



保利物業服務股份有限公司

POLY PROPERTY SERVICES CO., LTD.

(A joint stock company incorporated in the People's Republic of
China with limited liability)

Stock Code: 06049.HK

保持進步 KEEP IMPROVING

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE
REPORT 2022



About the Report

● Reporting Guideline

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

● Reporting Scope

The report is the fourth Environmental, Social and Governance ("ESG") report published by Poly Property Services Co., Ltd. The report primarily discloses the Company and its subsidiaries' ESG performance, along with the relevant information during the period from January 1, 2022 to December 31, 2022. Unless otherwise specified, the scope of this report is consistent with the Annual Report 2022 of Poly Property Services Co., Ltd.

Governance and social : The scope of entity covers Poly Property Services Co., Ltd. and its subsidiaries. The business covers property management services, value-added services to non-property owners, and community value-added services. The business portfolio covers residential communities, commercial and office buildings as well as the public and other properties.

Environmental : The scope of entity covers Poly Property Services Co., Ltd. and its subsidiaries. The business covers property management services. The business portfolio covers residential communities, commercial and office buildings as well as the public and other properties.

● Reporting Principles and Data Sources

The report is based on the reporting principles of materiality, quantitative, balance and consistency of the *Environmental, Social and Governance Reporting Guide*. The data and cases are all extracted from statistical reports and relevant documents of the Company. The Company assures that the report is free of false records or misleading statements and takes responsibility for the authenticity, accuracy and completeness of the content. Unless otherwise specified, the monetary amounts in this report are in RMB.

● Reference Terms

Poly Property Services Co., Ltd., together with its subsidiaries, is also referred to as "Poly Property", "the Company", "we" in the report for better expression and readability.

● Confirmation and Approval

The report was reviewed and approved by the Board of Directors on March 29, 2023 for release.

● Access to the Report

The electronic version of report can be accessed from the designated website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) or the Company's official website (www.polywuye.com).

● Feedback

If you have any questions or suggestions on this report and its content, please contact us via the following methods:

Address: 48–49th Floor, Poly Plaza, 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province, the PRC
Email: stock@polywuye.com

Message from Senior Management

Dear stakeholders,

2022 was an extraordinary year. In this year, the 20th National Congress of the Communist Party of China(CPC) outlined the mission to advance the great rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization, leading the way forward for our development. We upheld the strategy of "showcasing our national strength in the era of comprehensive property" to practice the new development philosophy, and pressed ahead with the main task of "deepening development, extending lean production, and accelerating digital empowerment". We tended to the details on the road to high-quality services, and acted for the greater good to achieve high-quality development through practical actions.

Creating value to spur the momentum for innovation-driven development.

In keeping with the times, we have innovated in our service model through our fourth strategic thought, and deeply applied digital tools, such as the RADAR Smart Service System, to establish new modes of digital property services and better respond to people's demand for a better life. Meanwhile, we initiated the smart life service brand "Elegant Life", and launched the product line of "Public Construction Services 3C + State-owned Commercial Service 4T + Town-wide Holistic Services 5G" to strengthen our professional abilities, standardize comprehensive property services, and address the evolving demands of individual customers.

Pursuing low-carbon operation for environmental protection and green development.

Upholding the green and low carbon development philosophies, we have actively identified climate change risks and adopted relevant measures. After earnest researches on the transformation of property services with an focus on carbon peak and carbon neutrality goals, we have put forward the "Carbon Peak and Neutrality Model for Building Services", and set up vertical ecological index bulletin boards, and a building green health index to ensure low carbon operation of buildings. Meanwhile, we have established the industry's first Zero-Carbon Alliance with upstream and downstream partners of the industrial chain, and participated in the *evaluation of the Zero Carbon Code for Rating Intelligent Buildings* to promote our experience in this regard across the industry.

Pursuing dreams and pooling joint forces for human-oriented development.

Talent dominates the core of our strategic development. In response to the call of the country to stimulate employment, we have expanded recruitment to accommodate thousands of job seekers nationwide, including graduates, ex-servicemen, and other members of the society, attracting talents at all levels. Meanwhile, we have actively built a comprehensive human resource system, continuously optimized the rank system of each job sequence, and focused on five key talent teams to carry out diversified training programs. We have built a harmonious environment where employees develop and grow with the Company through the "One Heart and One Goal" incentive system to make sure our development results touch all employees in a fair way.

Stimulating the vitality of open development through cooperation and shared results.

We commit to playing a leading role as a state-owned enterprise, and encourage suppliers to abide by the ESG and other requirements and initiatives to build a sustainable supply chain. Actively performing social responsibility, we have focused on the "soft infrastructure" strategy, facilitated rural industrial upgrading, social construction and grass-roots governance, and drove rural vitalization to deliver timely help to the disadvantaged groups in the society. We have sent teams of volunteers to the epicenter to support people and safeguard their health and safety, and build a better society along with other members.

Hard work pays off. Looking forward to 2023, we will forge ahead with the philosophy of sustainable development, and deliver more high-quality and reliable property services to create high-quality and sustainable corporate values.

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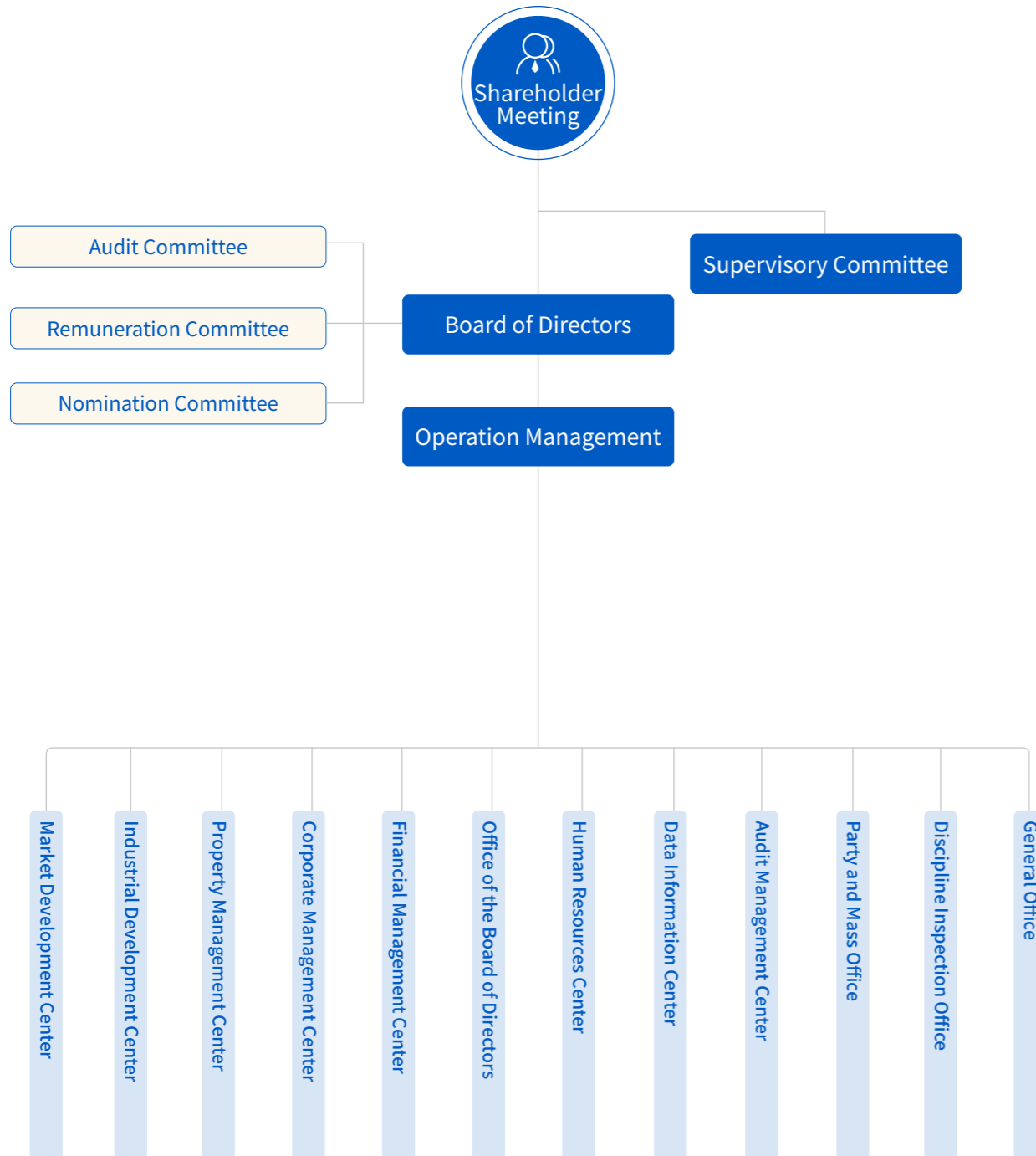
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Organizational Structure



Key Performance in 2022



Company Honors

Awards	Awarding Entity
2022 TOP100 Property Management Companies in China (Top 3)	China Index Academy
2022 TOP10 Listed Company of Property Management Service (No. 3)	CRIC Property Management and E-House Real Estate R&D Institute
2022 China TOP10 Property Management Companies in terms of Business Performance	China Index Academy
2022 China TOP10 Property Management Companies in terms of Business Size	China Index Academy
2022 China Leading Property Management Companies in terms of Service Quality	China Index Academy
TOP100 Property Service Companies in 2022	CRIC Property Management and E-House Real Estate R&D Institute
2022 Leading Property Management Companies in terms of Service Satisfaction	CRIC Property Management and E-House Real Estate R&D Institute
2022 China High-end Property Service Leading Company	China Index Academy
2022 Leading Companies in Market Oriented Operation of China's Property Management	China Index Academy
2022 China Excellent Company in terms of Red Property Service	China Index Academy
2022 China Leading Property Management Companies in terms of Technology Empowerment	China Index Academy
2022 China Leading Property Management Companies in terms of Social Responsibility	China Index Academy
2022 China Leading Property Management Companies in terms of ESG Sustainability (TOP5)	CRIC Property Management and E-House Real Estate R&D Institute
2022 China Excellent Property Management Companies in terms of Service System-Three Centers and Three Lines Scenario Service System	CRIC Property Management and E-House Real Estate R&D Institute

Corporate Governance

Standardizing Corporate Governance

Corporate governance is the cornerstone of corporate culture. Poly Property put a high value on sound corporate governance as it is crucial to the sustainable corporate development and healthy growth. Since December 19, 2019, the Company has adopted the principles and code provisions set out in the Appendix 14 Corporate Governance Code to the Listing Rules of the SEHK, all of which have been observed during the year by December 31, 2022.

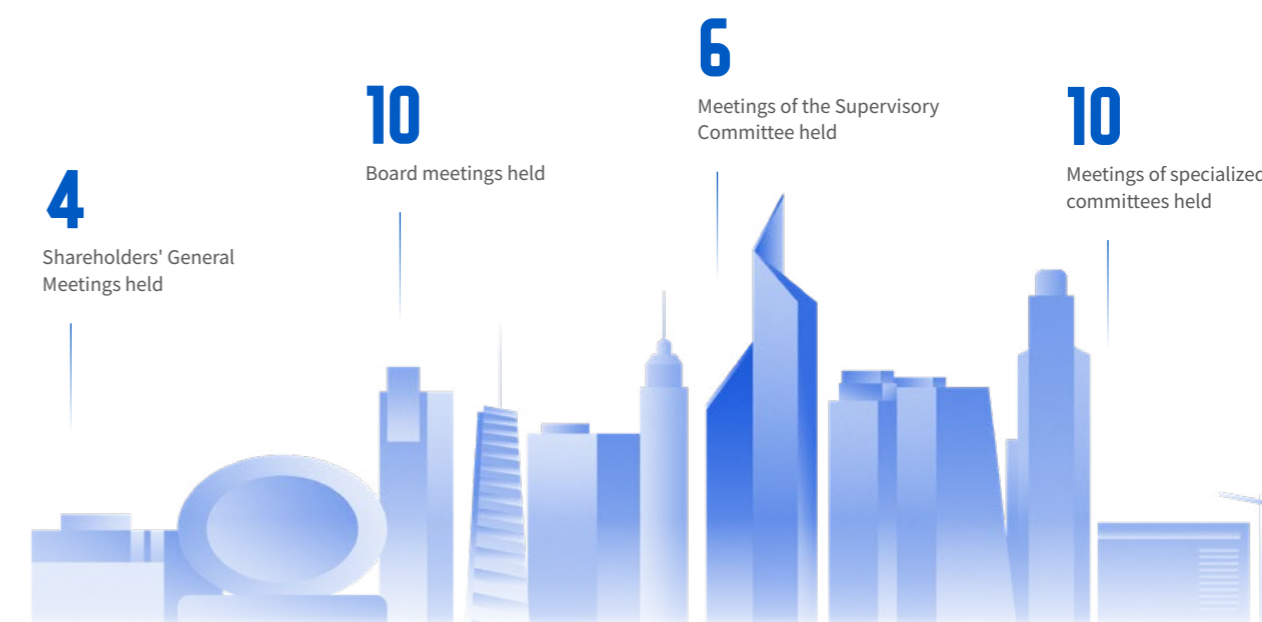
A clear governance structure has been established by the Shareholders' General Meeting, the Supervisory Committee, the Board of Directors (the Board) and its specialized committees in accordance with the relevant laws, Articles of Association of the Company (the "Articles of Association") and their respective terms of reference. With the Nomination Committee, Remuneration Committee and Audit Committee under it, the Board is accountable to the Shareholders' General Meeting and is responsible for the corporate management and formulation of the business and management strategies and development direction. Each specialized committee takes on their respective duties and responsibilities and coordinates with each other with effective supervision to continuously improve the corporate governance standard of the Company. The Board adopts the *Policy on Diversity of Board Members*, which focuses on factors including but not limited to professional qualifications and industry experience, gender, age, cultural and educational background and tenure of service. As of December 31, 2022, the Board consisted of seven members, including three independent directors and two female directors. All of them have strong industry experience or expertise in finance, legal affairs or investment financing.



Highlights in 2022

- As approved at the Extraordinary General Meeting on February 18, 2022, the Company has adopted the *Phase I Restricted Share Incentive Scheme*, becoming the first central state-owned property management enterprise to set up equity incentive.
- In accordance with relevant national laws and regulations, the Company established a sound anti-corruption mechanism to further improve the rule of law and standardization of its anti-corruption and integrity work.

By the end of December 31, 2022



Strengthening Risk Management

Effective risk management and internal control are indispensable to the long-term business growth and sustainable corporate development. Poly Property has established an enterprise risk management (ERM) system. We adopt multi-tiered management for our ERM work based on our organizational framework consisting of the Board of Directors, Audit Committee, Operation Management, the management at the Headquarters of the Company and its subsidiaries and the Auditing Management Center, to build the three lines of defense; the Company further adds integrity risk based on the five major risk categories (strategic risk, market risk, financial risk, legal risk and operational risk), achieving the integration of risk, internal control, compliance, integrity and other management systems; the risk management process is ensured by risk identification and analysis, system rectification, ongoing monitoring and regular risk reporting, which mitigates the impact of risks within control.

In 2022, the Company deepened its risk management work based on the completed ERM system to further standardize internal operation management and prevent operational risks.

Dynamic risk warning

We organize functional departments to identify their risks and update risk database. Piloting the five major areas, we focus on core operational risks and accordingly sorted out risk warning indicators. Moreover, we identify the information system involved in the warning indicators and analyze their embedded paths. By now, the first batch of warning indicators has been inset in the system, realizing dynamic risk monitoring and warning.

Management system improvement

We have revised and issued a number of regulations, such as the *Administration Measures Internal Audit*, *Administration Measures of Audit Rectification and Rules for Major Operational Risks Reporting of the Company*, to ensure applicable systems and practical guidelines for audit supervision.

Audit optimization

Regular internal audits and third-party audits are combined to supervise the remaining 10 subsidiaries. We thus have achieved the target of three-year audit coverage of all subsidiaries. At the same time, certain subsidiaries are sampled for retrospective audit to assess the effectiveness of the previous year's audit, ensuring a closed loop of audit work, reducing risk exposure and avoiding recurrence of defects.

Upholding Honest Employment

Over the 26 years after its establishment, Poly Property has always adopted a zero-tolerance attitude toward corruption, and has taken it as the long-term philosophy and bottom line of its operation. In accordance with Chinese laws and regulations, such as the *Company Law*, *Anti-money Laundering Law*, *Anti-Unfair Competition Law*, and *Interim Provisions on Banning Commercial Bribery*, the Company has established relatively sound systems and countermeasures to prevent, detect and stop corruption and other violations.

Management system

Poly Property reviews the integrity-related systems every year and revises them when necessary to ensure that they are in line with the current legal and regulatory requirements and the status quo of the Company's business development, and to effectively regulate violations within the Company. In 2022, the Company revised seven systems to promote discipline inspection and integrity in a regulated, programmed and standardized manner.

Supervision and reporting

In 2022, Poly Property set up a "1+N+3" integrated supervision system, forming a closed-loop supervision and management system of prevention beforehand, supervision during the process and accountability afterwards. Since putting it into effect in September, we have rectified all non-compliant items to further regulate the business management of the Company and its subsidiaries. While building an integrated supervision system, we have further extended supervision to the primary level. Based on the original three-tier disciplinary supervision system, we have designated over 1,000 supervisors in the project sites to strengthen project supervision and solve relevant supervision problems that have been hampering the development of the Company, unblocking the last mile of "headquarter - subsidiaries - projects".

Meanwhile, the Company has opened whistle-blowing channels, including QR code, email, mailing address, website address and telephone number, to encourage all employees, suppliers and other related parties to report suspected violations. The Company accepts anonymous reports and also encourages whistle-blowers to register their names and contact information for follow-up investigation. Their personal information is kept confidential to the extent permitted by law and regulations. Besides, we take countermeasures to protect whistleblowers, witnesses and investigators from retaliation. In case of the need to verify their identities, we have corresponding protection measures in place to assign personnel to handle and manage confidential documents.

Public Channels for Anti-corruption Reporting

Email: polyjijian@polywuye.com

Hotline: 13544576242

Website address: <http://x.polywuye.com/baoli/searchAnony.jsp>

Mailing address: Discipline Inspection Office, 49th Floor, Poly Plaza, 832 Yuejiang Zhong Road, Haizhu District, Guangzhou

QR Code for online reporting



Anti-corruption training

Every year, the Company organizes anti-corruption education for all employees, including members of the Board. Through various ways, such as notifications of WeChat business account, video publicity and anti-corruption activities, we disseminate anti-corruption requirements and promote the corporate culture of integrity and self-discipline.

Organizing employees at each level to sign the Integrity Pledge, and distributing the Letter of Integrity to all Party members of the Company.

Opening online "Clean Poly" mini-lecture to strengthen anti-corruption publicity and education; issuing the monthly magazine *Integrity Mirror* offline, which sets up four columns including "Legal Opinions", "Case Warning", "Discipline News", and "Integrity Story".

Strengthening the integrity training for new hires and giving them the first lecture of integrity three times; opening online integrity class at Daily Learning program of WeChat business account; organizing regular theoretical knowledge learning of clean governance with **154** cases presented.

Holding **29** anti-corruption warning education meetings using typical cases from within and outside the system, and filming **6** micro videos on integrity for internal display in the Company.

Holding "one-to-one" supervisory talks between secretaries of the Party Committee and Discipline Committee of the Company with heads of the headquarters and subsidiaries, and giving lectures on clean governance; offering lectures on clean governance to employees by secretaries of Party organizations and members of discipline inspection committees of subsidiaries.

Organizing discipline supervisors to carry out trainings on such topics as letters and visits, reporting, supervision and discipline enforcement, clean government supervisor work, and comprehensive supervision.

ESG Management

Board Statement

The Board of Directors highly values the Company's sustainable development. An effective ESG structure has been established in accordance with the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong to enhance the Board's supervision on and participation in ESG issues. The Board, decision-making body of the Company, is responsible for the Company's ESG strategies, including but not limited to: determining the ESG-related risks and opportunities assessed and identified, confirming the results of internal and external assessments, determining ESG management objectives, policies and implementation approaches, and reviewing and approving the Company's annual ESG report. The Company's plans and results in such areas as products and services, climate change response, and carbon emissions are reviewed and approved by the Board and will be disclosed in the Company's ESG Report.

The 2022 ESG Report of Poly Property was approved by the Board on March 29, 2023.

Management Approach

Poly Property believes that promoting sustainable development is as important as achieving long-term business growth. We have therefore made continuous efforts to maintain a high degree of sustainability during our operations. Committed to propelling a sustainability plan in areas such as corporate governance, environmental protection, labor rights and community investment, we keep good communication and relationships with stakeholder groups, such as customers, investors, governments, suppliers and non-profit organizations, etc.

Actively respond to the national policies, ensure operations in compliance with legal and regulatory requirements, protect the rights and interests of investors, maintain good business capacity and effective risk control system, and create sustainable economic value



Adhere to the concept of green development, build green communities, implement green operations, spread green culture, and promote sustainable lifestyles

Develop multi-level cooperation, promote win-win cooperation in the industry, promote community business ecology, and establish the value chain of social responsibility

Provide high-quality service, create industry-leading service standards, enhance customer satisfaction, ensure community safety, create special community cultures, maintain multidimensional communication, and explore smart property services

Adhere to people-oriented principles, protect the rights and interests of employees, create job opportunities for different groups, stimulate employee's career growth, safeguard occupational health and safety, and care for employees

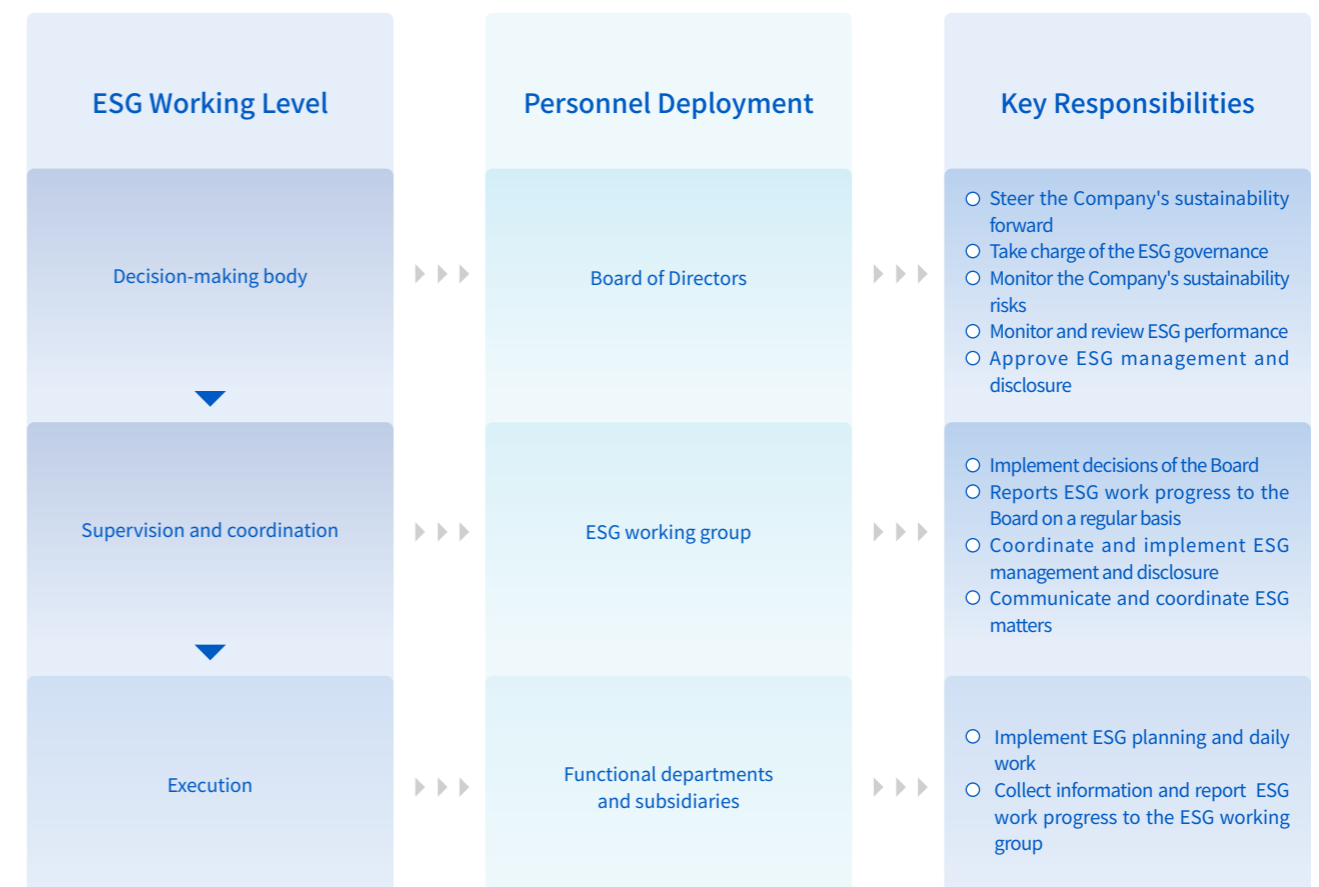
Develop new social governance mode, participate in social public governance, improve urban and rural life, build a community relationship based on the "collaboration, participation and common interests" model, and engage in poverty alleviation and charity activities

ESG Governance Structure

To ensure effective ESG management of Poly Property, the ESG governance structure, composed of the Board of Directors, ESG working group, functional departments and subsidiaries, has been established to promote ESG management and disclosure.

The Board, the decision-making body of the Company, is responsible for the Company's ESG governance, and leads the decision-making of ESG management. The ESG working group, serving on the supervision and coordination level, is responsible for implementing Board resolutions, coordinating ESG matters, preparing ESG reports, and reporting ESG progress to the Board on a regular basis. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG working group, reporting ESG work progress and data and implementing ESG management.

Sustainability Organization Framework



Stakeholder Communication

Keeping close communication with stakeholders is vital to the Company's sustainable development. We are committed to establishing a multi-level, multi-channel communication mechanism to track stakeholders' opinions and suggestions regarding our sustainable development. We also review our performance on key issues to ensure that we can respond effectively to stakeholder needs while improving ESG governance capabilities and performance.

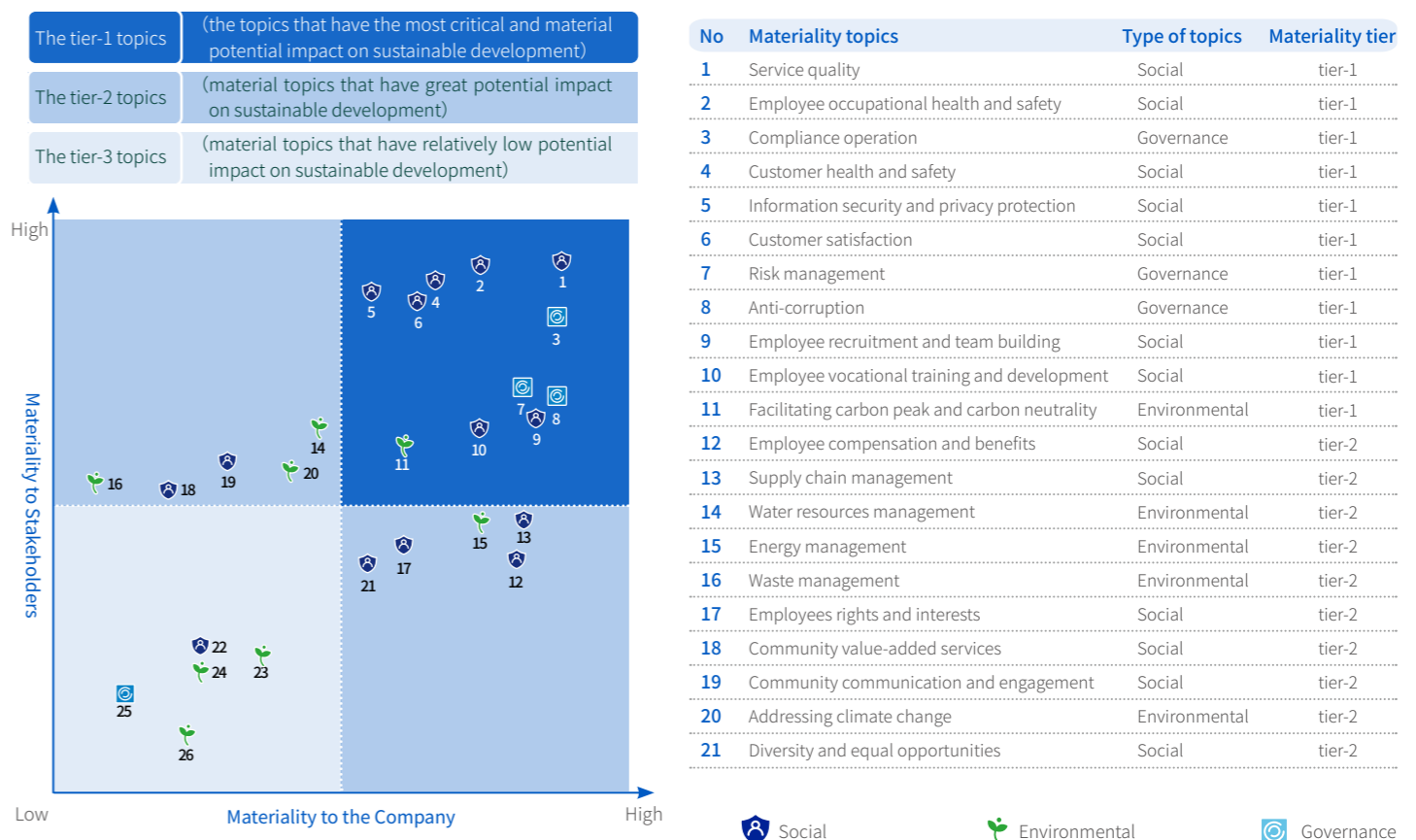
Types of Stakeholders	Major Requests	Ways of Communication
 Investors / Shareholders	<ul style="list-style-type: none"> Sustainable profitability Protection of shareholders' rights and interests Effective risk management Improved information transparency 	<ul style="list-style-type: none"> Shareholders' general meeting Announcements and circulars Performance conference Investors hotline and email Roadshow and reverse roadshow
 Customers / Owners	<ul style="list-style-type: none"> Professional and responsible property services Safe and comfortable community environment Harmonious community culture 	<ul style="list-style-type: none"> Surveys on customer satisfaction Customer service hotline Service APP for property owners Meetings with property owners Community cultural activities
 Government & Regulatory Agencies	<ul style="list-style-type: none"> Operation in compliance with laws and regulations Implementation of state's policies Participation in social governance 	<ul style="list-style-type: none"> Policy implementation report Government inspections
 Employees	<ul style="list-style-type: none"> Protection on basic labor rights and interests Guarantee for occupational health and safety Competitive remuneration and benefits Equal opportunities and communication channels 	<ul style="list-style-type: none"> Staff's democratic life meetings Workers representative assembly Complaint hotlines and emails
 Suppliers & Partners	<ul style="list-style-type: none"> Promotion of industry development Cooperation and mutual benefit 	<ul style="list-style-type: none"> Daily communication of bidding and procurement Participation in cross-sector cooperation Participation in industry exchange
 Non-profit Organizations & the Public	<ul style="list-style-type: none"> Contribution to rural vitalization Development of community charity Protection of ecological environment 	<ul style="list-style-type: none"> Participating in the construction of resettlement areas in villages and towns Engaging in charitable donations Launching volunteer activities Actively addressing climate change

Materiality Analysis of ESG Topics



Based on the assessment procedures above, we have identified 21 material topics: (the tier-1 and tier-2 in the materiality matrix), and disclose them in the report.

Materiality Matrix



CSR Spotlight

Charting a New Course Through Red Property Management

2022 marked the successful convening of the 20th CPC National Congress. Upholding the guiding principles of the Congress, Poly Property has driven business development through Party leadership. We have strengthened theory learning in the new area, and practiced the "Spark Model" under the deep integration of Party building and our business to ensure the far-reaching influence of Party building in business development.

Focusing on the guiding principles of the 20th CPC National Congress

Upholding the principle of driving high-quality development through high-quality Party building, we have earnestly studied, promoted and implemented the guiding principles of the 20th CPC National Congress, and carried out learning competitions in various forms to deepen the integration of Party building and our business development.

In-depth study of the guiding principles

Aligning the guiding principles of the 20th CPC National Congress with our efforts to forge inner strength and pool together for better development of the main business, and services for people's livelihood, we have developed a special study plan. Based on the smart Party building platform, we can regularly supervise the learning progress of primary-level Party organizations, and incorporate their learning results into annual assessments. This move has generated an upsurge of enthusiasm for learning the guiding principles with all sectors across our property system.

Case A series of activities on "learning the guiding principles of 20th CPC National Congress, forging ahead with fortitude"

Fujian Party branch organized all staff to participate in the special learning sessions on the guiding principles of the 20th CPC National Congress, and carried out an online knowledge competition, involving a total of nearly 400 staff from 20 property service centers in the learning sessions, and over 370 contestants in the online competition. This activities created a strong learning atmosphere and deepened the study of the guiding principles of the 20th CPC National Congress.

Integration of Party building and business development

We have selected seven pilot subsidiaries to independently build sub-brands, and thus shaped a "One Core with Multiple Supports" Party building pattern, which further strengthened the integration of Party building and business development.

General Party branch of Guangzhou Poly Commercial Property Development Co. Ltd
Achieving "One-platform Unified Management and One-button Command" through the "Star Cloud Fortress" Party building brand



200

learning sessions, seminars and exchange activities held by primary-level Party organizations

Established in 2022 :

295

youth demonstration posts

12

themes for the "Party and Youth League Day" introduced

130

youth commandos

1,500

"Three Meetings and One Lecture" (Party branch meetings, meetings of Party branch committees, Party group meetings, and Party lectures) activities held by primary-level Party organizations with a focus on 12 themes for the "Party and Youth League Day"

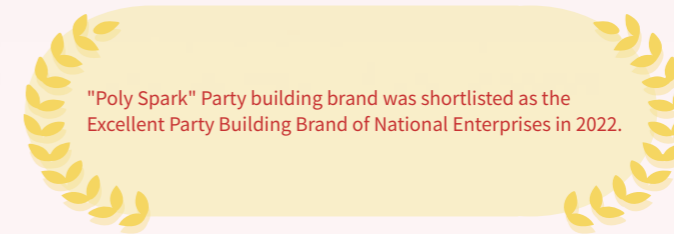
67

youth volunteer service teams

CSR Spotlight

Turning sparks into light

Centering on the "One Banner, Three Fronts", Poly Property's "Spark Model" leverages the red property management building ecology to empower communities, public services, and commercial property, and promote the construction of the "Spark Community", "Spark Block", and "Spark Building" by upholding the general requirements of Party building in the new era.



Spark Community

Through the Spark Community, we have deepened the community-based Party building and achieved collaboration, participation and common gains among the government, owners and property, fully mobilizing the coordinated efforts of community-level social governance.

Spark Block

Spark Block, a "Party building + grid" operation system with three tiers, namely "Spark Station - Spark Unit - Spark Guard", delivers refined services to all Spark Blocks and shapes a brand of Party building for public service.

Spark Building

"Spark Building" puts Party building, business operation and governance on parallel tracks. With the goal of shaping the "One Core with Multiple Supports" model driven by Party building, we have integrated services for government affairs, tax administration, human resources and finance, and strive to create Red building featured buildings model with Poly characteristics based on intra-building Party building services and government-enterprise services.

Case Garnering governance strength for the model of collaboration, participation, and common gains

- Deepening Party leadership for self-governance**
 Gathering community-level forces, Poly Hongshanhu Garden set up a volunteer service team consisted of property owners and employees, playing a major role in providing regular public services and community maintenance. They tested the temperature of visitors of the Garden, worked side by side with property staff and the Owners Committee to maintain order, and handled nucleic acid testing registrations.
- Deepening Party leadership for coordinated governance with the police**
 At the towns and streets in Dongguan, the volunteer teams of Poly Property, working with local police, according to the requirements for protection and control in Qingxi Town. The Party member volunteers of Poly Community actively contacted the local Village Committee to lend a helping hand. They helped manage checkpoints, and promote protection measures from door to door.
- Deepening Party leadership for coordinated governance with the Village Committee**
 All staff at the Property Service Center of Poly Xinyu Garden worked extra hours for a week to issue access cards for owners. Our property management staff along with the Village Committee guided the residents to fill in information on "Dongguan E Declaration" APP, conveying the information to every resident.

Case The "South Lake Model" - delicacy management of city appearance and order

- Poly Property, through its public service system - "5G + product service" package, empowers the delicacy management of the South Lake bank. Our original delicacy management model of city appearance and order provides targeted management for each region through the "one team with one mechanism; one plan for one road; one measure for one point" model. We have formulated corresponding schemes for each team, street, and marked area to fine tune the measures for varying situations, which serves as a support for the delicacy governance by the government. Through gradual efforts, we plan to build key demonstration blocks as a breakthrough to make it undertake basic tasks stripped from full-time government community workers.
- Six major sectors**
 maintaining traffic order, troubleshooting and supervising city appearance and eliminating risks, publicizing anti-fraud information, providing convenience services, resolving conflicts, and offering grid network services.
- Five major functions**
 pioneering grid governance, maintaining street order, providing relief and rescue, publicizing government policies, and eliminating hazards.

Case Mobilizing resources to fuel the development of buildings

- Bringing government affairs service into buildings**
 Poly Plaza has established a Government-Enterprise Service Center, bringing government services closer to the public. It has set up a consultation window, and a one-stop service station, with services covering the Pazhou Business District. So far, it has provided services to more than 58 enterprises and 4,600 people, improving the efficiency of government-enterprise communication.
- Bringing tax administration service into buildings**
 Poly International Financial Center of Huadu District, Guangzhou, has set up a tax station, and Huadu City Exhibition Hall to implement the policies on green finance. As an operator of the exchanges and cooperation between taxation authorities and enterprises, it has helped optimize the business environment for taxation.
- Bringing human resources into buildings**
 Poly International Plaza of Guangzhou was officially introduced to the Government and Enterprise Service Station and Investment Promotion Operation Center in 2021, and included in the Haizhu District Talent Service Station, aiming to create a multi-functional service window of joint government-enterprise construction and entrepreneurship.
- Bringing financial service into buildings**
 Mobilizing external resources, Poly International Center of Wuhan carried out a lecture on "Enterprise Financial Risk Prevention and Financial Compliance" to update enterprises on the latest finance and tax information, help them use tax collection techniques, and establish an effective financial and tax management system to empower enterprises.

CSR Spotlight

Green Property , New Sustainable Development Model through Carbon Reduction

During the 14th Five-Year Plan period(2021-2025), China's ecological conservation has entered a critical stage where China will decrease the emissions of both pollution and carbon, strive to achieve synergy and efficiency, promote a comprehensive transition to green and low-carbon economic and social development, and bring a fundamental change to its eco-environment by accumulating small changes. As a practitioner of the national strategies and a explorer pf the property industry, we have actively developed a new model of sustainable development through carbon reduction to drive growth in response to the call of the new era.

Green buildings

Through analyzing the policies of carbon peak and neutrality proposed by central government agencies, we have found that the construction industry is in dire demand for carbon reduction and the need for low-carbon buildings keeps rising. Therefore, we have designed characteristic services, and worked with partners to innovate in service models to fulfill the responsibility of carbon reduction, promote green operation, and construct ecological buildings.

Case Five benchmark projects under management shortlisted as the first batch of zero-carbon intelligent pilot buildings

On December 23, the 2022 Guangdong-Hong Kong-Macao Greater Bay Area Building Economy Development Summit was successfully held at the Guangzhou News Center. Guangzhou Poly Commercial Property Development Co., Ltd., with its professional commercial office services and innovative building operation, participated in formulating the *Assessment Standards for Energy Conservation and Emission Reduction of Zero-carbon Intelligent Buildings* and the *Technical Code for Building Lightning Protection and Disaster Reduction*. Among them, five Super Grade A and Grade A office building projects under management: Poly Plaza, Poly Yuzhu Square Tower A2, Zhongjing Tower A of Poly Clover, Poly International Finance Center, and Poly Center in Guangzhou were recognized as the first batch of Zero-carbon Intelligent Pilot Buildings.

Creating new service Pattern

We have developed the 4T service mode for state-owned assets management, which drives the high-quality development of enterprises through joint operation, joint digital development, shared resources, and joint Party building. In the joint digital development module, we integrate green development into operation by digital transformation, energy conservation, and low-carbon services. The overall service quality has been improved.

4T service mode for state-owned asset management

Joint operation	Joint digital development	Shared resources	Joint Party building
Maintenance and appreciation of state-owned assets	High-quality and green development of state-owned enterprises	Improvement of the work efficiency of state-owned enterprises	Adherence to the Party leadership and Party building principles
<ul style="list-style-type: none"> State-owned asset security service State-owned asset operation service 	<ul style="list-style-type: none"> Digital transformation service Energy conservation and low carbon service 	<ul style="list-style-type: none"> Embedded logistics service one-stop resource management 	<ul style="list-style-type: none"> Party building service in buildings Government-enterprise coordination service

Building new service models

We have proposed a "Carbon Peak and Neutrality Model for Building Services" which improves the green value of buildings, maintains low-carbon operation, and promotes the low-carbon culture through carbon peak and neutrality assessment -carbon peak and neutrality (decarbonization) service - sustainability certification. It is an advocate for the sustainable operation model.

Providing solutions from business, platform and terminal levels

- Implementation of green building standards
- Green energy management
- Green upgrading and transformation
- Green office environment



Case Multi-scenario decarbonization service scheme

Based on the preliminary evaluation, we have proposed targeted upgrading plans including but not limited to green upgrading and transformation, energy management, and green office environment, which cover scenarios of office, travel, and life, thus setting up low-carbon buildings across the board.

<p>Green upgrading and transformation</p> <p>For smart parking, we have achieved centralized management of parking equipment and information data across the country by adopting technologies such as micro-service architecture, cloud technology and Internet of Things, standardized equipment interface agreement, and AI algorithm. We have built an integrated smart parking platform for senseless traffic which allows fast passing of vehicles and unmanned operation.</p>	<p>Green energy management</p> <p>We have set up charging stations for new energy vehicles and electric bicycles. We have equipped with more than 100 new energy vehicle charging stations for projects in Guangzhou region, providing services to over 1,000 enterprises. The charging service is also available to residents in the neighborhood.</p>	<p>Green office environment</p> <p>For water purification, we have installed commercial water purification equipment for commercial enterprises, and upgraded the traditional barreled water to direct drinking water to create a green office environment, wining unanimous praise of many large enterprises.</p> <p>For office furniture recycling and leasing, we have put forward an office furniture recycling and leasing scheme which enables enterprises to find applicable office furniture when they move or expand. The unwanted furniture can be reused, recycled and replaced, reducing waste while improving efficiency.</p>
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CSR Spotlight

Green communities

With the philosophy of comprehensive community governance of "one main body, two major constructions, three-year planning, five improvements, and seven key elements", we carry out overall energy assessment and public equipment transformation for communities, and build low-carbon soft environment based on organizational control and raising residents' awareness. In the meantime, we promote green home design to property owners. So far, more than 400 low-carbon community pilot projects have been established in 22 provinces and cities.



Case Poly West River Coast in Jiangsu: a garden-style community

In order to bring the owners a greener environment, Poly West River Coast project attaches great importance to greening and maintaining the beautiful scenery in four seasons through diversified methods. In winter, we paint tree trunks white to prevent cold; in summer, we adopt drought resistant measures to protect seeds; in autumn, we clean fallen leaves, and kill pests regularly. In addition to daily maintenance, more owners are invited to join us in greening and maintenance to underscore the significance of a low-carbon lifestyle. We have integrated the concept of environmental protection into our services to facilitate the low-carbon construction of the community through the Tree Planting Day and eco-activities. The beautiful community environment has won us not only unanimous recognition from the owners, but also the honor of 2022 Municipal Garden-style Residential Community.



Green cities

We cooperate with the government to build low-carbon cities and urban and rural areas via smart means. In many places, we work to promote individual low-carbon consumption in exchange of carbon credits. Meanwhile, we participate in building urban energy stations and exploring more advanced carbon technologies.

Case With the smart "white robot" on the way, futuristic technology empowers Haizhu Wetland Park

In May 2022, Poly Property's Holistic Services Management Project at Guangzhou Haizhu National Wetland Park received a special "employee" - an unmanned white cleaning robot named "Xiaozhi" which can automatically clean garbage such as water bottles, tissue, and fallen leaves on the ground. The robot functions normally despite unfavorable weather conditions of wind and rain. During operation, it can be controlled by the service center through real-time monitoring. Its huge operating capacity allows it to clean every corner wherever it goes. The robot is a powerful tool to equip Haizhu Wetland Park with smart services, and to empower a "green China and beautiful China" with "soft infrastructure".



CSR Spotlight

Smart Property Management , Developing Digital Technology for a Better Life

As a key player in the era of comprehensive property, Poly Property adheres to the "digital drive" strategy, actively deepens the application of digital technology in smart communities, smart buildings and smart cities, and strengthens the "digital empowerment of small scenarios" to meet people's demand for a better life.

Case The RADAR Smart Service System

In 2022, after tireless exploration of smart property management, we launched the RADAR Smart Service System, which boasts a comprehensive system covering management and service and deeply integrates business and technology. Through six modes, namely "dynamic scanning - smart positioning - adaptive matching - automatic tracking - interactive feedback - independent inquiry", it has made breakthroughs in five aspects of reshaping property service relationships, comprehensive services, digital link, real-time interconnection, and joint construction of standards; and solved the contradictions in the scale, stability, revenue, efficiency and quality of the industry. The system provided comprehensive solutions for building smart communities, smart commercial offices and smart cities.

Solving five major contradictions

In scale Breaking the boundaries of projects and businesses through restructuring to harness a larger management scale	In stability Automatically matching service and management standards with service procedures to achieve digital operation
In revenue Reducing labor cost while tapping the potentials of resources to create more values	In efficiency Ensuring high efficiency while monitoring operation compliance
In quality Involving clients in all services to ensure transparency	

Reshaping five major areas

R Relationship relationships	A Anywhere comprehensive services	D Digital digital link	A Anytime real-time interconnection	R Routine joint construction of standards
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Smart communities

Proceeding from management upgrade and smart services, we introduce digital tools in smart community construction for region-specific management. We have explored diversified smart services and smart empowerment of small scenarios in communities, creating a safer and better living environment of owners.



Smart management

In Guangzhou Poly West Coast, a residential demonstration project, all businesses have been "labeled" after stocktaking, split and restructuring through digital tools, which realizes a closer link between businesses and systems so that front-line employees can operate with "one cellphone, one screen, one interface". This effort breaks the boundaries of community projects, and unifies the scheduling, command and management of four projects, meeting the growing demands of owners for a better life and improving the lean management.



Smart services

Smart renovation: We have regrouped renovation services in communities into four major modules of "application, renovation management, acceptance and refund and file archiving", and handled them online. Covering the whole life-cycle of renovation services, our service is "more convenient, transparent and efficient" for owners.

Smart parking: We have built an integrated smart parking platform to solve the four major parking problems of "difficulties in finding parking space, in license plate identification, in long waiting time and in parking space management". We introduce fast mobile payment and unmanned operation to achieve senseless passing of vehicles and bring clients a new smart parking experience.

Smart travel: We have launched the green code of Poly Harmony Courtyard, and adopted a "three-color" management model for owners, visitors, and stranded people to facilitate their travels. Through full process tracking, we aim to create a safe and orderly living space for owners.

Smart security: Through the smart AI security system and the 24/7 whole-area monitoring, we can timely identify sidewalk and fire exit occupation, and falling down of people, garbage overflow, and environment alarms. Maintaining daily safety on one screen, we have created a comfortable and safe living environment for owners.

Smart payment: Relying on the existing online payment module and considering the property management fee payment methods, we roll out a pilot project of digital RMB payment in communities for greater convenience of owners as well as for a wider use of digital RMB.

Smart communication: Through WeCom housekeeper, Poly Harmony Courtyard WeChat official account, and Poly Harmony Courtyard mini program, we have set up the functions of online reporting, visitor management, complaint filing, online shopping, and move-in and furnishing services. Thus, an efficient link between the housekeeper and the owners is established to meet the diversified demands of owners.



Guangzhou West Coast handles 84% of its business online via its Poly Harmony Courtyard mini program

CSR Spotlight

Smart buildings

For commercial offices, we have independently developed a comprehensive supervision platform which collects client feedback online and improves client experience in order to promote digital building management, and drive the high-quality growth of enterprises through joint digital development.

The independent comprehensive supervision platform

We have slightly remodeled the existing facilities and equipment, and set up a supervision center, AI cameras and data terminals to allow front-line employees to deliver services via one screen and one interface. Managers are allowed to be timely informed of project operation every step of the way. More than 60 terminals monitoring with over 2,000 points have been set up in the project to collect and analyze data for refined management through smart algorithms.

Online client feedback system for commercial offices

We put up QR codes in places including toilet, pantry, elevator car, and parking lot to expand the channel for filing complaints, and timely address clients' demands with an aim of improving our service quality through small scenarios.

Smart cities

Our public services originated from Xitang, evolving from services for only the scenic spot to town-wide and city-wide holistic services. After years of development, we are now offering city-wide holistic comprehensive services for mega cities. During the process, thanks to our active exploration of the digital development path, our efforts radiate smart services to a broader urban audience, and make people embrace a better digital life.

Case Large-scale scenic spots in Guangzhou

Through smart screens, we capture real-time data including passenger flow and traffic flow, the number of staff managed, and monitoring cameras, and other real-time data in the scenic spots, mobilizing all data in the area. We have established more than 1,200 indicators and data storage pools in the scenic area in regard to grounds-keeping, municipal infrastructure, and emergency management. Relying on the smart management platform of the Guangzhou Tower scenic spot, we have integrated the RADAR Smart Service System and the government smart management platform to link property management with primary-level governance, and make sure the Guangzhou Tower scenic spot is "observable, perceptible and controllable" by digital governance means.

Case Xitang Ancient Town

Grid management

Through the smart screen, Xitang Town is divided into multiple micro-grids for management. We collect information of sanitation integration, people, vehicles, clients, and other items as well as emergencies via sensing devices in real-time to update primary-level governance progress.

Smart application

We have set up a special operation terminal to enable front line employees to accurately, quickly and efficiently report problems to the command center and handle them immediately.

Data analysis

We continuously optimize "grid management" through the digital platform to realize the refined management of public services. We have transformed from relying on experience and extensive management to data analysis and intensive management.

Empowering characteristic agriculture

We have built a community e-commerce platform to connect millions of urban consumers, towns and villages so that characteristic agricultural products can be directly delivered to thousands of households.

Connecting industrial resources

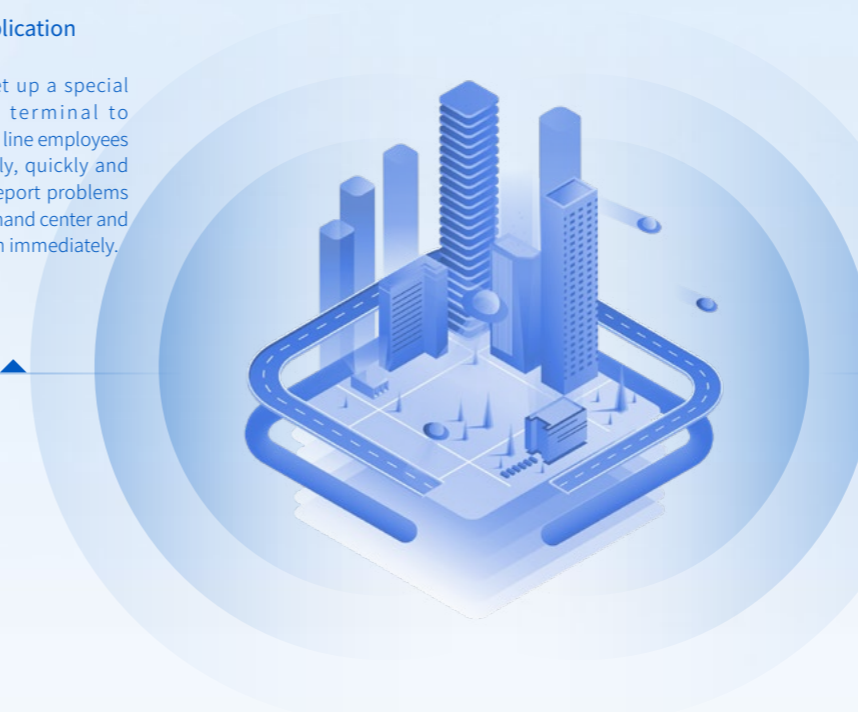
We integrate internal and external resources of Poly Group via digital means to provide more value-added services for owners and clients, and enable industrial connectivity and development in cities.

Serving the agricultural market

We upload information to local food safety websites and smart screens so that people can make informed decisions during grocery shopping. Through information sharing, we have optimized the service mode and transformed from passive response to active involvement.

Facilitating security management

When grid management personnel identify an emergency, they perform rescue efficiently with the one-button reporting function. Through human-computer cooperation, we can quickly respond to governance needs and realize the transformation from manned operation to human-computer interaction.





01

Driving Innovative Development by Creating Values

Development needs

In modern society, property management is not limited to eligible hardware, but more diversified services for owners and customers. Especially with the application of digital technology in various industries, the public have high hopes for property services in the future. Therefore, it is urgent for us to upgrade service modes and actively respond to market demands to create a safer and more comfortable community environment for owners.

Development advantages

- Being people-centered, we unblock communication channels. The customers' satisfaction reached **86%**.
- We have comprehensively checked and eliminated over **80,000** potential hazards to build a safe living and working environment for owners and customers.

Spark Story

Taking preventive measures for flood prevention

At the 2022 Shaoguan Property Management Industry Flood Control and Flood Fighting Commendation Conference, one of our employees was highly praised by the conference committee for his rich experience and outstanding work in fighting the flood in Shaoguan in June.



A sudden storm hit Shaoguan

In the early morning of June 21, 2022, when the rainstorm hit Shaoguan City, Zhang Hongwei, a project manager of Poly Zhongxu Garden immediately ordered staff to close the garage gates, mobilized staff in the fire control office and property housekeepers to notify owners to move their cars through the fire escape immediately through public broadcast, and online and offline communication channels, laying a solid foundation for the community's flood control. No car was damaged in the nearly 60,000 square meter underground garage during the flood once fifty years.

For us, there are countless dedicated Spark employees who tirelessly pursue detailed services and stringent standards. Together, they make a professional, efficient and friendly team, protecting the interests of the owners through practical actions and high-quality services. When facing emergencies, their fast and timely response safeguards the homes of our property owners.



Providing High-quality Services

In the face of the evolving demands of owners and customers, we have always complied with the Chinese laws and regulations, such as the *Civil Code*, *Urban Real Estate Management Law* and *Property Management Regulations*, to build a sound and lean property management and service system. We have actively explored service modes that keep pace with the times, and optimized every service scenario in detail to provide more diversified and high-quality property services, and a better life for owners.

Innovative service modes

Committed to professional and heartfelt services, we work hard to drive the innovation and sustainable development of the industry and continuously optimize the service models. Since 2019, we have proposed strategies from "small property" to "comprehensive property", from "hard space" to "soft infrastructure", from "standardized" to "customized" services and "taking responsiveness as the top indicator" to enhance the overall property service quality.

The first shift From "small property" to "comprehensive property" (in 2019)

The "comprehensive property" strategy initiated by us breaks the boundary of the industry, makes the leap in transforming from "small property to comprehensive property", and brings property services from communities to towns, accumulating rich experience in comprehensive public service.

The second shift From "hard space" to "soft infrastructure" (in 2020)

Exploring more possibilities of property management, we have recalibrated our services according to national strategies to facilitate urban governance, reshape industrial ecology and improve the quality of people's livelihood to guarantee their well-being during China's development.

The third shift From "standardized" to "customized" services (in 2022)

We were the first to challenge the traditional "standardized" emergency-based property service mode, and propose "customized" services. By establishing four standards, namely, "customer-centered service, reasonable pricing based on quality, digital management, and diversification in industry chain integration", we have contributed to building the standards for comprehensive property in full time, all regions, and whole business format.

The fourth shift Taking responsiveness as the top indicator (in 2022)

We have developed the RADAR Smart Service System which optimizes production relations through better production tools, greatly improving productivity, and reinterpreting customer satisfaction through digital, information-based, and intelligent management and service response.



Exceptional service experience

At Poly Property, we utilize scientific and standardized methods to unlock the full potential of our services. We understand the unique characteristics and subtle nuances of various business sectors, from community residential services to commercial property services and the urban public services. We continually update and improve our services to provide standardized solutions with stable quality, ensuring that every owner and customer experiences the exceptional quality and finesse of our services firsthand.

Property services for residential communities

Poly Property aspires to meet the ever-evolving demands of modern living, where quality of life is the new creed. Building on the success of our original service brands, "Harmony Courtyard", which celebrates the essence of family ties, and "Oriental Courtesy", which places respect at its core, we have introduced "Coterie of Seasons". This new brand draws inspiration from our past successes and is a living embodiment of smart living. With "Elegant Life", we aim to align our property management services with our customers' unique lifestyles, providing them with a tailored and exceptional experience. In 2022, we comprehensively revamped our service standardization manual by analyzing frequently visited areas by owners and employees in the community and identifying core service scenarios with high impact on their perception of our services. With this insight, we have crafted a refined service system for our three major residential brands, focusing on the core service scenarios to breathe new life into the customer experience.

Harmony Courtyard

We have created the *Harmony Courtyard Service Scenario Manual*, which includes *Harmony Courtyard Service Standard SOP Manual*, *Harmony Courtyard Service Scene Manual*, and *On-site Project Quality Control Examination Paper* to maintain consistency and efficiency in project site quality inspections. With a keen focus on service and management contacts, the manual outlines 253 key assessment items to enhance service quality through rigorous standardization measures.

Oriental Courtesy

We have compiled the *Oriental Courtesy Exclusive Scenario Manual*, which features 21 designed service scenarios that are tailored to meet the unique needs of our customers. Our manual has been developed with a focus on ensuring the realization of mechanism, service and facility cycles in six security aspects, and incorporates the principles of 5S scenario when designing the traffic flow, thus guaranteeing premium property services.

Elegant Life

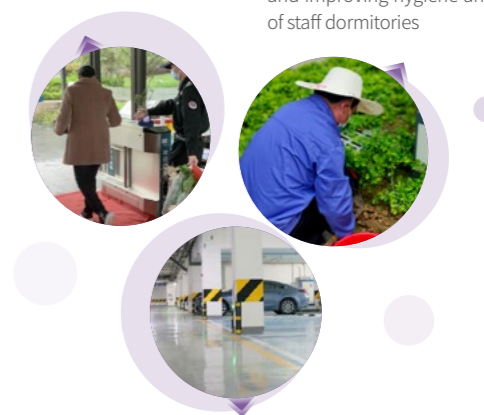
Based on the brand philosophy of "An Elegant Life, A Smart Life" conveyed through four dimensions of safety, convenience, elegance, and intimacy, a set of standard service systems covering the whole business format and full life cycle have been formulated.

Case National Quality Improvement Campaign to enhance property services

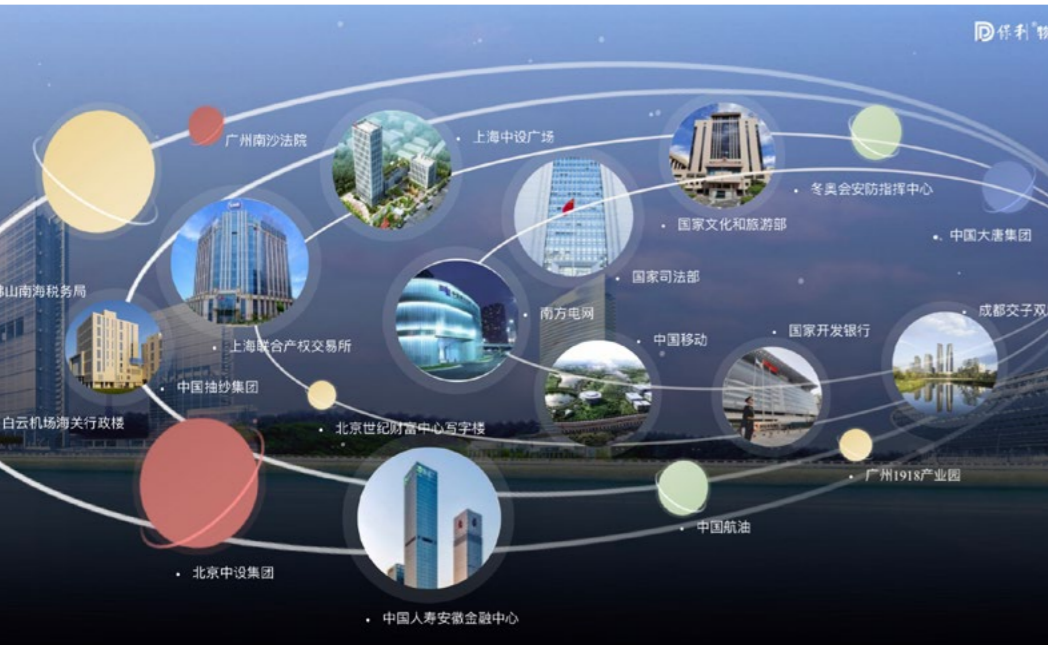
To improve the quality of our projects and build competitiveness in quality, we launched the National Quality Improvement Campaign from April to June. Based on the 12 key service scenarios, we have refined the service actions and optimized the service standards to enable owners to enjoy the warmth of our services in frequently accessed scenarios such as walking trails, entertainment facilities, and driveways, so as to improve users' feelings with high-quality services.

Walking trails : Standardizing the protocols for door guards, renovating the environment, improving services, and landscaping

Entertainment facilities : Improving consistent dressing and etiquette of property management staff, conducting timely inspection and renovation of leisure facilities, maintaining and pruning plants, and improving hygiene and safety of staff dormitories



Driveways : Ensuring adequate personnel and equipment for the fire-fighting monitoring center, maintaining the hygiene and stability of the elevators under outsourced management, improving the hygiene and lighting of the parking lot, and properly managing the charging and parking of non-motor vehicles



Property services for commercial and office buildings

Poly Property has launched "Nebula Ecology", a service brand exclusively for managing commercial buildings, and compiled the *Nebula Ecology Service Scenario Manual*. The manual covers four modules: space and humanities, intelligent control of buildings, enterprise empowerment, and asset appreciation, identifying 34 core service scenarios. By focusing on the specific scenarios, we provide tailor-made services for shopping mall merchants and businesses from four dimensions: space, atmosphere, service, and connection. In 2022, we successfully developed five regional-level and 16 city-level benchmark projects in 13 cities, including Beijing, Guangzhou and Shanghai.

Based on research and insights gathered from the macro, mesoscopic, and micro dimensions, Poly Property has released a unique state-owned commercial service system with four key services: operation consultation, digital co-management, resource sharing, and joint Party building. Known as the "4T Model", this system analyzes and activates building assets, promotes agile logistics service, and provides flexible support for national administrative office buildings. As of the end of 2022, the 4T Model has been adopted in several property service cases, including large-scale state-owned enterprises such as China Mobile, China Southern Power Grid, and China Datang Corporation, as well as state department office buildings like the Security Command Center of the Beijing 2022 Winter Olympics, the Ministry of Justice, and the Ministry of Culture and Tourism. The system has also been utilized in large landmark buildings such as Twin Towers in Chengdu and China Life Anhui Finance Center.

Case Three of our benchmark office building projects receive Grade A+ and A ratings

On December 9, 2022, the 2022 Guangdong-Hong Kong-Macao Greater Bay Area Building Economic Development Summit hosted by Guangzhou Commerce Bureau and Guangzhou Association of Building Economy Promotion was successfully held in Guangzhou. The summit granted awards to commercial office buildings Grade A+ and Grade A in Guangzhou. Three of our buildings received awards at the summit, a testament to our excellent building operation, investment attraction capability, and social and economic contribution. These accolades reflect our exceptional practice of supporting building construction with "soft infrastructure".



Public services

Poly Property continues to advance our "Comprehensive Property" strategy, with a focus on core non-residential business formats. We deepen our efforts to develop key properties in areas such as university teaching and research, urban scenic spots, and rail transit, successfully landing benchmarking projects across the country and creating a new model of primary-level urban governance.

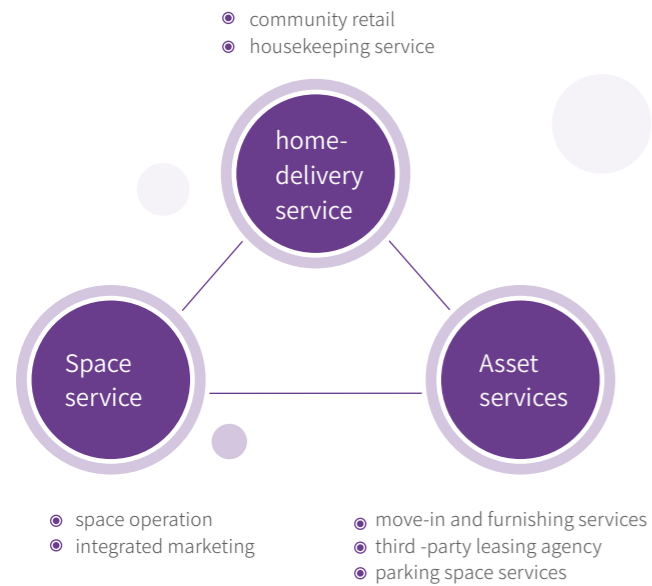
Poly Property has placed a strong emphasis on the landing of its 5G product package in Guangzhou, which includes grid fundamental governance, integrated municipal services, one-stop urban renewal, intelligent supporting facilities for people's livelihood, and customized industrial empowerment. Starting from the Canton Tower scenic spot, the Company further expands its reach to the surrounding areas. We have won the bid for key and large-scale benchmarking projects, including the Guangdong Olympic Sports Center and the 130th Canton Fair. By following the trinity governance model that integrates "government leadership, corporate participation, and resident support", we have developed a new holistic service model for super-mega cities. In the area of urban services, we established a joint venture with professional manager of environmental services and a leading company in landscaping under the name "Poly Environmental Services (Guangdong) Co., Ltd (Poly Environment)". This partnership is focused on providing integrated solutions for urban sanitation services and developing vertical service capabilities in the sanitation industry.

Case Poly Property transforms Canton Tower scenic spot into a world-class "living room" for Guangzhou through refined management practices

As a national leader in comprehensive property management, Poly Property has developed a new property management model with full coverage, all-round support, and full-time commitment since taking over the Canton Tower scenic spot project. To address the unique governance challenges posed by the scenic area's geographical complexity, governance needs, and jurisdictional boundaries, the area has been divided into 10 grids, with each grid managed by a specialized team possessing unique skills and capabilities. Six essential services, including emergency response, landscape maintenance, and uncivilized behavior control, have been provided to improve primary-level social governance with refined management. In this way, Poly Property contributes to the modernization of the governance system and capacity of mega city for Guangzhou. October 1, 2022 marked the first anniversary of Poly Property's taking over of the management of Canton Tower. Throughout the year, the Company received 5 written letters of commendation from the government, 12 red pennants, and 18 handwritten appreciation letters, winning praise and recognition from all sectors of society.

Community value-added services

Poly Property is dedicated to becoming the chief operator of a large-scale ecological platform for property management, with a focus on meeting the individualized needs of property owners. Through a steadfast commitment to service quality, the Company strives to continuously enhance its capabilities in areas such as move-in and furnishing services, housekeeping, community retail, space operation, third-party leasing agency and parking space services. By leveraging both internal and external resources, we are building a comprehensive community service ecosystem that brings value to property owners, making their community life more convenient and enjoyable.



Highlights in 2022

- Our retail business has expanded the team of full-time customer service staff, and optimized the response process and service standards, achieving a response rate of over 90% within three minutes after customer inquiry, a same-day problem-solving rate of over 80%, and a customer satisfaction rate of over 98% in handling complaints.
- Pilot projects with warehouses were launched to enable one-hour delivery of household goods for our owners.
- Some subsidiaries are currently providing community group purchasing service, offering high-quality fresh food and dairy products for pre-sale and pick-up.

Case Crafting the industry's first property entrustment brand

On September 24, 2022, the first outlet of Poly Property's new service brand "Poly Property Entrustment" officially opened in Poly Zichen Garden of Foshan. The brand aims to provide owners with one-stop real estate management services for the entire process and all related scenarios, with a focus on selling, renting, and maintaining properties. As the first brand in the industry to propose the idea of property entrustment, Poly Property Entrustment has created six services centering around the core needs of owners. With real estate entrustment at the core, the brand extends and connects to real estate transactions, consulting, asset operations, housekeeping, and home improvement, covering all scenarios and the full cycle related to property management and providing owners with a new living experience.



Diverse community life

Poly Property commits to providing owners with humanistic and compassionate services. Two major community activities, "Harmony Courtyard Little Bee" and "A Myriad of Harmonious Lights," serve as the backbone of our approach. By organizing a variety of online and offline social and cultural events, we provide owners of all ages and interests with multi-level and customized services, fostering an emotional bond with owners. Our goal is to promote a harmonious neighborhood relationship and to transmit warmth and positivity throughout the urban community.

Harmony Courtyard Little Bee



An innovative and engaging edutainment program aimed at children, where fun is transformed into a variety of exciting activities, conveys essential life skills and knowledge to kids in an enjoyable way. Through this program, the community is brought together when owners of all ages work together to create a harmonious neighborhood. In 2022, the program collaborated with the local government and fire department to educate children on fire safety. Through a combination of online and offline activities, the program successfully shared professional knowledge on fire safety with over 4,000 young owners.

A Myriad of Harmonious Lights

During the annual Mid-Autumn Festival, Poly Property's staff visit owners to distribute lanterns as gifts. Together with the owners and representatives from local government, they light up lanterns that symbolize the "three-party governance" approach. This not only allows owners to enjoy the traditional Chinese culture but also helps to foster a sense of unity and shared responsibility within the community. As of 2022, the event has expanded to 368 Harmony Courtyard communities in 28 cities across the country, with nearly 2.3 million owners, their families, friends, and neighbors coming together to celebrate the Mid-Autumn Festival.



Pure Delight and Festive Cheer



In June 2022, to celebrate Children's Day and Dragon Boat Festival, Poly Property created a unique event centered on Chinese service style by leveraging the festivals and associated rituals. Named "Pure Delight and Festive Cheer", the event left a lasting and respectful holiday memory for owners to cherish.

Implementing safety responsibilities

We make it our mission to protect the personal and information security of our owners. In line with a safety-first and prevention-first work policy with a comprehensive management approach and in strict compliance with Chinese laws and regulations, such as the *Work Safety Law*, *Fire Protection Law*, and *Consumer Rights Protection Law*, we continuously improve the development and implementation of our safety management system to create a harmonious and secure community environment.

Improving the safety system

Upholding red line awareness and bottom line thinking, we work to establish a sound work safety management system to fully implement a work safety responsibility system for all employees. Meanwhile, we continuously enhance the safety capabilities and awareness of our entire workforce to ensure that all work safety tasks are carried out effectively. In 2022, our work safety performance remained stable, with no work-related fatalities reported.

Consolidating management

Poly Property continuously revises the *Safety Management System* to improve safety risk prevention and control mechanisms. The Company provides guidance to subsidiaries and projects to develop work safety systems tailored to their unique characteristics. To date, 163 work safety regulations have been compiled and 616 have been revised, ensuring that work safety practices are conducted in an orderly and seamless manner.

Items	Unit	Times
Work safety meetings	/	8,516
Work safety training (Including participation in external training)	Times	19,201
	Participants	286,969
Emergency drills	Times	5,363
	Participants	91,132
Signed work safety responsibility statements	/	2,017
Work-related fatal accidents	case	0

Holding relevant personnel accountable

Based on the principle of "unified leadership, concrete responsibilities, hierarchical management, classified guidance, and full participation", the Company required responsible persons at all levels to sign 2,017 copies of *2022 Work Safety Responsibility Statement* to hold relevant personnel accountable, safeguard the safety baseline, and fully implement the work safety accountability system.

Providing safety training

We have established an internal "safety training system" that includes "specialized training, ongoing learning, and comprehensive coverage". A variety of safety training and education activities are launched, such as "One Question a Day for Work Safety," safety lectures given by senior managers, and safety training for new employees, to improve the safety production skills of all employees.

Improving emergency response

We provide guidance to our subsidiaries to organize and conduct various emergency drills, such as firefighting and evacuation, drowning prevention, flood prevention, and elevator entrapment. After each drill, we promptly analyze and summarize the results and revise our emergency plans.

Ensuring customer safety

Poly Property places customer safety as its top priority and continually improves its risk response processes and systems. The Company continuously expands the coverage of safety and security measures, implementing refined safety and security response measures to ensure customer safety across multiple dimensions.

- **Remediating hidden dangers regularly.** We conduct routine and special inspections on fire safety, elevator safety, swimming pool safety, and outsourced unit safety for all of our subsidiaries and projects. Following our policy of "full coverage and zero tolerance," we thoroughly investigate and correct over 80,000 safety hazards to ensure a safe living and working environment for our owners and customers.
- **Adopting a comprehensive approach to control.** We followed regional control requirements, effectively sterilized public areas to fully protect the health of our owners. We follow up the health status of special owners through means such as phone calls and door-to-door inspections to ensure their ongoing safety and well-being.
- **Raising the safety awareness of owners.** We have made a strong effort to promote safety awareness, and regularly collaborate with street offices, fire control agencies, and other departments to disseminate safety knowledge through various means, such as leaflets, posters, social media posts, and banners. Our safety promotion activities, including safety lectures and emergency drills, have reached three million people, comprehensively enhancing the safety awareness of our owners.

Protecting customer privacy

Poly Property recognizes the criticality of protecting customer privacy. To this end, we have developed and implemented guidelines such as the *Guidelines for the Management of Residential Property Files and Data* and *Standards for Value-added Customer Services*. These guidelines have enabled us to enhance our internal information security protection system and standardize information classification as well as confidentiality. Through these measures, we have improved our capability to respond to information security incidents.

Initiatives to protect customer privacy

- **Inspection management:** Set up an information security inspection expert team to regularly check the Company's computer rooms, servers and other hardware equipment
- **Network management:** Manage and restrict the Company's network, and separate the network environment of external customers and internal employees to reduce the risk of customer privacy leakage
- **DR (Disaster Recovery) management:** Use a variety of backup measures to ensure data security
- **Communication management:** Strictly restrict data management authority
- **Operation management:** Clearly record and regularly check database operation history
- **Encryption and privacy protection:** Encrypt key information and adopt strict authorization management for data transmission

Case Transforming community safety through refined measures to balance growth and security

Poly East Bay Community has a unique construction layout that requires young owners to take a detour around the community before crossing a road to reach their school. In response, the community has established an exclusive student passage and installed an access control system that only operates during peak commuting hours. Staff members are also stationed to escort students and parents during these hours, ensuring the safety of young owners traveling to and from school.



"In the past, as parents, we were always worried about our children's safety when they went to school. With the exclusive passage now open, we can finally rest assured."

—An owner of Maoming Poly East Bay Community

Ensuring customer satisfaction

Poly Property puts customers first and strives for their satisfaction. We aim to maintain open communication channels, actively collect customer feedback and suggestions, and identify any pain points in our service accordingly. By valuing and incorporating customer opinions, we work to improve the quality of our property services. In 2022, we conducted a nationwide residential project survey through a combination of internet + telephone communication while respecting our customers' privacy. Through this survey, we found that the customer satisfaction rate of third parties achieved 86%, a year-on-year growth of one percentage point.

Unblocking communication channels

To continuously enhance the quality of our services, we are actively exploring and implementing efficient online and offline communication channels. By regularly listening to feedback from our owners and customers, we are able to quickly respond to their needs and expectations, fostering long-term and harmonious relationships with them.

	Communication channels	Communication content
Online channels	Housekeepers' business WeChat accounts WeChat groups of owners	Maintaining day-to-day communication with owners
	400 service hotline	An important channel run by Poly Property Headquarters for owners to engage with property management staff, and be responsible for receiving, processing, and tracking customer inquiries.
	"Poly Harmony Courtyard" WeChat Mini Program	Owners can easily submit suggestions, reports, and feedback through this online channel to provide input for community development
	Poly Harmony Courtyard WeChat Service Account - "Customers' Voice" Column	Publishing community-related articles from time to time to encourage owners to engage in discussions and provide follow-up responses for the creation of an open and collaborative community culture
Offline channels	Meetings with owners and housekeeper visits	Regularly reporting to the owners and residents on the Management Office's service priorities, highlights, and upcoming plans, as well as community activities and financial income and expenditure
	Community quality survey	Tracking community services and gathering feedback from owners with a double-loop evaluation mechanism that combines on-site inspections and owner surveys, injecting a humanistic element into the process of quality development and improvement
	Bulletin boards in building corridors	Posting notifications and warm reminders

Case Chief Service Officer meets with customers to listen to customers' voice

From June 20 to 22, 2022, we organized a meeting event for our Chief Service Officer to meet with owners. During this event, regional general managers and quality leaders from Poly Property visited communities to have face-to-face conversations with owners and address any issues or concerns they had. Through these interactions, we aimed to transform the suggestions and feedback of our owners into actionable improvements that would drive our growth and better serve our customers.

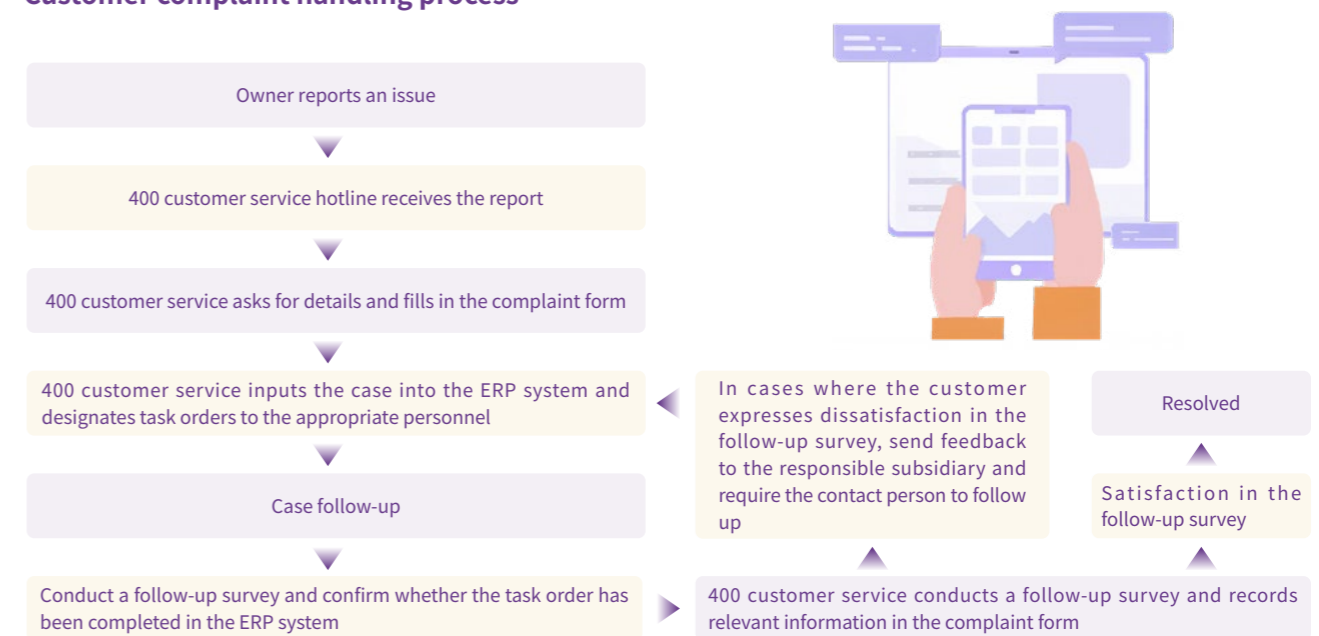


Customer complaint management

To continuously improve our customer complaint management system, we have formulated the *Operational Guidelines for Customer Requirements* to establish a comprehensive customer consultation and complaints management process. Our headquarters is responsible for receiving and distributing customer inquiries received through the service hotline within 30 minutes, and the respective project team follows up within 24 hours. After the issue is resolved, our headquarters conducts a follow-up visit to ensure that the customer's needs have been addressed in a timely, efficient, and appropriate manner.

In 2022, we ensured prompt and efficient responses to all customer inquiries and complaints, with the headquarters achieving a 100% follow-up rate, thereby enhancing customer satisfaction. Of the 7,291 customer inquiries received by our customer complaint center, we were able to record and distribute them within 30 minutes, and initiate the appropriate actions within 24 hours through the coordination of our headquarters. We also recorded complaints where customers were not satisfied with the outcome in the ERP system, and provided feedback to the designated personnel in targeted subsidiaries' customer complaint department for further follow-up. This helps us better manage the processing results and effectively resolve any outstanding issues to ensure customer satisfaction.

Customer complaint handling process



UN Sustainable Development Goals 2030 (SDGs)



02

Adhering to Green and Low-carbon Development

Development needs

Climate change is a shared challenge faced by humanity. China's responses to climate change are an important part of its efforts to achieve environmental progress and high-quality development. The Report to the 20th CPC National Congress made new plans and proposed to "work actively and prudently toward the goals of reaching peak carbon emissions and carbon neutrality(decarbonizaion goal) as reaching peak carbon emissions and achieving carbon neutrality will mean a broad and profound systemic socio-economic transformation." As property services are highly correlated with final energy consumption and resource use, the decarbonizaion goal has undoubtedly set higher standards and requirements for environmental management of property enterprises. Poly Property is facing the challenge of how to improve its service quality while more effectively promoting energy saving and emission reduction, contributing to realization of carbon peak and carbon neutrality.

Development advantages

- GHG emissions (Scope 1 and Scope 2)
334,289.93 tonnes CO₂e
- Total energy consumption
598,220.72 MWh
- Water consumption in total
12,838,388.96 m³

Spark Story

Skillful engineers refresh the landscape in the neighborhood with innovative renovation

"Greening" is a topic of discussion in every neighborhood. There are often serious cases of trampling on the boundary areas of green belts on both sides of the road, making it difficult for vegetation to survive and soil gets the road dirty. Poly Golden Pond of Chongqing, due to some trees with well-developed roots absorbing soil nutrients, grass in the tree pits can hardly survive. Meanwhile children trampling on them has resulted in bare soil. In response to the property owners' concern about greening renovation, the project department came up with new ideas of greening to meet their demands, giving the neighborhood a new look with innovation.



Turning waste into treasure and renovating tree pits

In order to effectively solve this stubborn headache, the engineers of Poly Golden Pond of Chongqing Project suggested that some of the idle bracing frames of trees in the neighborhood were no longer useful. So, instead of discarding them, it would be much better to process and lay them around the tree pits. Focusing on details, Poly Property cut the idle frames into suitable sizes and filled the pits with these antique and rough wood pieces, which demonstrated a unique flavor. A small change has greatly improved the landscape of the neighborhood and the living comfort of the owners. A seemingly insignificant tree pit, after renovated by the property staff, appears more elaborate and sophisticated.

The tree pits renovated with wood pieces are both beautiful and environment-friendly. On one hand, it can effectively reduce the water evaporation in the tree pits and enhance the water supply of the trees, as well as improve the landscape of the neighborhood with nature and simple decoration. On the other hand, it solves the problem of waste branches accumulation, and realizes waste reduction and resource reuse in the neighborhood.



Beautifying the neighborhood with green road curb

Taking into account lean management, aesthetics and environment protection, Poly Golden Pond of Chongqing chose DIY curb molding and installation to enhance the boundary sense of green belt and reduce the risk of trampling. After purchasing the molds, the engineers came up with the best ratio of cement to sand - 1:3 - after repeated casting tests and several adjustments, making sure that casted curbs are easily formed and not prone to crack.

From molding to casting and coloring, the row after row of green curbs have effectively improved the green landscape and environmental quality of the neighborhood, becoming a part of the beautiful scenery of the Harmony Community.

"When passing the neighborhood, we can see the green curbs, which are quite innovative renovation compared to traditional ones. Thanks the property staff for working so hard to beautify the neighborhood."

—Property owner of the Poly Golden Pond of Chongqing neighborhood

Addressing Climate Change

Climate change is a global issue of widespread concern in the international community today. We deeply recognize that climate change risk is a key part of the overall risk management of the Company. We take the initiative to identify the impact of climate warming, mix of energy use and other risk factors on our own business, and actively take countermeasures to reduce energy consumption and carbon emissions in our business operations, thus mitigating climate change.

In 2022, through the "Nebula Ecology - Building Renovation Program", we promoted energy efficiency in office buildings. By implementing standardization of equipment rooms and running management, systematization of maintenance and protection management, and intelligent application of technology, we optimized the management of facilities and equipment to guarantee the whole lifecycle operation of buildings and build an energy-saving building environment. In terms of energy consumption control, we analyzed the data of high-energy-consuming equipment and formulated practical energy-saving plans. Bearing in mind the concept of green development to operate and maintain office buildings, we work to promote the comprehensive green transformation of economic and social development with state-owned services.

To drive the low-carbon development along the industrial chain, we held the 3rd Partners Conference in 2022, joining hands with upstream and downstream to establish the first Zero-Carbon Alliance. At the conference, we called on the partners to sign the "Nebula Low-carbon Initiative", advocating the joint fulfillment of green and carbon reduction responsibilities and the construction of green ecological buildings. Meanwhile, we participated in the assessment of *Regulations on Zero-Carbon Digital Intelligence Building Rating* formulated by Guangzhou Association of Building Economy Promotion, and committed to standardizing the service experience of zero-carbon digital intelligence and applying it to the construction and carrier operation of commercial office buildings and industrial parks.



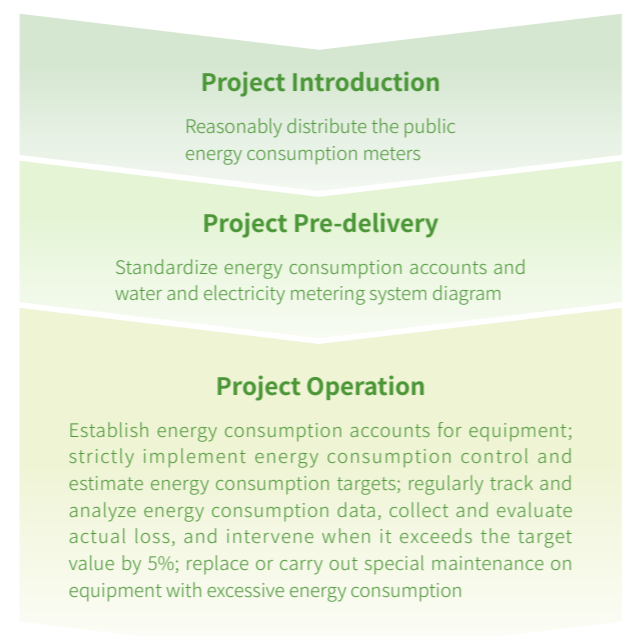
Practicing Green Operation

Responding to the call of national strategy, we strictly abide by Chinese laws and regulations, such as the *Environmental Protection Law and Energy Conservation Law*, and continue to improve our internal environmental management system. For example, we establish the *Guidelines on Identification and Evaluation of Environmental Factors* to identify and assess environmental impact factors and risks in the whole process of business activities, and formulate corresponding environmental policies, objectives and operational control measures. We have passed the authentication of ISO14001:2015 environmental management system.

Energy management

We strictly implement regulations such as the *Regulations on Cost Control Management and Guidelines for Energy Management*, and further deepen the low-carbon concept in our business operations. Energy consumption accounts are standardized and energy utilization is regularly monitored through management and technology to improve energy efficiency. To realize energy management at the source, we also popularize the concept of green office and promote the wide application of clean energy.

Energy saving through project management



Energy saving through technology

Control

According to the actual situation of different scenarios, the control of lighting equipment is renovated to fixed-time, light brightness sensor, infrared radar sensor control system. Poly International Plaza of Guangzhou and Poly Center of Chengdu have renovated the HVAC control systems and elevator control systems, reducing energy consumption by recycling air-conditioning (AC) condensed water, using energy-saving cooling towers, transforming AC valves, and installing elevator energy feedback systems.

Equipment

The use of energy-saving equipment is promoted and lighting facilities are renovated. In 2022, a total of 183 projects completed energy-saving renovation of lighting facilities, with over 70,000 sets of LED lighting fixtures replaced and energy consumption reduced by nearly 40%. Poly Garden and Park Jiu Li in Wuhan have realized energy saving and consumption reduction by switching to energy-saving pumps and transforming negative pressure-free water supply. Tianfu International Financial Center in Chengdu has achieved electricity usage balance through ice storage system, which makes ice at night and melt ice during the day. Sichuan Art Museum project has reduced energy consumption by 14.85% through installing energy-saving devices to air-cooled screw heat pump units.

Direct GHG emissions (Scope 1) / a decrease of

26.14% over the last year

Indirect GHG emissions (Scope 2) / a decrease of

3.24% over the last year

Total GHG emissions (Scope 1 and 2) / a decrease of

3.46% over the last year

183 projects renovated with low-carbon lighting facilities in 2022

Green office

Green use of paper

- Widely use informatization systems such as the Mingyuan cost system, EHR, Honghai performance assessment, budget management system, space resource system, OA system to promote paperless offic
- Promote double-sided printing and reuse of printed paper

Green cleaning

- Introduce intelligent cleaning equipment, use wireless vacuum cleaners, automatic high-polishing machines and other machines to realize scientific cleaning
- Use phosphate-free detergent and other eco-friendly cleaning products to practice the service concept of green cleaning

Green travel

- Encourage employees to commute with public transport
- Apply for official vehicles and standardize the application process of official vehicles on OA system to improve the accuracy of vehicle management

Other office resources

- Clarify standards of office facilities and implement centralized procurement of office supplies in internal shopping mall to improve the recycling rate of office supplies

Use of clean energy

In 2022, we intensified the use of clean energy. By using solar heating devices and other measures, we have completed low-carbon and energy-saving renovation of lighting devices for the projects under management, converting lighting facilities in some public areas to optical and solar power or solar and wind power dual-use devices. We have installed charging stations for new energy vehicles and electric bicycles, providing charging services for over 1,000 resident enterprises. The charging stations are also open to the surrounding citizens, reassuring the public about green travel and actively promoting the use of clean energy.



Waste management

We act strictly in accordance with laws and regulations such as the *Law on Prevention and Control of Environmental Pollution by Solid Waste* and *Regulation on the Safety Management of Hazardous Chemicals*, and formulate and implement internal regulations such as the *Guidelines for Waste Classification*. Targeted measures on various types of hazardous and non-hazardous waste are taken to reduce the impact of waste on the environment.

Type	Waste	Disposal Measures
Hazardous	Printer cartridges, toner cartridges, discarded lamps, etc.	Abiding by the regulations on the disposal of hazardous waste in each project location and entrusting suppliers and qualified organizations to recycle and treat hazardous waste
		Implement a management and registration system about the purchase and use of office supplies to enhance the recycling rate
Non-Hazardous	Office waste paper, household waste, greening waste, etc.	Adopt paperless office to reduce waste paper
		Advocate reusable glasses for meeting drinks instead of plastic bottled water and disposable paper cups
		In response to the call of governments, encourage projects to actively participate in the pilot waste sorting in their respective neighborhoods: raise environmental protection awareness among owners and help them gain a preliminary grasp of waste sorting methods through waste sorting publicity and waste sorting signs; collect waste regularly at fixed locations and entrust qualified third-party agencies to clear and remove the waste
		Supervise property service centers over the recycling of greening waste for garden fertilization to promote the recycling of resources

Case Poly Xiangbin International awarded the Model Neighborhood for Waste Sorting

Poly Xiangbin International Chengdu is a large and populous residential neighborhood with relatively weak awareness of waste sorting. Many owners tend to throw away kitchen waste, household waste and environmentally hazardous batteries without sorting. In addition, many elderly people in the neighborhood are used to picking up recyclable waste and often make a mess around the bins, making it difficult to separate waste and maintain a clean environment in the neighborhood. To solve this problem, the project's Property Services Center has taken a number of measures to promote waste sorting.

Establishment of a waste sorting group: A waste sorting leading group has been set up to regulate management and implement tasks. The regional project manager serves as the head of the group and is responsible for the coordination of waste sorting in the neighborhood; other deputy leaders and members are responsible for supervising, publicizing and guiding the waste sorting in the neighborhood. They explain to residents about the meaning and benefits of waste sorting as well as how to categorize waste and where are the bins located. Residents are discouraged from littering waste around and for those failing to follow the waste sorting rules, the group will collect evidence and report to the relevant authorities for punishment.

Reasonable garbage bins arrangement: 7 garbage dumping locations have been rebuilt and improved. According to the amount of waste in the neighborhood, there are 4 garbage bins at each location, with a total of 28 garbage bins. The timetable of waste dumping and slogans for waste sorting are posted timely. The waste clearing destination is also disclosed.

Regular management: it is required to throw garbage at regular time and fixed locations and clear up the garbage bins regularly every day; personnel are arranged for daily inspecting, cleaning and disinfection of the waste sorting equipment; honor and dishonor rolls are set up each month to praise the model individual and criticize the laggard for waste sorting to effectively promote waste sorting.

Active publicity: Regulations on waste sorting system and owners' convention are formulated and garbage sorting publicity posters are made; owners are educated about waste sorting through bulletin boards in the neighborhood and WeChat circle; waste sorting publicity materials are delivered to households; staff are designated regularly to instruct owners to sort out garbage at the waste dumping time.

The waste sorting site has effectively improved the environmental hygiene and overall environment of the neighborhood, as well as raised the awareness of waste sorting among owners. Poly Xiangbin International was awarded by the Office of the Leading Group for the Waste Sorting Promotion in Chengdu as the Model Neighborhood in Chengdu for Waste Sorting.

Water resource management

We strictly abide by Chinese laws and regulations, including the *Water Pollution Prevention and Control Law*, and improve and refine water management rules stipulated in the *Regulations on Cost Control Management*. We effectively enhance water use efficiency in engineering and operations through establishing a rainwater recycling system, using water-saving facilities, promoting automatic sprinkling irrigation for landscaping, adopting UPVC underground sprinkler systems, putting up water-saving slogans, and establishing everyday water management regulations. All the water used by the Company comes from the municipal water factory and there is no difficulty in obtaining suitable water sources for us.

A total of 33 projects under management were awarded the title of "water-saving neighborhoods", an increase of 7 projects over previous years.

Environmental protection publicity

While practicing green operation, we organize various forms of environmental protection activities to promote green concepts and drive the public to feel low-carbon life, contributing to the sustainable development of society.

Case Art in Business Youth Art Charity Exhibition empowers carbon reduction

In July 2022, Poly Property worked with the School of Industrial Design of Guangzhou Academy of Fine Arts (GAFA) to hold the first "Art in Business" Youth Art Charity Exhibition. Themed "Humanity and Low Carbon", the exhibition set up different venues related to earth, intelligence, life and city, featured with the topics of "Reduce Carbon on Earth", "Great Smart Manufacturing", "New Green Life" and "City with More Creativity" respectively. Combining green arts and green services, the exhibition showed the excellent works of 2022 GAFA graduates in the public space of Poly's buildings.

Guided by China's Decarbonization Goal, Poly Property has been practicing ESG operation concept to boost sustainable development and explore new model of carbon-friendly building services with state-owned services, empowering carbon reduction through services and arts.



Biodiversity Conservation

We regard ecological protection as high priority and actively take measures to protect biodiversity in business operations, achieving harmonious coexistence between man and nature. We deeply engage in the development and upgrading of national-level wetlands to contribute to safeguarding the harmony and stability of the ecosystem. In 2022, no incidents of damage to biodiversity occurred in Poly Property.

Case Green Heart in Guangzhou helps build better national-level wetlands

On March 23, 2022, Poly Property, with its innovative practices of whole-area service in first-tier cities and professional service capability, won the bid for Haizhu National Wetland Park in Guangzhou. This marks another milestone for Poly Property in assisting Guangzhou to build it into a beautiful and livable flower city and a vibrant global city, and also symbolizes that Poly Property has embarked on a new journey in public service governance in megacities.

Known as the "Green Heart" of the city, Haizhu National Wetland Park, with a total area of 1,100 hectares, once was an orchard that was eroded and on the verge of disappearing. After 10 years of protection and restoration, the biodiversity in the Park has been greatly improved, with species of vascular plants increasing from 379 to 835, birds up from 72 to 183, variety of fish up from 46 to 60, and species of insects up from 66 to 536, making it a national wetland park of leading and exemplary significance in China.

Since participating in the Haizhu National Wetland Park project, Poly Property has enhanced the effectiveness of resource management, ecological monitoring, cultural tourism experience and service management based on the grid management. With the high-quality urban public services, the Company provides a replicable and promotable sample for the construction of the largest national wetland park in the central area of megacities in China, helping Haizhu National Wetland Park present the world a beautiful picture of harmonious coexistence between wetland and city with global reference significance.





03

Pursuing Spark Dreams and Gathering Joint Force for People-oriented Development

Development needs

Talents represent the hope of enterprise development. It is a key component of core corporate competitiveness. In addition to protecting employee rights, the society focuses more on such issues as diversified employment, respect and protection of human rights, and care for employees' physical and mental health nowadays. To unify higher employee well-being index and the harmonious corporate development has become a key measure for enterprises to achieve sustainable development.

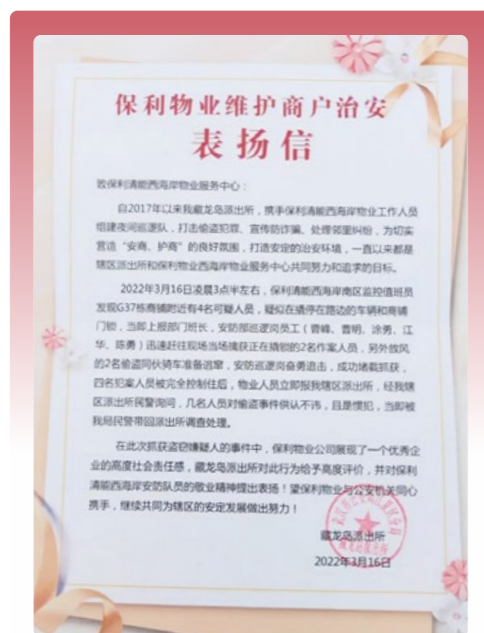
Development advantages

- Over three years, the Star Era program reached the goal of including **1,000** new hires in the talent pool .
- For our diversified training held in 2022, **254** raining programs of various kinds were carried out in **418** sessions.

Spark Story

Regular professional training helps catch thieves

On March 16, 2022, the Qingneng West Coast Project of Poly Property in Wuhan stopped a late-night theft with an acute vigilance and responsibility, timely ensuring the life and property safety of merchant and owners, which was highly recognized by the police for its efficient cooperation.



A Letter of Praise from the Canglong Island Police Station



Bravely stopping thieves

At 3:40 a.m. on March 16, 2022, four sneakers appeared near the G37 store. The night shift staff in the South District of the Qingneng West Coast of Poly Property found them and immediately reported. Security personnel rushed to catch four perpetrators and called the local police station. The police from the Canglong Island Police Station promptly arrived to inquire and investigate the suspects.

The rapid response and efficient cooperation of property management personnel was attributed to the regular professional training and tacit team work of Poly Property. The monthly work safety training has improved the emergency response ability of security personnel, and strengthened their ability of rapid response and emergency rescue to various disasters and emergencies, thus minimizing the hazards and ensuring the life and property safety of owners.



Consolidating "Iron Triangle" of security

In order to optimize project management - the minimum management unit, Poly Property has built a series of "Iron Triangle" training matrix based on three key positions of "customer service, engineering and security". Through the two-level interplay of "headquarters + regional office", and the "training + cultivation" mode, we have continuously improved the ability and quality of project personnel, consolidated the existing talent supply chain, and formed a long-term training mechanism to consolidate the talent base and promote the development of the Company.

The "Iron Triangle" security post training aims to "cultivate a group of good monitors and build a concierge guard team". Through the "theory + practice" training, trainees are expected to grow into excellent service personnel, managers and transmitters who can influence more colleagues to be positive, and endow excellent service skills to owners and customers while gaining self-growth, so that the training effects can be maximized. Through the Iron Triangle Program, we have cultivated the backbone of primary-level projects, and lit up the service spirit of the front-line staff in pursuing extreme standardization, high-quality and profession with the light of stars.

Protecting Employee Rights

Strictly following relevant laws and regulations, we effectively protect the legitimate rights and interests of employees. For example, we promote equal employment, respect and protect human rights, and improve the compensation and benefits system. We also care for the health of employees and unblock their communication channels.

Equal employment



We comply with the Chinese laws, such as, the *Labor Law* and the *Contract Law*, as well as the local regulations and policies. The *Recruitment Management Measures* is implemented as the basic policy of recruitment management, which clarifies recruitment principles, recruitment organization and labor division, recruitment needs and plans, recruitment channels, and recruitment implementation procedures, ensuring that all aspects of recruitment are policy-based, standardized and efficient. Labor relations are established based on the principles of "legal and justice, equality and voluntary, consensus and credibility".



Labor rights and interests



We have issued the *Labor Contract Management Measures* and other regulations which clearly define the conditions and procedures for the formation, implementation, alteration and termination of labor contracts. We thus can accordingly protect the legitimate rights and interests of employees. Besides, we have also established a strict internal hiring control mechanism.. Professional and rigorous background investigation will be launched to verify new hires' documents to avoid child labor. During the reporting period, no case of child or forced labor was reported.

Compensation and benefits



We strictly implement the *Measures for the Administration of Compensation*, and constantly optimize the compensation and benefits system. In addition to basic compensation, performance compensation and special rewards, we also provide employees with such subsidies in accordance with relevant regulations. In 2022, we developed a post sequence system and compensation standard table for professional subsidiaries and compensation management guidance requirements and relevant approval procedures for joint ventures, further consolidating the standardized management of compensation and benefits.

Occupational health and safety



We value the physical and mental health of employees in commuting, office, dining and travel, which employees are usually exposed to crowd. In terms of employee safety, we have built an internal "safety training system" with three steps of "special training, regular learning and comprehensive coverage", and innovatively carried out occupational safety education activities to comprehensively improve employees' safety awareness. In the past three years (including Year 2022), no death case related to work safety was reported.

Employee communication



We organize the workers' congress and labor union congress in accordance with policies every year, at which, we mobilize regional subsidiaries to carry out collective negotiation and collective contract signing, striving to effectively safeguard the legitimate and democratic rights of employees, and improve their enthusiasm, initiative and creativity in the democratic management of the Company.

Steps taken to eliminate labor violations

Determining the process and level related to labor violations

Taking rectification measures and determining main responsible institution and supervision

Determining the deadline for rectification



Attracting Talent

To optimize the talent recruitment system, we innovate in internal and external recruitment methods and channels, develop recruitment plans in accordance with job characteristics, and comprehensively coordinate campus recruitment, thus laying a solid talent foundation for the Company's development.

"Talent Hunting" and "General Manager-level" Internal Recruitment



To meet the needs of headquarters functions, subsidiaries, professional company for directors and key posts above, the "Talent Hunting Action" was launched at the beginning of 2022. Key post were recruited, including the general managers of front-line core platforms and strategic business, the functional directors of the headquarters' business line, and innovative business partners.

In the fourth quarter of 2022, learning from the internal recruitment experience of the Company, we organized the "general manager and director-level" internal recruitment plan. With a focus on the three post categories of platform heads, heads of functional departments and heads of industry, as well as the posts of key business line talent pool, "general manager-level" recruitment unblocked the channels for property recruitment within the system, promoted the talent flow within the system and continuously supplemented property organizations and talent teams in a diverse manner, which support the rapid business growth.

Special recruitment for industrial partnership



In response to the rapid growth of the demand for new business talent in the industry, we have updated the new business talent standards, shared market-oriented talent information, and formed a portrait of new business professionals in partnership with the industrial development center and core strategic headhunters, with an aim to meet the needs of the industry and relevant upstream and downstream, including the necessary requirements and soft qualities of talent. Moreover, through the special campaign on "Industrial Partnership Plan", we focus on recruiting the leaders of core business lines/regional industries, functional experts, and professional talent of various industrial lines, and expand multiple channels such as industry recommendation, internal recommendation by employees, and headhunting. Over 100 business talent in the industry and vertical fields have been recommended.

Star Era Program



As the key talent program of the Company's strategic talent pool, the Star Era Program outputs the "With Partners" backbones for the Company's function/project management every year. Over three years, the Star Era program reached the goal of including 1,000 new hires in the talent pool. Under the background of inadequate talent and weak adsorption in the industry, the overall undergraduate recruitment rate of the Star Era Program has increased by 10%, and the talent structure of functional departments has improved significantly with undergraduate rate increasing by 15%. Meanwhile, subsidiaries such as our Guangzhou branch and Guangzhou Poly Business Commercial Property have achieved significant results in ensuring the quality and retention of talent recruited through the Program.

Campus recruitment in spring, summer and autumn



On the basis of the three-year rolling recruitment by the Star Era Program, the Human Resources Center made a comprehensive plan for the campus recruitment in 2022, covering the recruitment in spring, summer and autumn. While actively assuming our social responsibility as a central state-owned enterprise to stabilize and promote employment, we realize the innovative iteration of the campus recruitment employer brand, recruitment strategies and standardized operation, so as to further improve the quality of the campus recruitment.



With the theme of "Why Not Energetically Serve National Strategies?", we attracted excellent graduates by innovative campus recruitment publicity activities, including challenges for elites from famous universities, high-quality lectures, and enterprise open day. The recruitment achievement rate was 107%.



In accordance with the three principles of "adjusting the stock and exploring the increment", "diversifying channels and maintaining the quantity", and "emphasizing the process and stabilizing the brand", we expanded the recruitment scale of college graduates.

We continuously differentiated strategies, highlighting the positioning of the industry and the central SOEs as well as the era mission of the youth. With "Developing With Resilience and Serving China" as the employer brand theme, we put a focus on optimizing the operation and management mechanism, namely, national live advertising + high-quality special online brand advertising, cooperation with websites to access key universities + strategies for the admission of local universities, and recruitment indicators + accurate interview proportion + weekly dynamic monitoring, thus promoting synchronous national campus recruitment and steadily improving the recruitment quality.

Empowering Employee Development

Committed to supporting the Company's rapid development with continuous talent supply, we have kept building talent echelons and unblocking the path for employee development. In 2022, 254 training programs were carried out in 418 times by the headquarters and subsidiaries, comprehensively covering the middle and senior management of the Company, the middle management of subsidiaries, project managers, the Iron Triangle, Star Era, and new hires.

Training Program for Galaxy Leaders

As the top program of the Company's talent training system, the Training Program for Galaxy Leaders has been carried out to cultivate senior management talent for the headquarters and regions, which covers comprehensive quality improvement indicators such as the ideologies, business operation, professional skills and leadership art of officials. Meanwhile, knowledge learning and business problem solving have been integrated effectively through action learning, aiming to build a leader team that is brave and skillful in competition. In 2022, the program organized one centralized training session with a total of 56 participants.

Training Program for Galaxy Operation Officers

Focusing on such key tasks as quality improvement, and professional operation and the improvement of management ability, we continuously optimize training contents and forms, so that learning resources are more comprehensive, more professional, and more focused on the Company's strategy and business pain points, and learning forms are more diverse and effective, making our operation leaner and more integrated. Following the principle of "shoring up our weak spots, and boosting our weaknesses", we focus on business training and special training to make the training more pertinent and practical. In 2022, all of our subsidiaries across the country carried out a total of 21 phases of the Training Program for Galaxy Operation Officers, covering project managers (including those in the talent pool) and project leaders.



[Training programs for five teams]

StarLight Professional Talent Plan

The StarLight Professional Talent Plan is carried out by the headquarters and subsidiaries to cultivate talent for key professional posts and professional function sequences, with the purpose of improving the ability of professionals, solving business problems and refining professional teams. In 2022, a total of 34 training sessions, including urban scenic spot management improvement, and ability training camps for commercial office building project managers, were carried out nationwide, covering thousands of participants.

Stars Iron Triangle Skilled Talent Plan

Developed for the grass-roots talent of customer service, security and engineering, the Stars Iron Triangle Skilled Talent Plan is to enhance the service awareness of employees in daily services, and standardize their post service language and post service behaviors (including relevant knowledge and skills). Through the Plan, we also strengthen professional skills and emergency response capabilities to serve the owner's life, and eliminate community risk hazards; moreover, we pay attention to the training and transmission of laws and regulations, professional ethics and knowledge. In 2022, four training camps were organized, with over 1,000 participants in total.

Training Program For Star Era

For strategic talent pool, we continue to implement the Star Era Three-year Training Plan and the "12358" talent cultivation system, further improving the standardization of content in six major areas: overall planning, onboarding training, apprenticeship, rotating practice, headquarters tracking, and regular examination. In 2022, focusing on the dual-track operation of onboarding training, we renewed theoretical courses and practical activities. The *Management Measures of Mentoring of Poly Property* was also issued to ensure regular operation of the apprenticeship scheme.

[Featured training programs]



Training Program for In-house Lecturers

An overall planning is made by the Human Resources Center of the headquarters, and the daily certification rating is mainly carried out by the human resources department of subsidiaries. The selection and appointment of in-house lecturers, course evaluation, internal motivation and other work are conducted according to training needs. In 2022, the training was conducted in 5 sessions in total, over 100 in-house lecturers were newly certified.

New Star Training Program

New Star Training is a special induction training program designed for new hires recruited in the social recruitment, including nine courses such as cultural integration, corporate strategy and business general knowledge. In 2022, the headquarters carried out three sessions of New Star Training Program; the subsidiaries conducted 125 sessions, covering thousands of participants.

HQ sharing platforms

Based on the learning philosophy of "sharing, co-creating, thriving", the Company has set up three major exchange platforms at the headquarters, namely, "Ace vs. Ace", "Management Acceleration", and "Club of the Outstanding". In 2022, the headquarters carried out one "Ace vs. Ace" activity themed "business line management and building", covering all centers (offices) of the Company.

Caring for Employees

In line with the people-oriented philosophy, we care our employees by visiting employees in need and offering help, carrying out diversified cultural and sports activities, and helping employees balance work and life.

Visiting employees in need

To show our care for employees, we have further promoted activities on "Truly Resolve Employees' Difficulties". In 2022, Through the "And Funds and Charity Fund", over RMB 300,000 was donated to employees in real financial need, their children who cannot afford college, and employees diagnosed with severe diseases. During the New Year's Day and Spring Festival holiday in 2022, we sent greetings to more than 300 people and subsidized them about RMB 250,000, making employees feel the Company's care through visible moves.



Enriching employees' life

We organize a variety of cultural and recreational activities for employees such as sports competition and Work Clothes Photo PK, to enrich employees' spare-time life and constantly improve their sense of belonging and happiness.

Case Spark Running Game on "Great Achievements from Small Beginning"

On March 5, 2022, Poly Property held a Spark Running Games themed "Great Achievements from Small Beginning" to advocate a healthy life. A series of competitions were held along the river to boost the morale for the big time.

Case Year-end Party on "Spark Reunion Dinner for New Year"

On January 21, 2022, Poly Property held the Year-end Party Activity on "Spark Reunion Dinner for New Year". All employees gathered to enjoy the New Year with rich and delicious buffet meal, exciting and interesting game programs.

Case Work Clothes Photo PK to look for shining stars

In July 2022, our subsidiaries participated in a nationwide creative work clothes photo PK, which award the title of "Shining Stars" in the 2022 Work Clothes Photo PK with creativity and culture, resulting improving team spirit.

UN Sustainable Development Goals 2030 (SDGs)



04

Stimulating Development Vitality Development by Creating Values

Development needs

As the economy and society advance rapidly, consumers, governments and communities have put forward higher demands for enterprises in terms of sustainable supply chain, rural vitalization, charity, etc. Therefore, while focusing on their own growth, enterprises shall also maintain a good relationship with all sectors of the society to share benefits and support each other, shouldering corporate responsibility with practical actions.

Development advantages

- Suppliers audited in accordance with engaging suppliers management reached **100%**
- We conducted 7 "Poly Spark Class" training sessions, providing nearly hundred people with job opportunities in 2022.
- Engaging in charity, we mobilized **7,597** participants to join in charitable activities in 2022.

Spark Story

Shouldering responsibility

We shouldered our responsibilities as a central state-owned enterprise and member of the society, and showcased the role of central SOE with practical actions. In 2022, the Party Committee of Poly Property organized the "Spark Voluntary Team" twice to support Guangzhou. Over 2,000 volunteers went to Baiyun District, Haizhu District and other key areas to assist. They worked overnight and safeguard lives of community residents.



Youth Volunteer League

Youth volunteers are becoming more and more prominent in every aspect of public governance at primary levels. In response to the situation, the Commercial Committee under the Youth League Committee of Poly Property has established the Youth Volunteer League, which aims to bring together strengths of countless enterprises and the strengths of primary-level organizations. The League epitomizes the innovative organizational form under the new circumstance, playing a connecting role in promoting urban governance at primary levels. According to the different service groups, there are four main voluntary teams, namely the Volunteer Team, Green Convenience Service Team, Love and Warmth Service Team and Patriotic Education Service Team.



Case Concerting the Spark strength to shine where is needed most

Food safety and scientific diet is an important part of winning the long-lasting battle, and adequate nutrition helps patients recover better. In the early morning of November 14, Hechuang Zhongwei Catering, a subsidiary of Poly Property, urgently mobilized resources to prepare meals and led more than 30 employees and over 20 partners to provide assistance. Even though the time was limit, they still followed strict diet standard to guarantee calories and nutrition intake and food safety, providing meals for volunteers in the frontline around the clock.

Joining Hands for Win-Win Cooperation

Committed to building a win-win partnership, we continuously improve our supply chain management system to pursue sustainable development with suppliers. In addition to participation in the establishment of industry organizations, we also promote cooperation among all parties involved and join hands with them for common growth.

Building a responsible supply chain

In accordance with the *Civil Code of the People's Republic of China* and other laws and regulations as well as the relevant system documents of Poly Property, we have revised a series of management systems, such as the *Supplier Management Measures*, *Procurement Management Regulations* and *Bidding Management Measures*, to achieve effective management of the supply chain. In 2022, suppliers audited in accordance with the management of engaging suppliers reached 100%.



► Supplier management

The headquarters, subsidiaries and specialized management companies of Poly Property designate personnel for supplier management on different business lines. In accordance with the guiding principle of "dividing management and operation responsibilities", suppliers are investigated, selected and assessed through graded management and their bases. The supplier management conference is regularly held to contribute to building a responsible supply chain.



► Transparent and green procurement

○ Transparent procurement

Our systems clarify that the principle of avoidance is adopted in the procurement process and the principle of fairness, just, honesty and integrity is applied in bidding to ensure reasonable competition. Through formulating regulations on the integrity of suppliers, we require suppliers to sign the integrity agreement to specify responsibilities of both parties. By guarantying an open, equitable and fair procurement, we actively advocate the principle of transparent procurement.

○ Green procurement

Before signing contracts with suppliers, we communicate with them adequately to clarify our requirements of products and services on environmental protection. During fulfilling services, we safeguard the labeling, transportation, packaging and storage, and carry out regular evaluation for supervision and control to ensure compliance with relevant environmental requirements.

Credit and System Certification	Enterprise Special Qualification
<ul style="list-style-type: none"> Credit rating AAA certification Enterprise management system certifications, including ISO 9001 quality management system, ISO 14001 environmental management system, GB/T45001-2020 occupational health and safety management system 	<ul style="list-style-type: none"> Pest control qualification Secondary water supply facility cleaning qualification Waste clearing and transportation qualification
National Grade Qualification	Personnel qualification
<ul style="list-style-type: none"> Garbage removal and disposal qualification Waste sorting and disposal qualification 	<ul style="list-style-type: none"> Pest control officer Landscape Engineer Landscaping Engineer

Driving industrial development

We closely follow the development trend of the industry and participate in industry associations and organizations to strengthen cooperation between upstream and downstream in the industry chain. By sharing our development results and experience with the industry and actively disseminating the front-line stories of the industry, we work with our partners to promote the high-quality development of the property service industry.

▶▶▶ Joining in industry associations

On June 6, 2022, Guangzhou Association of Urban Service Operation was established and the first general meeting was held in Poly • International Plaza of Guangzhou. At the meeting, Zhao Guangfeng, Deputy General Manager of Poly Property, was elected as the President of the Association, and the Articles of Association and other relevant system documents were deliberated and approved. Poly Property joined in the Association as a president unit.

▶▶▶ Sharing development experience

On December 25, 2022, at the 2022 China (Guangzhou) Intelligent Property Management Industry Summit Forum, Poly Property shared its latest idea about the development of the industry: "The Fourth Thinking about the Industry - Redefining the Value Scale of Property on Top of Digitization", and demonstrated the Company's innovation in intelligent property in recent years – the RADAR Smart Service System, responding to the call of serving to build a better China with practical actions.

▶▶▶ Disseminating stories of the industry

On May 8, 2022, the Chinese City and Regional Laboratory (CCRL) launched the fourth series livestreaming of "You Are My Eyes", with the themed of "City and Community Management by Property Service Team". The program invited the Poly Property management team who working on the frontline of Shanghai community to share the Shanghai's city and community management.

▶▶▶ Protecting intellectual property

In strict accordance with the Chinese laws, such as the *Civil Code*, *Copyright Law*, *Trademark Law*, *Patent Law*, and *Tort Law*, and relevant regulations, Poly Property has formulated internal regulations such as the *Intangible Assets Management Measures* and *Brand Management Regulations*. We keep optimizing the intellectual property right risk prevention mechanism, provide regular training on IRP for staff, and conduct internal inspection on IP risks. As of December 31, 2022, we had obtained 36 patents, 98 software copyrights and 3 domain name.



Engaging in Charity

We actively engage in charity undertakings. By creating innovative charity brand projects such as the "Poly Spark Class" and "Harmony Courtyard", we carry out community-based charity activities and share our development results with the society.

Building a charity brand

We continue to promote the "Poly Spark Class" poverty alleviation project through vocational education. In April, we initiated the Shining Spark Campaign and piloted the project in Shanshui Yunting in Kunming. We gathered students of the Poly Spark Class here to build the first talents cultivation base and produce the video "Three Letters to Light a Spark" that tells the Spark stories. In 2022, the project conducted seven training sessions and provided nearly hundred jobs for people.

Supporting community development

We step up efforts to enhance the interaction with communities and carry out public welfare activities such as caring for the elderly in the community and launching livestreaming to help farmers sold agricultural products, thus promoting community development.

Case launching Spark livestreaming to help farmers sold agricultural products

On the afternoon of July 30, 2022, Poly Property launched a Spark livestreaming to help farmers sold agricultural products in Ludian County, Zhaotong City, Yunnan Province. Students of the "Poly Spark Class" from Ludian spoke for their hometown agricultural products as anchors and contributed to the sales of local products. During the live broadcast, they introduced Ludian specialty of mushrooms, Yunnan intangible cultural heritage, the Yunnan embroidery and fresh flower cakes, as well as other local featured products recorded more than 12,000 views.

Case The "Priority for Elderly Campaign" provides convenient services for residents

The subsidiaries of Poly Property in different regions provided caring and convenient services for local elderly, such as free clinic, free knife sharpening and free haircuts, as well as home caring and daily material supplies for left-behind elderly and those who live alone, spreading warmth to the community residents.



Boosting Rural Vitalization

In response to the national strategy of rural vitalization, we put forward the "Soft Infrastructure Strategy" based on the "Comprehensive Property" strategy. Moving our focus from urban to rural areas, we participate in the development of local culture and tourism, living environment improvement and industrial upgrading, contributing to the new progress of rural vitalization and modernization of agriculture and rural areas.

Assisting in cultural and tourism development

Poly Property launches projects in scenic areas to keep tourists safe and consolidate the red line of business order and regulation, building a sound business atmosphere and civilized tourism environment in the scenic areas.

Case Grid governance in Nanbei Lake Scenic Area

In June 2022, Poly Property successfully participated in the Nanbei Lake Scenic Area project in Ganpu Town, Haiyan County, Jiaxing City, Zhejiang Province, to help develop cultural and tourism industry in the local rural areas. Services provided by the Company involve safety inspection, commercial operation order management, vehicle and parking management, entrance ticketing, etc. By dividing the service area into two grids, we launch targeted grid services in key places such as the entrance of the scenic area and the lake, thus effectively solving the problems of scalping tickets, mobile vendors in the scenic area and swimming and playing at the lake.



Improving the living environment

With the support of our professional management and services, we incorporate the concept of humanistic services. Soft services are provided to improve the quality of public services in relocation areas and solve the key and difficult problems faced by the commissioners. This is a part of our efforts to continuously explore the coordinated and innovative model of social governance of village vitalization, public services and property services.

Case Refined governance service in Yaozhuang Town

In the Taoyuan Xintun Relocation Project in Yaozhuang Town, Poly Property provided a series of special remediation services for the project location and its surroundings, such as environmental sanitation, waste sorting, security and traffic order maintenance, to build a favorable public environment.

Case Urban-Rural Sanitation Integration Project in Jiangdu District, Yangzhou

In October, 2022, Poly Environmental Service officially engaged in the Urban-Rural Sanitation Integration Project in Jiangdu District, Yangzhou. It is responsible for cleaning, garbage removal, public toilet maintenance and snow and ice removal in 6 towns, including Daqiao Town and Guocun Town. Taking into consideration the characteristics of household garbage in rural areas, the project department adopted amount reduction locally, harmless disposal and resource utilization of the household garbage, improving urban and rural living environment in a scientific manner.

Empowering industries

We launch a 5G products and services package, leveraging our strengths to improve public service through industrial development. In combination of resources, facilities and talents of the industry, we continue to build a brand of "Rejuvenating China" and deepen the social governance model of "Comprehensive Service", enabling the diversified public property services to benefit everyone in the vast rural areas.

Mobilizing industry resources to empower services with industry integration

Based on the "Yinghe Ecosphere", a community value-added services platform online and offline, the Company has organized several consumption-driven activities to alleviate poverty, such as "Thousand Stalls in Hundred Cities", "Spark for Farmers", "Power of Neighborhoods", developed the service sector, such as cultural tourism, thus realizing the transition of agricultural and cultural industry. These activities help open up channels for agricultural products to be served directly from farm to table, stimulating the vitality of township industries and promoting sales for farmers.

Utilizing industry facilities to promote development with management coordination

In Jiaxing and Jinhua, Zhejiang Province, we assist the governments in the operation and maintenance of 16 agricultural markets and wholesale markets to participate in the management of the industry chain of local agricultural products. We set up intelligent systems for agricultural product testing and information disclosure to assist the government in monitoring the quality and safety of agricultural products and promoting green agricultural development.

Pooling industry talents to provide targeted assistance through the Spark for Farmers activity

Since 2018, Poly Property has been fulfilling its responsibility as a central SOE. We have organized the Poly Spark Class for four consecutive years to admit children from disadvantaged families in the areas assisted by China Poly Group Corporation and provide them with free vocational training. After completion, they can work in Poly Property. This class has delivered benefits to over hundred disadvantaged families in total.



Appendix

List of ESG Policies, Laws and Regulations

ESG Aspects	Laws and Regulations	Company Internal Policies
A. Environment	<p><i>Environmental Protection Law of the People's Republic of China</i> <i>Energy Conservation Law of the People's Republic of China</i> <i>Water Pollution Prevention and Control Law of the People's Republic of China</i> <i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</i> <i>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</i> <i>Regulation on the Safety Management of Hazardous Chemicals</i> <i>National Catalogue of Hazardous Wastes</i></p>	<p><i>Regulations on Cost Control Management</i> <i>Work Safety Management System Compilation</i> <i>Measures for Administration of Energy Conservation and Environmental Protection</i></p>
B1. Employment	<p><i>Labor Law of the People's Republic of China</i> <i>Labor Contract Law of the People's Republic of China</i> <i>Employment Promotion Law of the People's Republic of China</i> <i>Social Insurance Law of the People's Republic of China</i></p>	<p><i>Measures for the Administration of Compensation</i> <i>Labor Contract Management Measures</i> <i>Rationalized Suggested Management Method</i></p>
B2. Health and Safety	<p><i>Labor Law of the People's Republic of China</i> <i>Fire Control Law of the People's Republic of China</i> <i>Construction Law of the People's Republic of China</i> <i>Law on Safety of Special Equipment of the People's Republic of China</i> <i>Work Safety Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</i> <i>Emergency Response Law of the People's Republic of China</i> <i>Provisions on the Administration of Safety Technology</i> <i>Training and Examination for Special Operation Personnel</i> <i>Regulations on Work-related Injury Insurance</i> <i>Administrative Measures for Work Safety Training</i> <i>Guide for Emergency Drill of Work Safety Accidents</i> <i>Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers</i></p>	<p><i>Work Safety Management System Compilation</i> <i>Management System Manual</i> <i>Internal Audit Management Measures</i> <i>Audit Measures for Internal Control System</i> <i>Guidelines for the Management of Residential Property Records and Information</i></p>
B5. Supply Chain Management	<p><i>Civil Code of the People's Republic of China</i> <i>Law of the People's Republic of China on Tenders and Bids</i> <i>Property Management Regulations</i></p>	<p><i>Supplier Management Measures</i> <i>Procurement Management Regulation</i> <i>Bidding Management Measures</i> <i>Management System Manual</i></p>
B6. Product responsibility	<p><i>Law of the People's Republic of China on Urban Real Estate Administration</i> <i>Property Management Regulations</i></p>	<p><i>Management and Control System for the Ultimate Standardized Residential Services</i> <i>Poly Property Overall Standard System for Urbanization 1.0</i> <i>Poly Property Standard System for Rail Transport Project 1.0</i> <i>Poly Property Standard System for Teaching and Research Properties 1.0</i> <i>Nebula Ecology Standard System 1.0</i> <i>Measures for the Administration of Merchants Within Community Value-added Services</i> <i>Guidelines for the Management of Residential Property Files and Data</i> <i>Standards for Value-added Customer Services</i> <i>Operational Guidelines for Customer Requirements</i></p>
B7. Anti-corruption	<p><i>Company Law of the People's Republic of China</i> <i>Anti-money Laundering Law of the People's Republic of China</i> <i>Anti-monopoly Law of the People's Republic of China</i> <i>Anti-Unfair Competition Law of the People's Republic of China</i> <i>Interim Provisions on Banning Commercial Bribery</i></p>	<p><i>Letter of Commitment to Integrity and Self-discipline</i> <i>Measures of Implementing Discipline Inspection and Supervision System</i> <i>Ten Prohibitions for Leading Cadres</i> <i>Eight Prohibitions for Management Cadres</i> <i>Convention on Integrity of Cadres</i> <i>Measures for Cadre Supervision and Management</i></p>
B8. Community investment	<p><i>Charity Law of the People's Republic of China</i></p>	—

ESG Index

General Disclosure and Key Performance Indicators (KPIs)	Corresponding Sections
A. Environmental	
A1: Emissions	
General Disclosure	Adhering to Green and Low-carbon Development
A1.1 The types of emissions and respective emissions data	Practicing Green Operation, ESG Key Performance Indicators
A1.2 GHG emissions and intensity	Practicing Green Operation, ESG Key Performance Indicators
A1.3 Total hazardous waste produced and intensity	Practicing Green Operation, ESG Key Performance Indicators
A1.4 Total non-hazardous waste produced and intensity	Practicing Green Operation, ESG Key Performance Indicators
A1.5 Description of emissions target(s) set and steps taken to achieve them	Practicing Green Operation
A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Practicing Green Operation
A2: Use of Resources	
General Disclosure	Adhering to Green and Low-carbon Development
A2.1 Direct and/or indirect energy consumption by type in total and intensity	Practicing Green Operation, ESG Key Performance Indicators
A2.2 Water consumption in total and intensity	Practicing Green Operation, ESG Key Performance Indicators
A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	Practicing Green Operation
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Practicing Green Operation
A2.5 Total packaging material used for finished products and with reference to per unit produced	Not Applicable
A3: Environment and natural resources	
General Disclosure	Practicing Green Operation
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Practicing Green Operation
A4: Climate Change	
General Disclosure	Addressing Climate Change
A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Addressing Climate Change
B. Social	
B1: Employment	
General Disclosure	Pursuing Spark Dreams and Gathering Joint Force for People-oriented Development
B1.1 Total workforce by gender, employment type, age group and geographical region	Attracting Talent, ESG Key Performance Indicators
B1.2 Employment turnover rate by gender, age group and geographical region	Attracting Talent, ESG Key Performance Indicators
B2: Health and safety	
General Disclosure	Protecting Employee Rights

B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Protecting Employee Rights, ESG Key Performance Indicators
B2.2	Lost days due to work injury	Protecting Employee Rights, ESG Key Performance Indicators
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Protecting Employee Rights

B3: Development and training

	General Disclosure	Empowering Employee Development
B3.1	The percentage of employees trained by gender and employee category	Empowering Employee Development, ESG Key Performance Indicators
B3.2	The average training hours completed per employee by gender and employee category	Empowering Employee Development, ESG Key Performance Indicators

B4: Labor standards

	General Disclosure	Protecting Employee Rights
B4.1	Description of measures to review employment practices to avoid child and forced labor	Protecting Employee Rights
B4.2	Description of steps taken to eliminate such practices when discovered	Protecting Employee Rights

B5: Supply chain management

	General Disclosure	Joining Hands for Win-Win Cooperation
B5.1	Number of suppliers by geographical region	Joining Hands for Win-Win Cooperation, ESG Key Performance Indicators
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Joining Hands for Win-Win Cooperation, ESG Key Performance Indicators
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Joining Hands for Win-Win Cooperation
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Joining Hands for Win-Win Cooperation

B6: Product responsibility

	General Disclosure	Driving Innovative Development by Creating Values
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable
B6.2	Number of product and service related complaints received and how they are dealt with	Ensuring customer satisfaction, ESG Key Performance Indicators
B6.3	Description of practices relating to observing and protecting intellectual property rights	Joining Hands for Win-Win Cooperation
B6.4	Description of quality assurance process and recall procedures	Not Applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Implementing safety responsibilities

B7: Anti-corruption

	General Disclosure	Upholding Honest Employment
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Upholding Honest Employment, ESG Key Performance Indicators
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Upholding Honest Employment
B7.3	Description of anti-corruption training provided to directors and staff	Upholding Honest Employment, ESG Key Performance Indicators

B8: Community investment

	General Disclosure	Stimulating Development Vitality
B8.1	Focused areas of contribution	Stimulating Development Vitality
B8.2	Resources contributed to the focused areas	Stimulating Development Vitality, ESG Key Performance Indicators

ESG Key Performance Indicators

ESG KPIs		Unit	2022 ¹	
A1.1	The types of emissions and respective emissions data	Nitrogen oxides	kg	697.90
		Sulfur oxides	kg	1.37
		Particulate matter	kg	66.56
A1.2	GHG emissions in total and intensity	GHG emissions (Scope 1 and Scope 2) ³	tonnes CO ₂ e	334,289.93
		GHG emission intensity ²	tonnes CO ₂ e/million sq.m.	580.28
		Direct GHG emissions (Scope 1) ⁴	tonnes CO ₂ e	2,554.12
		Indirect GHG emissions (Scope 2) ⁵	tonnes CO ₂ e	331,735.81
A1.3	Total hazardous waste produced and intensity	Total hazardous waste produced ⁶	kg	24,471.28
		Hazardous waste intensity ²	kg/million sq.m.	42.48
		Waste lamp	kg	18,057.11
		Waste printer cartridge	kg	3,814.73
		Waste ink cartridge	kg	2,599.44
A1.4	Total non-hazardous waste produced and intensity	Total non-hazardous waste produced ⁷	tonnes	1,167.50
		Total non-hazardous waste intensity ²	tonnes/million sq.m.	2.03
		Food waste	tonnes	1,129.85
		Office paper waste	tonnes	37.65
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Total energy consumption ⁸	MWh	598,220.72
		Total energy consumption intensity ²	MWh/million sq.m.	1,038.43
		Direct energy consumption ⁹	MWh	11,147.43
		Gasoline ¹¹	Litre	92,796.11
		Diesel ¹²	Litre	173,043.95
		Natural gas ¹³	m ³	615,066.37
		Piped gas ¹³	m ³	2,232.73
		Tanked LPG ¹³	kg	178,084.60
		Indirect energy consumption ¹⁰	MWh	587,073.29
		Purchased electricity	MWh	569,447.97
A2.2	Water consumption in total and intensity	Electricity consumption for cooling and heating	MWh	17,625.32
		Water consumption in total	m ³	12,838,388.96
		Water consumption intensity ²	m ³ /million sq.m.	22,285.77

ESG KPIs		Unit	2022	
B1.1 Total workforce by gender, employment type, age group and geographical region	Total number of employees	Headcount	43,433	
	By gender	Male	Headcount	25,091
		Female	Headcount	18,342
	By employment type	Full-time staff	Headcount	43,433
		Part-time staff	Headcount	0
	By age group	Aged 30 and under	Headcount	15,724
		Aged 31-50	Headcount	24,168
		Aged 51 and above	Headcount	3,541
	By geographical region	Northeastern China	Headcount	1,830
		Northern China	Headcount	6,145
		Northwestern China	Headcount	1,649
		Southern China	Headcount	12,513
		Eastern China	Headcount	10,031
Southwestern China		Headcount	6,131	
Central China		Headcount	5,134	
B1.2 Employee turnover rate by gender, age group and geographical region	Employee turnover rate	%	32.00	
	By gender	Male	%	34.54
		Female	%	28.20
	By age group	Aged 30 and under	%	35.33
		Aged 31-50	%	28.10
		Aged 51 and above	%	25.38
	By geographical region	Northeastern China	%	25.18
		Northern China	%	28.36
		Northwestern China	%	28.44
		Southern China	%	33.25
Eastern China		%	37.16	
Southwestern China		%	31.38	
Central China		%	35.62	
B2.1 Number of work-related fatalities	Number of work-related fatalities	Headcount	0	
	Rate of work-related fatalities	%	0	
B2.2 Lost days due to work injury	Lost days due to work injury	Days	253	

ESG KPIs		Unit	2022	
B3.1 The number and percentage of employees trained by gender and employee category	Total number of employees trained	Headcount	43,433	
	By gender	Male	Headcount	25,091
		Female	Headcount	18,342
	By employment type	Managerial Staff	Headcount	2,172
		Non-managerial Staff	Headcount	41,261
		Percentage of employees trained in the total employees	%	100.00
	By gender	Percentage of male employees in total employees trained	%	57.77
		Percentage of female employees in total employees trained	%	42.23
	By employment type	Percentage of managerial personnel in total employees trained	%	5.00
		Percentage of non-managerial personnel in the total employees trained	%	95.00
B3.2 The average training hours completed per employee by gender and employee category	Total training hours	Hours	2,115,194.54	
	By gender	Male	Hours	1,219,198.13
		Female	Hours	895,996.41
	By employment type	Managerial	Hours	69,377.82
		Non-managerial	Hours	2,045,816.72
	Average training hours completed by employees	Average training hours of employees	Hours	48.70
	By gender	Male	Hours	48.59
		Female	Hours	48.85
	By employment type	Managerial	Hours	31.94
		Non-managerial	Hours	49.58
B5.1 Number of suppliers by geographical region	Number of suppliers	Entity	3,012	
	By geographical region	Northeastern China	Entity	163
		Northern China	Entity	546
		Northwestern China	Entity	101
		Southern China	Entity	827
		Eastern China	Entity	803
		Southwestern China	Entity	223
		Central China	Entity	349
B5.2 Number of suppliers reviewed in accordance with the practices relating to engaging suppliers in 2022		Entity	3,012	

ESG KPIs		Unit	2022	
B6.2	Number of products and service related complaints received	Service complaints received in the property category	Times	7,291
		Engineering complaints received in the property category	Times	3,385
		Safety complaints received in the property category	Times	2,737
B7.1	Number of concluded legal cases regarding corrupt practices brought against the company or its employees during the reporting period	Number of corruption cases filed or concluded	Cases	0
B7.3	Description of anti-corruption training provided to directors and staff.	Number of directors participating in anti-corruption training	Headcount	7
		Number of employees participating in anti-corruption training	Headcount	43,433
		Length of anti-corruption training provided to directors and employees	Hours	177,348
B8.2	Resources contributed to the focused areas	Employee participants in voluntary activities	Person-time	7,597

Notes to ESG KPIs

- The disclosed environmental data in 2022 covers the headquarters of Poly Property, office areas of its subsidiaries, and office areas and non-shared public spaces of its subordinate projects.
- The GHG emissions intensity, hazardous waste intensity, non-hazardous waste intensity, energy consumption intensity, and water consumption intensity of Poly Property in 2022 are calculated based on the total area under management of Poly Property in 2022, i.e., 576.08 million m², as the denominator.
- The GHG emissions are the sum of direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2).
- Direct GHG emissions (Scope 1): Including GHG emissions generated from consuming gasoline, diesel, natural gas, piped coal gas, liquefied petroleum gas, and methanol. Direct GHG emissions are calculated according to the *Requirements of the Greenhouse Gas Emissions Accounting and Reporting for Public Building Operating Organizations (Enterprises) (Trial)* promulgated by the General Office of the State Council of the People's Republic of China.
- Indirect GHG emissions (Scope 2): Including indirect GHG emissions result from the purchase of electricity and heat; indirect GHG emissions from purchased electricity and heat are calculated according to the *Requirements of the Greenhouse Gas Emissions Accounting and Reporting for Public Building Operating Organizations (Enterprises) (Trial)* promulgated by the General Office of the State Council of the People's Republic of China.
- Total hazardous waste produced includes waste modulator tubes, toner cartridges, and ink cartridges.
- Total non-hazardous waste produced includes kitchen waste and waste paper in offices.
- Energy consumption is the sum of directly and indirectly consumed energy.
- Direct energy consumption is the total consumption of gasoline, diesel, natural gas, piped coal gas, liquefied petroleum gas, and methanol.
- Indirect energy consumption is the total consumption of purchased electricity, heat, and cooling.

11. Gasoline consumption covers the gasoline consumed by the Company's owned and rented vehicles.

12. Diesel consumption covers the diesel consumed by engineering facilities and equipment of projects under management of Poly Property.

13. Piped coal gas, tanked LPG, and part of the natural gas cover consumption of the canteens operated by Poly Property. The rest of the natural gas consumption comes from heating for subordinate companies and projects.

* Unless otherwise specified, the conversion coefficients and calculation methods refer to *How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs, How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs* released by The Stock Exchange of Hong Kong Ltd.