and interaction zones for elevator safety knowledge publicity.



Event Photos

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

HANDLING CUSTOMER COMPLAINTS

Issue connotation: Place high value on customers' opinions, continuously improve the complaint handling mechanism, follow up and respond to customer complaints timely, and conduct research on customers' opinions periodically.

Concept

It is crucial to listen to customers' opinions. We attach great importance to customer feedback, and communicate with customers regularly to identify their needs and opinions, and further improve and optimize our management capabilities and service capabilities.

Target and Progress

Target	Respond to 100% of customer complaints every year
Annual progress	Achieved



Management Practices

Properties of the Trust perform statistical analysis to and summarize tenant complaints and complaint handling every month, publish them in the monthly operation report, to comprehensively analyze and identify customer demands, and improve service capabilities by following up and handling customer complaints timely. Besides, we integrate digital technology to continuously improve the complaint handling system and feedback mechanism, empowering customer complaint management.

Handling Complaint and Feedback

There are differences in attributes of main customer groups of properties. We require front-line operators of each property to refine the on-site complaint management system based on business characteristics, and to handle and resolve customer complaints or suggestions quickly in a targeted manner. In order to listen to customers' opinions in a timely manner, each front-line property operator maintains all kinds of communication with tenants, including complaints via hotline, expert coordinator and face-to-face communication. Moreover, we also conduct customer research including periodic visits and special visits, handle complaints following an effective and clear information reception and feedback process, classify complaints according to different information and then respond to and resolve complaints instantly. As a result, we have received commendatory letters from tenants repeatedly.



Real-Time Toilet Feedback System of GZIFC

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

INFORMATION SECURITY PROTECTION

Issue connotation: Emphasize information security and privacy protection, optimize security management and control mechanism, prevent network security risks, provide information security training, and implement information security management and privacy protection.

Concept

We always strictly comply with relevant laws and regulations on information security protection, complete internal management systems and practices, review the effectiveness of internal information security protection mechanisms regularly, carry out regular information security training, and strengthen information security management capabilities. In addition, we implement privacy protection to personal information of employees, tenants and customers, collect relevant privacy information and data following the "need-to-know" principle, comply with relevant laws and regulations, review the effectiveness of internal management mechanisms regularly, and improve employees and customers' awareness of privacy protection and prevent privacy infringement via training and publicity.

Target and Progress

Target	Review information security management and control mechanism every year
Annual progress	Front-line operators (Yicheng BM and GZ Yue Xiu JLL) obtained ISO 27001 certification

Management Practices

We attach great importance to protection of tenant personal information and operating information ensure that collected data are only used for internal operation management. In 2022, the Manager did not identify or know any confirmed lawsuits related to infringement of customer privacy or loss of customer data.

Information Security

For tenant information and other operating data, each property has set up special posts to be responsible for sorting, summarizing, filing, and keeping confidential. The Manager encrypts all kinds of sensitive information and sets permissions, which cannot be viewed or copied without authorization. Front-line operators have also established customer privacy ledgers to keep sensitive business information documents confidential. Both views and use of all confidential documents are strictly managed as authorized and approved.

Online prevention strategies

- ✓ The system automatically reminds employees to update computer and mailbox passwords quarterly
- ✓ Regularly check network security strategies, and install patches in a timely manner if network security loopholes are discovered
- ✓ Recovery backup of key system data and regular data recovery test
- ✓ It is strictly forbidden to install and use information software from unknown sources
- ✓ Ascott Serviced Apartments GZIFC has a data center and an encryption system

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Offline prevention strategies

- ✓ Stipulate the employee's information confidentiality obligation in the labor contract
- ✓ Hire professionals to provide information security training and phishing tests for employees
- ✓ Equip machine rooms with an access control system and monitoring system, and staff with designated personnel for maintenance
- ✓ Regularly carry out anti-peeping inspections in the property

VALUE CHAIN SOCIAL RESPONSIBILITY

Issue connotation: Maintain close cooperation with various stakeholders of the value chain, integrate ESG factors in the supplier management mechanism, promote supplier evaluation and review; and work to promote upstream and downstream business partners to jointly integrate ESG factors in the supply chain management mechanism.

Concept

Supply chain management is a crucial part of operating "Sustainable Business" and ensuring smooth transition to low-carbon economy. In addition, the Manager and each property maintain close cooperation with various parties during operation. Through multiparty interactive communication, we integrate industry resources, promote coordinated development, and fulfill our social responsibility. In order to reflect sustainability in decisions related to procurement and supply chain, based upon standardized compliance requirements for suppliers in the process of bid invitation and procurement, we have formulated a series of policies and systems concerning supply chain management and suppliers' social responsibilities, to constantly keep the supply chain compliant, corruption-free, fair and low-carbon.

Target and Progress

Target	Evaluate and review 100% of suppliers every year
Annual progress	Achieved

Management Practices

Policy and Guideline

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

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

Qualification Management

We have established a supplier database to centrally manage supplier information and systematic scoring standards for supplier access. The Manager requires suppliers of asset appreciation projects to hold valid qualification certificates such as quality management system certificate, environmental management system certificate, and occupational health and safety management system certificate. We regularly organize supplier qualification audits, material audits and product supervision to ensure that suppliers supply materials timely with high quality in accordance with contractual agreements and procurement requirements, and service standards meet our expectations. We promise to give priority to purchasing products with environmental qualifications under the same conditions, and call on tenants to practice environmental protection and green procurement through the "Green Convention". On this basis, we evaluate suppliers regularly, and adjust noncompliant suppliers accordingly.

Company	Type	Certification
Yicheng BM	Tenancy service, Property management	①GB/T 19001-2016/ISO 9001:2015 ②GB/T 24001-2016/ISO 14001:2015 ③GB/T 2331-2020/ISO 50001:2018 and RB/T 107-2013 ④GB/T 45001-2020/ISO 45001:2018 ⑤GB/T 22080-2016/ISO/IEC 27001:2013
Baima BM	Tenancy service	GB/T 19001-2016/ISO 9001:2015
Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd. ("GZ Yue Xiu JLL")	Property management	①GB/T 19001-2016/ISO 9001:2015 ②GB/T 24001-2016/ISO 14001:2015 ③GB/T 23331-2020/ISO 50001:2018 and RB/T107-2013 ④GB/T 45001-2020/ISO 45001:2018 ⑤GB/T 22080-2016/ISO/IEC 27001:2013
Ascott Serviced Apartments GZIFC	Serviced apartments operation	Safety Production Standardization Level 2 Certification (Business Hotel)

Quality Supervision

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

Localized Procurement

We tend to choose suppliers that operate where properties of the Trust are located. This, on the one hand, supports local economic development, shortens the distance of logistics and transportation, reduces GHG emissions in transit, on the other hand, facilitates our active communication with and monitoring of suppliers.

Green Initiative

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

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

INDUSTRY DEVELOPMENT

Issue connotation: Dovetail with national strategies, promote industrial development, strengthen industry exchanges, and empower industry progress.

Concept

We actively explore innovative services and practices, and are committed to becoming affordable commercial properties, providing more resources and value for tenants, while growing together with commercial tenants.

Target and Progress

Target	Continuously carry out tenant empowerment activities in the future. Promote industry development through continuous participation in professional forums and industry associations
Annual progress	Achieved



Management Practices

We integrate resources of multiple parties and build a business community that facilitates communication to develop new business opportunities. Moreover, we maintain exchanges and contacts with all parties. This year, we accepted interviews by mainstream media, and actively exchanged progress, effectiveness and experience in ESG management with all parties through activities organized by Guangzhou Private Equity Association, World Green Building Council ("WorldGBC"), Royal Institute of Chartered Surveyors ("RICS") and International Building Owners and Managers Association China ("BOMA China").



Mr. LIN Deliang, Chairman, Executive Director and CEO of the Manager attended and made a keynote speech at the "Global 24 Hours Net Zero Summit" held by the World Green Building Council

Empowering Tenants

We cooperate with tenants to hold exhibitions and events in the property, use the property platform to assist tenants in advertising and promotion, organize industry exchange activities for tenants from time to time, and organize clients to participate in industry exchange activities.

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT



CASE

White Horse Building Empowers Original Brands and Growth of Tenants

Being established in the clothing wholesale market, the White Horse Building provides support for branded merchants in terms of channel development, model innovation, industry chain resource integration and information release. On September 26, at the 2022 China Clothing Growth Brand Conference jointly held by the Circulation Branch of the China Textile and Apparel Council and the China National Garment Association, the White Horse Building won the title of "Incubator Base of Chinese Clothing Brand", supporting 4 tenants in obtaining the title of "Chinese Growth-type Clothing Brand".



Prize Presentation Photo

- **Bring up traffic flow through activities**

Organize and launch anniversary celebrations, autumn and winter procurement festivals, year-end promotions and other activities to increase customer flow and support the construction and development of central consumption cities.



Event Poster

- **Digital & intelligent upgrade**

Expand buyers' membership in the forms of online live streaming selling and offline member activities, improve the stickiness of buyers, and develop an efficient community communication service system.

- **Skill training**

Offer e-commerce skills training to merchants, help merchants to expand marketing channels, realize the integration of online traffic and offline physical store resources, and empower merchants to enhance brands and make breakthroughs.

- **Resource integration**

Organize multiple resource activities, create channel sinking opportunities for merchants through brand promotion, and maintain effective communication and interaction with clothing platforms around the world.

Common Development

We build a business community that facilitated communication for tenants, and tenants can communicate directly through our industry exchange platform. At the same time, we launch various activities to promote communication and cooperation between merchants while enhancing the stickiness between customers and buildings. Each property carries out various sphere activities, invites financial institutions, government agencies and other relevant personnel to participate in circle community exchange activities, and makes an efficient communication platform available to tenants to achieve common development.

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT



CASE

Yue Xiu Tower Promoted Common Development of Tenants

Upholding the concept of win-win development, Yue Xiu Tower builds and develops inclusive ecosphere by organizing various forms of activities, including theme day activities, interactive games, sports competitions and salon lectures, to enhance communication and integration with customers. In 2022, Yue Xiu Tower provided effective communication channels for customers, and carried out a total of 7 sphere activities.



Event Photo

Supporting Industry Development

We proactively participated in industry exchange activities, opened up market space and learning, shared and promoted experience in sustainable development, contributed to the sustainable development of the asset management industry of domestic commercial real estate and assisted the industry development together with our partners.



CASE

Jointly Initiating the Establishment of Hong Kong REITS Association

In August 2022, the Trust and industry partners jointly initiated the establishment of the Hong Kong REITS Association, aiming to strengthen exchanges and institutional collaboration between Hong Kong and Chinese mainland, build a favourable platform for industry cooperation and communication with all parties, support market development of the Hong Kong REITS, and gain extensive attention and support from the industry. Mr. LIN Deliang, Chairman, Executive Director and CEO of the Manager, acted as the Honorary Founding President of the Hong Kong REITS Association.



Ceremony Photos

(Photo Source: Official Website of the Hong Kong REITS Association)

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT



CASE

Proactively Responding to the Activity Themed with “Corporate Access Series: Hong Kong REITs – Outlook and Opportunities”

On November 30, the Trust joined hand with HKEX to launch the activity themed with “Corporate Access Series: Hong Kong REITs – Outlook and Opportunities”, and discussed with all walks over industry development and market trends of the Hong Kong REITs. Mr. LIN Deliang, Chairman, Executive Director and CEO of the Manager, attended the seminar “Hong Kong REITs: Opportunities and Challenges in the Post-pandemic Era”, and expected Chinese mainland to maintain close cooperation with Hong Kong in promoting the development of real estate investment trusts, further increasing investment liquidity by taking advantage of an interconnection mechanism, expanding the shareholder base of real estate investment funds, and making Hong Kong the first choice for foreign investors to invest in real estates in Chinese mainland and Southeast Asia and to set up investment trusts.



Seminar Photo
(Photo Source: Official Website of the Hong Kong REITs Association)

WORK WITH PARTNERS FOR WIN-WIN DEVELOPMENT

RESPONSIBLE MARKETING

Issue connotation: Practice responsible marketing, avoid dissemination of misleading, ambiguous product information and overcommitment, and protect rights and interests of customers and consumers.

Concept

We focus on marketing compliance of hotel and serviced apartments, front-line operators and all properties, combine relevant internal management guidelines by referring to laws and regulations including the Advertising Law of the People’s Republic of China, strengthen training and publicity on responsible marketing for front-line operators, hotel and serviced apartments and their employees, and deepen the protection awareness of consumer rights and interests.

Target and Progress

Target	Continue to carry out publicity and training on consumer protection to protect the legitimate rights and interests of consumers
Annual progress	Achieved



Management Practices

Compliant Marketing

The Manager requires hotel and serviced apartments as well as front-line operators to implement compliant marketing, adhere to the principles of objectivity and preciseness in publicity and marketing activities, avoid dissemination of misleading and ambiguous product information and overcommitment, and effectively protect legitimate rights and interests of customers. We have developed a strict review process for marketing materials, and advertisements must not be deceptive, ambiguous, false or misleading. For leasing business, to avoid misunderstandings, we require front-line operators to inform customers of current building conditions and delivery standards truthfully and accurately.

Publicity and Training

The Manager requires hotel and serviced apartments as well as front-line operators to include responsible marketing in their annual training plans on topics such as compliant marketing, protection of consumer rights and interests and the advertising law. The relevant training aims to strengthen front-line personnel’s awareness of marketing compliance risks, effectively implement marketing compliance risk screening, and help properties of the Trust with compliant operation.





WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

OUR CONCEPT

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

SDGS RESPONDED IN THIS SECTION



WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

EMPLOYEE RIGHTS AND COMMUNICATION

Issue connotation: Respect labor rights and interests of employees, implement compliant and regulated employment, protect employee benefits in accordance with the law, make smooth communication channels available to employees, and resist child labor and forced labor.

Concept

We focus on identifying of employee rights and risks, form a personnel system with explicit working standards, and ensure compliant and regulated employment. Being open to voices of employees, we provide employees with objective career development prospects, and strengthen talent development and work rewards.

Target and Progress

Target	<ul style="list-style-type: none"> • Enter into a written labor contract with 100% of employees • Purchase social insurance/labor insurance for 100% of employees • Organize employee satisfaction survey every year
Annual progress	Achieved

Management Practices

Compliant and Regulated Employment

In terms of employment, we fully respect and safeguard international human rights conventions and labor standards signed by the government of China, strictly abide by national labor laws and regulations, and protect freedoms and rights enjoyed by employees in accordance with the law.





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

This year, the Manager revised the Employee Handbook in terms of recruitment and dismissal, equal opportunities, etc., and continuously improved the human resources management system. During the reporting period, there was no violation or complaint related to human rights and labor measures in the Company, and employment relations remained stable and harmonious.

Communication with Employees

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

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Type	Specific way
Daily communication 	<p>The Manager, Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC all have established labor unions, and 100% of employees have joined. In daily work, employees' opinions and feedback can also be expressed through the union mailbox and the "Xinyu mailbox" at the front desk. The opinions and complaints raised are managed by special personnel, and they will be dealt with and given feedback in a timely manner. Employees may report any non-compliance against the Compliance Manual through the reporting channels. We ensure that the source of information and the whistleblower's information is kept strictly confidential and please refer to the "Anti-corruption and Anti-bribery" section of this report for more information.</p>
Evaluation communication 	<p>The Manager requires heads of each department to communicate their performance evaluation results face-to-face with employees of the department at the end of the year, and record feedback results of employees. The Manager also requires and urges management of hotels and serviced apartments to do a good job in employee assessment and communication, and take the initiative to care for and respond to reasonable demands of employees.</p>
Employee seminar 	<p>At least once a year, the Manager organizes an employee seminar participated by the Chairman of the Board, senior executives and employees' representatives. Any questions or suggestions from employees can be reported directly to the Chairman at the meeting. Four Seasons Hotel Guangzhou realizes information transparency and openness by convening monthly line meetings with the General Manager.</p>
Employee congress 	<p>In accordance with the relevant rules and regulations, we convene the employee congress to discuss, vote and decide according to the regulations to tackle matters that need to be submitted to the employee congress.</p>

Satisfaction Survey

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

This year, Four Seasons Hotel Guangzhou and Ascott Serviced Apartments GZIFC conducted employee satisfaction surveys following practices of its global group, and the survey results are centrally managed by the global headquarters. The Manager understood employees' satisfaction in four dimensions: sense of security, sense of balance, sense of belonging and sense of achievement, and the surveys covered more than 97% of the Manager's employees and the overall effective response rate was up to 87.3%. The surveys showed that employees placed more weight on the increase in remuneration and benefits, talent development, etc., and we improved satisfaction levels by optimizing the remuneration structure, remuneration incentive system, and developing courses and online learning platforms.

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

TALENT ATTRACTION AND RETENTION

Issue connotation: Provide competitive remuneration and benefits for employees, perfect performance appraisal and communication, boost employees' efficiency, strengthen talent attraction and optimize our talent reserves.

Concept



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

Target and Progress

Target	<ul style="list-style-type: none"> Annual employee performance appraisal and performance communication Keep in touch with schools and provide internship positions every year
Annual progress	Achieved



Management Practices

Remuneration and Benefits

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

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

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

Employee Motivation

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

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

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT



CASE

IDP (Individual Development Program) for Everyone

We follow the "SMART" principle (Specific, Measurable, Attainable, Relevant, Time-bound), each employee is encouraged to formulate a personal capability development plan when developing the annual work plan allowing for corporate development demands, and include the development plan in the responsibility letters of performance target.

Caring for Employees

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



CASE

Ascott Moment

Ascott Serviced Apartments GZIFC unfolds the "Ascott Moment" every year. The Ascott Moment in 2022 was themed with Daily Green Hero Environmental Protection, and going on for 5 days in July. Employees actively participated in activities such as the Commitment to Environment-friendly Energy Breakfast, online environmental knowledge contest and environmental video production. While offering sumptuous afternoon tea to employees, the property commended environmental heroes, encouraged employees to develop environmental awareness, and responded to the call for continuous practice of environmental protection behaviour.



Event Photos

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT



CASE

Four Seasons Hotel Guangzhou Launches Employee Caring Activity

Four Seasons Hotel Guangzhou launched employee caring and welfare activities regularly, including extra meals offering by cafeteria on holidays, gift giving, floral art courses on Women's Day, healthy mindfulness and meditation activities, sub-health sharing sessions and 10th anniversary hotel celebrations, which aimed to care for employee growth and strengthen team bonds.



Event Photos

Employee Retention

In the reporting year, the overall turnover rate of the Manager's employees was 2.3% (Male: 0%; Female: 4.8%). The Trust undertook hotel operation through its subsidiaries and serviced apartments through its affiliates. As of the end of the reporting year, the overall turnover rate of employees working for hotels and serviced apartments was 19%.

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

EMPLOYEE DEVELOPMENT AND TRAINING

Issue connotation: Improve the employee training and development system, support employees' career development, consolidate talent team building, and create smooth promotion pathways.

Concept

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

Target and Progress

Target	<ul style="list-style-type: none"> • Every employee receives at least 36 hours of training every year • Provide training for 100% of new employees
Annual progress	Achieved

Management Practices

Management System

We develop internal management policies including Employee Handbook, Labor Contract, Salary Management Measures and Performance Management Measures, to provide standardized guidance on employee development and training management.

Talent Team

We regard professional talents as important assets. This year, the Manager has established a talent team development plan covering management trainees, professional elites, management reserve talents as well as middle and senior management.

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

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Training System

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

Internal

- Create "10 Core Courses" of asset management, covering topics such as asset management, business management, and enterprise management
- Formulate training plans covering various professional lines, education and training institutions resource plans and cross-training programs

External

- Provide channels and cost budgets application for employees to participate in external training, and provide relevant external training subsidies through the assistance of labor unions
- Recommend employees to participate in short-term exchanges, learning and training organized by external training institutions, external benchmark enterprises and industries
- Invite US PDP certified trainers to offer leadership development special training
- Invite university professors to teach professional knowledge related to commercial real estate



CASE

Training System of Four Seasons Hotel Guangzhou

Four Seasons Hotel Guangzhou adopts the mode of combined basic training and specialized training, and professional training mainly features in an apprenticeship with on-the-job training. For professional certificates related to employee appraisal and job skills, the hotel will offer reimbursement or allowances according to the actual situation.

• Leadership training

From August to October 2022, Four Seasons Hotel Guangzhou held a 10-week GROW1 training program for executives and above, covering training on basic leadership skills and mindset. In addition, since June, Four Seasons Hotel Guangzhou has been running a two-month "Teachable Moment" program periodically, to share personal success stories or explain the behaviour of Four Seasons with new employees or those promoted to assistant manager level and above. Furthermore, the hotel held two orientation training sessions of leadership behaviour in January and September respectively to enhance employees' understanding of the behaviour a leaders need to have and self-awareness.

• Special skill training

Four Seasons Hotel Guangzhou offers 2-week training on basic service to interns, front-line staff and heads in the Customer Service Operation Department, aiming to improve customer service quality. In addition, Four Seasons Hotel Guangzhou has established training for designated trainers who are supposed to act as trainers within the department, and employees with training responsibilities will attend this 1-day certification training for designated trainers. After the training session, the training manager will initiate a post-certification appraisal on the job. Employees passing the appraisal will become qualified department trainers and receive a course certification which serves as a basis for promotion.

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Management Trainee Program

Manager

The Manager develops a management training program for fresh graduates, attracting fresh graduates from domestic and foreign universities, and the Company's management act as professional mentors. The training program covers career planning and professional competency training, with rotation arrangements designed to acquaint participants with working environment while improving work efficiency and skills

Four Seasons Hotel Guangzhou

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

Ascott Serviced Apartments GZIFC

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

Intern Program

Each year, we offer internship positions, keep in touch with local schools to provide a variety of career opportunities for students. The program not only nurtures talent, but also allows us to hear the voices of the new generations.

EMPLOYEE SAFETY AND HEALTH

Issue connotation: Abide by requirements of laws and regulations related to production safety as well as the health and safety system, improve systems related to employee health and safety management, pay attention to physical and mental health of employees, supply protective facilities and articles, organize production safety training, offer mental health counselling, etc.

Concept

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

Target and Progress

Target	<ul style="list-style-type: none"> No confirmed work-related deaths every year Provide annual health check for employees
Annual progress	Achieved



WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Management Practices

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

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

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

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

We provide first-aid training for employees to learn and grasp healthcare and rescue knowledge and skills. Employees injured on the job are all provided with paid sick leave and appropriate care. Each year, we organize fire drills and pandemic closed-off management drills, train employees on use of firefighting appliances, aiming to enhance employees' self-protection against fire and protect occupational safety of employees to the maximum.



CASE

Well-being Month Launched by Four Seasons Hotel Guangzhou

In June 2022, Four Seasons Hotel Guangzhou initiated the Well-being Month, and launched various activities including riverside health running, Yoga courses, physical and mental carnivals, meditation activities, reading clubs and sub-health sharing sessions, to create a warm and harmonious workplace environment and care for employees' physical and mental health.



Event Photos

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

DIVERSITY AND INCLUSION

Issue connotation: Advocate diversity and inclusion, encourage and recruit employees with diversified background, culture, experience and capabilities, respect employees' wishes, and create diversified and inclusive work environment.

Concept

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

Target and Progress

Target	Review diversified policies and corresponding progress every year
Annual progress	Achieved



Management Practices

Board Diversity

Following the requirements of the Corporate Governance Code, the Manager has formulated a board member diversity policy in the Compliance Manual. The Remuneration and Nominations Committee reviews the composition of the board and implementation of the diversity policy on a semi-annual basis. For details about corporate governance, please refer to the "Corporate Governance and Business Ethics" section.

Employee Diversity

We emphasize accepting talents from diverse backgrounds, opposing all forms of discrimination, and creating a diverse and inclusive workplace. Externally recruited positions are open to applicants of different genders, races, regions, religious beliefs and cultural backgrounds, and we ensure scientificity, objectivity and consistency of the recruitment process and selection criteria in the recruitment process, provide convenient facilities and related integrative training for employees from different backgrounds, and improve the welfare mechanism to protect legitimate rights and interests of all employees.

Employees of the Manager

We set the Remuneration and Nomination Committee under the Board, chaired by an Independent Non-executive Director, which regularly reviews the employees' comprehensive performance, including work performance evaluation and competence evaluation. The Manager's team boasts diversified professional backgrounds and rich working experience. 25% of those holding the senior executive positions are females, 50% of the employees of the Manager are female. For more information about directors and senior executives, please refer to Introduction of Directors and Senior Executives in the Annual Report 2022 (Page 91).

WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Professional fields	Professional qualifications held separately or cumulatively by the employees of the Manager (on 31 December 2022)
 Real Estate	China Real Estate Appraiser, Land Valuer, Real Estate Agent, Real Estate Economist
 Economy/Finance	Finance Economist, Business Management Economist, Hong Kong Regulated Activity Type 9 Asset Management (Representative (R) and Responsible Officer (RO)), China Securities Qualification
 Law	Lawyer (Hong Kong, Chinese mainland), Franchised Company Secretary, Corporate Counsel (China)
 Accounting/Tax/Audit	Certified Public Accountant (CPA), Accountant, Management Accountant, Tax Accountant, International Certified Internal Auditor
 Engineering	Certified Engineer/Engineer (Civil, HVAC, electrical and mechanical, electrical, cost and safety)
 Information System	Information Systems Manager certificate, Certified Information Systems Auditor
 Human Resource	Human Resources Manager certificate, Psychological Consultant

Employees of the Trust (Namely “Employees of Hotel and Serviced Apartments”)

Hotels and serviced apartments create and maintain diversified workplaces. Four Seasons Hotel Guangzhou explicitly prohibits any employees or customers from discriminating individuals due to genders, races, skin colors, ages, disabilities, nationalities, marital status, religions, states of health, sexual orientation or otherwise in the Employee Handbook. As of the end of 2022, employees with disabilities and foreign employees account for 1.52% and 1.14% of all employees of Four Seasons Hotel Guangzhou.



WORK SIDE BY SIDE WITH EMPLOYEES FOR BETTER DEVELOPMENT

Equal Employment

Special group: We focus on accepting and employing the physically challenged without affecting the performance of duties. They play a valuable role in various divisions such as the finance department, housekeeping department and laundry room, enjoy the same remuneration and benefits as other employees, and equally participate in the evaluation and post competition with outstanding employees. We install accessible facilities in the workplace to enhance their participation.

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

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



CASE

Working on Creating a Diversified, Fair and Inclusive Workplace

Four Seasons Hotel Guangzhou

Launch training and monthly conversations centering on Diversity, Inclusion and Belonging, to enhance employees' perception of a diverse and inclusive culture system.

Ascott Serviced Apartments GZIFC

Integrate the concepts of respect, inclusion and diversity into routine management processes and employee training sessions.





INVOLVING COMMUNITIES FOR HARMONIOUS DEVELOPMENT

OUR CONCEPT

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

SDGS RESPONDED IN THIS SECTION



INVOLVING COMMUNITIES FOR HARMONIOUS DEVELOPMENT

SOCIAL WELFARE

Issue connotation: Be enthusiastic about social welfare, organize or respond to charity activities, strengthen volunteer team building, support community development and take on social responsibilities.

Concept



With the vision of "Sincerely Giving Back to the Society and Building A Beautiful Community" and the courage to take on social responsibilities, we are exerting social influence to actively transmit positive energy. In 2022, the Manager continued to respond to the call, the properties also actively arranged for employees to participate in charitable welfare activities to create and contribute value to the sustainable development of society.

Target and Progress

Target	<ul style="list-style-type: none"> Stay connected to communities and provide venues for all kinds of charity activities every year Stay connected to the labor unions and continuously strengthen the volunteer team building
Annual progress	Achieved



Management Practices

Support Community Environment Protection, Development and Public Services

As a corporate citizen, we emphasize community building and would like to contribute to community development. For this purpose, the Manager supports public welfare through material donations, consumption-based farmer assistance, etc. The properties give full play to advantages of public space and urban landmarks, and provide carriers and windows for various public welfare activities and information.

We cooperate with subdistricts, communities, social organizations, volunteer teams and other resources to give full play to our influence, and drive more people to pay attention to and participate in public welfare by launching various forms of public welfare exhibitions and interactive activities, such as charity markets, concerts, theme salons and workshops.



CASE

"Jointly Creating a Green Planet" Short Video Contest

From 6 June to 6 July, taking the World Environment Day as an opportunity, we held the "Jointly Creating a Green Planet" short video contest which advocated recording green living with cameras, aiming to promote low-carbon life attitude, and take care of the green planet. During the event, works submitted have received over 10,000 likes, WeiBo topics have contributed to over 60,000 interactions and 3,680,000 views.



Event Poster

INVOLVING COMMUNITIES FOR HARMONIOUS DEVELOPMENT



CASE

A Series of Cultural, Artistic and Social Welfare Activities in GZIFC

By giving full play to space and resource advantages of GZIFC "M Space", we launched a number of public welfare activities this year:

- Celebrating the New Year with "Stars": Took the integration of special children and art as the theme, covering New Year concerts, artistic painting exhibitions, charity markets, etc. It was hoped that through the power of art, special artists could be "seen" by more people.
- Contemporary Environmental Protection & Public Welfare Art Exhibition themed with "Earth Tipping Point": Held from February 22 to March 22 and based on the concepts of global environmental protection and sustainability, the exhibition exhibited artworks including paintings, videos, facilities and behavior works, aiming to arouse visitors' thinking about environmental protection in cutting-edge ways.
- "Starry Works Light Up the Future" Public Welfare Exhibition: Held from June 22 to July 3, the event aimed to focus on special children, provided a stage for special children to show their talents, enable special children to face the society, which has strengthened the public's concern and recognition of special children, and conveyed the care for special children.



Event Photos



CASE

Large-scale Public Welfare Activity Themed with "Charity Month of the Ram City"

In September, a few charities launched the 2022 large-scale public welfare activity themed with "Charity Month of the Ram City" in Victory Plaza. Through flashmob shows, interactive experience games, offline charity markets, etc., the event brought citizens closer to charity, and has raised a total of RMB 550,000 and involved 90,000 person times of donation. The Guangzhou Charity Association awarded Victory Plaza the title of "Charitable Unit".



Event Photo

INVOLVING COMMUNITIES FOR HARMONIOUS DEVELOPMENT

Community Safety Protection and Volunteer Activities

We encourage employees to show concerns and responsibilities for communities by taking actions accordingly. On one hand, we intensify volunteer team building and contribute to community development. On the other hand, we expand the coverage of volunteer services in various ways including voluntary blood donation, consumption-based farmer assistance, rural education support, and support in community epidemic prevention during the epidemic. During the COVID-19 epidemic, to protect community safety and live up to our responsibility, we actively answered the government's call and built multiple volunteer teams to support the front line of epidemic prevention.



CASE

Blood Donation Public Welfare Activity

On August 2, the volunteer team of White Horse Building joined hand with Lihua business area to launch the "Spread Love by Donating Blood" public welfare activity. The activity attracted a total of 77 participants, and the accumulated blood donation reached 20,600 mL, representing the fine tradition of White Horse Building's commitment to charity.

On October 18 and 19, Four Seasons Hotel Guangzhou participated in blood donation activities at the Blood Donation House in the Flower City Square, and a total of over 20 people were involved.



Event Photos



CASE

Fighting the Epidemic with Oneness of Mind, Taking the Initiative to Step in

In 2022, the COVID-19 broke out repeatedly in many cities in China, and communities were facing severe safety risks. We took the initiative to assume the responsibility for epidemic prevention. During the severe epidemic in Guangzhou, led by the management, the Manager and properties of the Trust continued to mobilize and continuously organized 65 commandos to join the "Kunpeng" commando team of Yuexiu Group to offer anti-epidemic support to the front-line in high-risk areas, making every effort to build a solid safety barrier for epidemic prevention and ensure community safety.



Volunteer Teams, Nucleic Acid Testing Stations and Material Support

PROSPECTS

2023 marks both a crucial year serving as a link between past and future of China's 14th Five-Year Plan Period, and the beginning year of opening up a new prospect and realizing a new leap. We will continue focusing on asset operation, constantly deepen the sustainable development strategy, cultivate new momentum with ESG, and join hand with all stakeholders to build a more sustainable future.



FOCUSING ON HIGH QUALITY DEVELOPMENT

In the new stage of development, we will devote all efforts to building the second curve of high-quality development, pay close attention to consumption trends and economic growth opportunities brought by digital transformation, further integrate resources, upgrade products, improve operations from multiple dimensions, enhance asset competitiveness, and bring more long-term value and income to unit-holders.



DEEPENING GREEN DEVELOPMENT

We will continue to actively grasp opportunities of the "Carbon Peaking and Carbon Neutrality" and green economy era, continue to improve environmental performance of all properties, create healthy, comfortable and efficient green office and living space, and strive for a new track of green urban buildings.



FACILITATING MULTI-WIN DEVELOPMENT

We will continue to join hand with all stakeholders to practice sustainable development, create low-carbon life together with tenants and consumers, and encourage the supply chain to improve ESG performance. Moreover, we always adhere to the people-oriented concept, and will continue to deepen the care for employees and protection of employees' rights and interests, and build a broad development platform for employees. Besides, we take the initiative to fulfil our social responsibilities as a corporate citizen by caring for communities and supporting local community development.

APPENDIX

SUSTAINABILITY SUMMARY

POLICY LIST

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

APPENDIX

Aspect	Laws and Regulations	Internal Policies
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Personal Income Tax Law of the People's Republic of China	Employee Handbook Salary Management Measures Performance Management Measures
B2 Health and Safety	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Law of The People's Republic of China on Prevention and Control of Occupational Diseases	Fire Emergency Response and Disposal Guidelines Guidelines for the Investment of Safety Production Funds Administrative Measures for Safety Production Responsibility System Fire Drill Guidelines Measures for the Management of Fire Control Facilities and Equipment Guidelines on Operation Procedures for Safe Production Administrative Measures for Occupational Health and Safety
B3 Development and Training	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China	Employee Handbook
B4 Labor Standards	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China	Employee Handbook
B5 Supply Chain Management	Company Law of the People's Republic of China Civil Code of the People's Republic of China	Management Measures for Suppliers of Major Asset Appreciation Projects Management Review Procedure for Material Suppliers Supplier Management Guidelines

APPENDIX

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

APPENDIX

PERFORMANCE LIST

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
A. Environment						
A1.2 Greenhouse Gas (GHG) Emissions and Intensities						
A1 Emission	GHG emissions (Scope 1) ^(Note 1)	tonne of CO ₂ e	2,349.50	2,991.88	2,793.46	3,288.87
	GHG emissions (Scope 2) ^(Note 2)	tonne of CO ₂ e	49,424.60	44,634.93	48,567.70	51,039.41
	Total GHG emissions (Scope 1 + Scope 2) ^(Note 3)	tonne of CO ₂ e	51,774.10	47,626.81	51,361.16	54,328.28
	GHG emission density (Scope 1)	tonne of CO ₂ e/per million revenue ^(Note 4)	1.26	1.69	1.59	1.60
		tonne of CO ₂ e/m ² (Office buildings/ Wholesale mall/Retail malls) ^(Note 5)	0.001	0.001	0.001	0.001
		tonne of CO ₂ e/per room per night (Hotel/Serviced apartments) ^(Note 6)	0.009	0.012	0.011	0.012
	GHG emission density (Scope 2)	tonne of CO ₂ e/per million revenue	26.39	25.24	27.62	24.80
		tonne of CO ₂ e/m ² (Office buildings/ Wholesale mall/Retail malls)	0.036	0.040	0.043	0.044
		tonne of CO ₂ e/per room per night (Hotel/Serviced apartments)	0.071	0.066	0.078	0.069
	GHG emission density (Scope 1 + Scope 2)	tonne of CO ₂ e/per million revenue	27.65	26.93	29.21	26.40
		tonne of CO ₂ e/million property valuation ^(Note 7)	1.23	1.39	1.49	1.55
		tonne of CO ₂ e/m ² (Office buildings/ Wholesale mall/Retail malls)	0.037	0.041	0.044	0.045
		tonne of CO ₂ e/per room per night (Hotel/Serviced apartments)	0.080	0.078	0.089	0.081

APPENDIX

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
A. Environment						
A1 Emission	A1.3 Total hazardous wastes produced					
	Waste fluorescent tubes ^(Note 8)	Tube	6,437	5,134	4,532	3,906
		Kg	1,504	—	—	—
	Waste batteries ^(Note 9)	Kg	468	142	—	—
	Waste printer cartridges ^(Note 10)	Cartridge	283	77	45	64
		Kg	263	—	—	—
	Waste ink boxes ^(Note 11)	Box	196	130	146	150
		Kg	173	—	—	—
	Paint buckets	Kg	236	70	251	94
	Hazardous waste generation density ^(Note 12)	Kg/per million revenue	1.41	—	—	—
A1.4 Total non-hazardous wastes produced and intensity						
Office paper consumption	Kg	20,308	21,878	22,318	43,292	
Office paper consumption intensity	Kg/per million revenue	10.84	12.37	12.69	21.03	

APPENDIX

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
A. Environment						
A1 Use of Resources	A2.1 Total energy consumption and intensity					
	Gasoline consumption	L ^(Note 13)	1,340	3,510	1,140	1,209
	Gasoline consumption intensity	L/per million revenue	0.72	1.98	0.65	0.59
	Diesel consumption	L ^(Note 14)	4,857	5,135	5,720	5,678
	Diesel consumption intensity	L/per million revenue	2.59	2.90	3.25	2.76
	Natural gas	m ³ ^(Note 15)	1,079,359	1,373,838	1,283,854	1,512,957
	Natural gas consumption intensity	m ³ /per million revenue	576.33	776.88	729.99	735.12
	Outsourced electricity	kWh ^(Note 16)	86,664,218	76,824,327	79,606,125	83,657,449
	Outsourced electricity consumption intensity	kWh/per million revenue	46,275.21	43,442.84	45,263.36	40,647.67
		kWh/m ² (Office buildings/ Wholesale mall/Retail malls)	62.88	68.09	70.29	72.08
		kWh/per room per night (Hotel/ Serviced apartments)	124.37	114.46	127.76	112.43
	A2.2 Total water consumption and intensity					
	Water consumption	m ³ ^(Note 17)	1,035,551	904,023	745,677	902,876
	Water consumption intensity	m ³ /per million revenue	552.94	511.21	423.99	438.69
	m ³ /m ² (Office buildings/ Wholesale mall/Retail malls)	0.752	0.782	0.715	0.760	
	m ³ /per room per night (Hotel/ Serviced apartments)	1.480	1.438	0.913	1.284	

APPENDIX

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
B. Society						
B1 Employment	B1.1 Total workforce by gender, age group and geographical region <small>(Note 18)</small>					
	Total workforce	Person	672	648	700	764
	Male	Person	338	307	336	369
	Female	Person	334	341	364	395
	Management	Person	125	120	127	133
	Non-management	Person	547	528	573	631
	29 and below	Person	303	307	322	422
	30-49	Person	319	304	340	303
	50 and above	Person	50	37	38	39
	Chinese mainland	Person	661	634	685	747
	Hong Kong, Macao and Taiwan Regions of China	Person	3	7	5	9
	Overseas	Person	8	7	10	8
	B1.2 Employee turnover rate by gender, age group and geographical region <small>(Note 19)</small>					
	Total employee turnover	Percentage	19	27	27	28
	Male	Percentage	21	31	29	32
	Female	Percentage	18	23	25	24
29 and below	Percentage	25	34	38	33	
30-49	Percentage	16	20	15	22	
50 and above	Percentage	6	30	28	13	
Chinese mainland	Percentage	19	27	27	29	
Hong Kong, Macao and Taiwan Regions of China	Percentage	29	13	56	15	
Overseas	Percentage	8	18	8	22	
B2 Health and Safety	B2.1 Number of work-related fatalities					
	Number of work-related fatalities	Person	0	0	0	0
	Percentage of work- related fatalities	Percentage	0	0	0	0
	B2.2 Lost days due to work injury <small>(Note 20)</small>					
	Work injury	Case	22	30	19	6
Lost days due to work injury	Day	142	122	64	26	

APPENDIX

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
B. Society						
B3 Use of Resources	B3.1 Person times and percentage of employees trained by gender and employee category					
	Employee training coverage rate	Percentage	100%	100%	100%	100%
	Total employees trained	Person time	17,866	15,525	16,912	14,560
	Male	Person time	7,586	6,496	7,017	5,629
	Female	Person time	10,280	9,029	9,895	8,931
	Management	Person time	2,086	2,107	2,218	1,711
	Non-management	Person time	15,780	13,418	14,694	12,849
	B3.1 Training hours completed per employee by gender and employee category <small>(Note 21)</small>					
	Total training hours	Hour	38,122	38,188	35,519	40,788
	Male	Hour	18,286	17,845	16,220	18,881
	Female	Hour	19,836	20,343	19,299	21,907
	Management	Hour	6,807	6,945	6,516	7,433
	Non-management	Hour	31,315	31,243	29,003	33,355
	B3.2 Average training hours completed per employee by gender and employee category					
	Average	Hour	53	56	48	49
Male	Hour	51	55	45	48	
Female	Hour	56	57	51	51	
Management	Hour	51	54	44	50	
Non-management	Hour	54	56	49	49	
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region <small>(Note 22)</small>					
	Total suppliers	Quantity	854	1,024	1,013	1,212
	South China	Percentage	75	81	73	72
	East China	Percentage	11	9	11	19
	Central China	Percentage	11	6	6	7
	North China	Percentage	0	2	0	0
	Northeast China	Percentage	0	0	3	0
	Southwest China	Percentage	0	0	5	0
	Northwest China	Percentage	0	0	0	0
	Hong Kong, Macao and Taiwan Regions of China and Overseas	Percentage	3	2	2	2

APPENDIX

Aspect	ESG Metrics	Unit	2022	2021	2020	2019
B. Society						
B6 Product Responsibility	B6.1 Number of received complaints regarding products and services					
	Facility	Case	23	28	31	37
	Service	Case	33	33	21	22
B7 Anti- corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees					
	Corruption cases	Case	0	0	0	0
	B7.3 Anti-corruption training provided to directors and staff (Note 23)					
	Anti-corruption training coverage for employees	Percentage	100%	100%	100%	—
	Hours of anti-corruption training	Hour	1,761	1,171	620	—
B8 Community Investment	B8.2 Resources used in the focus area (Note 24)					
	Person times of welfare activities	Person time	706	422	254	—
	Hours of welfare activities	Hour	16,239	1,540	816	—

NOTES

1. According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, Scope 1 of GHG emissions refers to the direct GHG emissions from the sources owned and as controlled by the organization, such as emissions from vehicles owned by the organization.
2. According to the ISO 14064 International Standard for GHG Emissions Inventories and Verification, Scope 2 of GHG emissions refers to the indirect GHG emissions from outsourced power, covering GHGs such as carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The carbon emission coefficients used to calculate carbon emissions in this report are unanimously the China power CO₂ coefficients released by the Ministry of Ecology and Environment of the People's Republic of China in relevant year. In 2022, the carbon emission coefficient was 0.5703 kgCO₂/kWh.
3. Total GHG emissions are limited to direct/indirect carbon dioxide emissions from the energy consumption of non-leasing/sales parts of the properties held by Yuexiu REIT including Scope 1 and Scope 2. The carbon footprint is mainly from the outsourced during the operation of the properties.
4. The Trust records the income of corresponding properties belonging to Hong Kong Yuexiu Tower from December 20, 2022. According to the "Principle of Consistency", the statistical scope of GHG emissions in 2022 and the calculation of income density per million (including GHG, electricity consumption, water consumption, office paper, gasoline, diesel, natural gas, etc.) do not consider the influence of 17th and 23rd Floors of Hong Kong Yue Xiu Building.
5. According to the principle of Materiality, the range of properties included in the statistics of current year is determined in consideration of actual management (refer to "Scope and Boundary of this Report"). The area of ownership is calculated according to the properties included in the statistical scope of this year.
6. Room nights = total number of rooms × annual days × annual average occupancy rate.
7. According to the principle of Materiality, the range of properties included in the statistics of current year is determined in consideration of actual management (refer to "Scope and Boundary of this Report"). The property of valuation is calculated according to the properties included in the statistical scope of this year.

APPENDIX

8. The weight of waste fluorescent tubes is statistically disclosed from 2022.
9. The number of waste batteries is statistically disclosed from 2021.
10. The weight of waste printer cartridges is statistically disclosed from 2022.
11. The weight of waste ink boxes is statistically disclosed from 2022.
12. The density of hazardous waste is statistically disclosed from 2022.
13. The gasoline consumption is the gasoline consumption of vehicles in hotels and serviced apartments
14. The diesel consumption is mainly the diesel consumption of electric generator owned by the properties of the Trust.
15. The statistic range of natural gas consumption covers the natural gas consumed by the heating equipment of properties of the Trust and the natural gas consumed by the catering sector of Four Seasons Hotel Guangzhou, other than the natural gas consumed by catering tenants and dining halls in retail malls and office buildings.
16. Power consumption in the public areas of office buildings, wholesale mall, retail malls, and hotel and serviced apartments, excluding the power consumption of tenants.
17. Water consumption in the public areas of office buildings, wholesale mall, retail malls and hotel and serviced apartments, excluding the water consumption of tenants.
18. "Employees" are the persons who perform the operational functions and service of the hotels and serviced apartments, including fulltime employees and interns.
19. "Employee turnover" includes employees who voluntarily leave or terminate their employment by reason of dismissal, retirement or death, excluding interns. The employee turnover rate is calculated as the number of employees turnover/(the number at the beginning of the group + the number of employees who enter the group in the year).
20. Statistics of work-related injuries shall be subject to the approval of the Ministry of Human Resources and Social Security.
21. The statistic range covers the employees of the Trust and the Manager.
22. The regions of suppliers are determined based on their place of incorporation, including suppliers of the Manager and suppliers providing services to the properties.
23. The anti-corruption training data has been calculated and disclosed since 2020. The statistic in 2022 covers the Manager, the hotel and serviced apartments and front-line operators.
24. The person-times and hours of public welfare activities have been calculated and disclosed since 2020. The statistic in 2022 covers the Manager, the hotel and serviced apartments and front-line operators.

APPENDIX

STAKEHOLDER COMMUNICATION METHODS

Stakeholders		Their main concerns	Our daily communication
Tenants	Tenants of office buildings, wholesale mall and retail malls	Property location, internal environment, property service quality, safety facilities, property energy consumption, rental level, shopping mall traffic	Regular visits, satisfaction surveys, complaint hotlines, resident property management
Customers	Customers who enjoy services in retail malls, hotels and serviced apartments	Property location, tenant portfolio, property environment, safety facilities, property transportation convenience	Complaint mailbox, regular inspection, complaint hotline, satisfaction survey
Employees	Employees of the Manager and the Trust	Remuneration, development potential, employee benefits, promotion policies, training system, corporate reputation, job intensity, internal communication channels	Direct communication, employee mailbox/hotline, training programs, assessment and satisfaction survey
Government/ regulators	Local government and regulators of the registration, listing and operation of the Trust	Complying with local laws and regulations, paying taxes according to law, promoting local economic growth and local employment, and creating positive social benefits	Liaison maintenance and policy communication
Unit-holders and investors	Existing unit-holders, financial institutions and potential investors	Share prices, dividend, financial conditions, business prospects, future development plans, corporate governance, management selection and recruitment	Unit-holders' meeting, financial information disclosure, investor hotline/mailbox, investor relations roadshow Please refer to Page 126 of Annual Report 2022 for Investor Relations Report

APPENDIX

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

APPENDIX

MATERIALITY EVALUATION PROCESSES

Step	Main Work
<p>Step 1 Identify and update the list of ESG issues</p>	<p>Conducted a multi-dimensional review of material issues, identified and updated the list of material issues:</p> <ol style="list-style-type: none"> (1) Policy trend analysis: Closely followed the national strategy, studied national and provincial policies and regulations in depth, and analyzed sustainable development trend of the industry by referring to regulatory requirements of the real estate industry and the finance industry; (2) Company development planning: Identified issues of great significance to the Company's development by referring to investment strategy, operation strategy, annual plan, etc.; (3) Disclosure standard analysis: Comprehensively referred to the HKEX ESG Reporting Guidelines, GRI Standards, United Nations Sustainable Development Goals (SDGs), SASB, TCFD and ISSB climate-related disclosure standards; (4) Capital market analysis: Referred to important issues covered by ESG-related ratings and indicators; (5) Peer benchmarking analysis: Identified issues of interests to peers by referring to sustainability reports of leading peers at home and abroad.
<p>Step 2 Questionnaire surveys among and communication with stakeholders</p>	<p>With the help of ESG consultants, organized a total of 11 online and offline interviews and multiple telephone conversations, and collected a total of 495 valid online questionnaire responses, covering directors, senior executives, employees, tenants, customers, suppliers, investors, government and regulators, media, communities and public interest organizations.</p>
<p>Step 3 Analyze material issues</p>	<p>Based on results of the stakeholder survey, completed the materiality matrix analysis in accordance with the HKEX ESG reporting guidelines.</p>
<p>Step 4 Review analysis of material issues</p>	<p>Comprehensively consider international standards, peer interests and advice from ESG professional consultants, etc., form a review list of materiality issues analysis results, and identify and analyze the materiality of each materiality issue to the Trust and stakeholders.</p>
<p>Step 5 Determine material issues</p>	<p>Submitted annual material issues and a priority list thereof to the Board of Directors for review and approval.</p>

STANDARDS AND INDEXES

Contents	ESG Reporting Guide	GRI Standards	TCFD Recommendations	Climate-related Disclosure	
				Standards	Remarks/Notes
About Yuexiu Real Estate Investment Trust	—	2-1/2-6	—	—	—
About This Report	Reporting scope	2-2/2-3/3-1/3-2	—	—	—
Chairman's Message	—	2-22/2-23	—	—	—
Statement of the Board	Governance structure	2-22	Governance	Governance	—
Annual Topic	—	302-4	Risk Management	Risk Management	—
Sustainable Development Management	A1 Emissions:	2-23/2-9/205-2/	Governance	Governance	—
	A1.5/1.6	205-3/206-1	Risk Management	Risk Management	
	A2 Use of Resources		Metrics and Targets	Metrics and	
	A2.3/2.4			Targets	
	B6 Product Responsibility: B6.3				
B7 Anti-corruption: General Disclosure/B7.1/7.2/7.3					
Materiality Evaluation	Reporting Principle	3-2	—	—	
Low-carbon Operation	A1 Emissions:	3-3/203-1/	Governance	Governance	—
Leading Green Development	General Disclosure/A1.2/A1.5/A1.6	303-3/303-4/	Risk Management	Risk Management	
	A2 Use of Resources:	305-1/305-2/	Metrics and Targets	Metrics and	
	General Disclosure/A2.3/A2.4	305-4/306-2		Targets	
	A3 Environment and Natural Resources:				
	General Disclosure/A3.1				
A4 Climate Change: General Disclosure/A4.1					

APPENDIX

Contents	ESG Reporting Guide	GRI Standards	TCFD Recommendations	Climate-related Disclosure	
				Standards	Remarks/Notes
Work with Partners for Win-win Development	B5 Supply Chain Management: General Disclosure/B5.2/B5.3/B5.4 B6 Product Responsibility: General Disclosure/B6.2/B6.4/B6.5	2-6/3-3/203-1/ 204-1/308-1	—	—	—
Work Side by Side with Employees for Better Development	B1 Employment: General Disclosure/B1.2 B2 Health and Safety: General Disclosure/B2.3 B3 Development and Training: General Disclosure B4 Labor Standard: General Disclosure/B4.1/B4.2	2-7/2-30/3-3/ 401-2/402-1/ 403-3/405-1/406-1	—	—	—
Involving Communities for Harmonious Development	B8 Community Investment: General Disclosure/B8.1/8.2	3-3/203-1/413-1	—	—	—
Prospects	—	—	—	—	—
Sustainability Summary	A1 Emissions: A1.2/A1.3/A1.4 A2 Use of Resources: A2.1/A2.2 B1 Employment: B1.1/B1.2 B2 Health and Safety: B2.1/B2.2 B3 Training and Development: B3.1/B3.2 B5 Supply Chain Management: B5.1 B6 Product Responsibility: B6.2 B7 Anti-corruption: B7.1/B7.3 B8 Community Investment: B8.2	2-4/203-1/ 204-1/302-1/ 302-3/303-3/ 303-4/303-5/ 305-1/305-2/ 306-2/401-1/ 404-1/405-1	Metrics and Targets	Metrics and Targets	A1.1 Emissions of nitrogen oxides, sulphur oxides and other pollutants are not significant to the business of the Trust. A2.5 Not applicable to the business of the Trust. B6.1 Not applicable to the business of the Trust.
Stakeholder Communication Methods	Reporting Principle	3-1/3-3	—	—	—
Materiality Evaluation Processes	Reporting Principle	3-1	—	—	—
Standards and Indexes	—	—	—	—	—
Feedback Form	—	—	—	—	—

FEEDBACK FORM

Thank you for reading Yuexiu REIT's 2022 ESG Report. We sincerely hope that you can evaluate this Report and provide valuable suggestions for us so that we can make continuous improvement. If you have any comments or suggestions on the ESG of Yuexiu REIT, please fill in the form and email to yxft.ir@yuexiureit.com.

Yuexiu Real Estate Investment Trust's 2022 ESG Report Opinion Feedback Form

Name _____

Employer _____

Title _____

Tel _____

E-mail _____

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

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