



寶龍商業管理控股有限公司

POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY

STOCK CODE: 9909.HK



2022

Powerlong CM

Environmental, Social and Governance Report



CONTENTS

About this Report	01
Group Overview	03
Responsibility Management	05

Operational Service Management

Quality Customer Services	09
Commercial Operation	10
Property Management	12
Consumer Rights and Intellectual Property Protection	13
Supply Chain Management	13

Creating a Green Environment Together

Reducing Emissions during Operation	15
Sustainable Office	16

Valuing Human Resources

Optimising Employment Management	18
Health and Safety	20
Occupational Training	21
Probity and Integrity	23

Sincerely Giving Back to the Society

Fighting the Pandemic Together	26
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Performance Summary	27
Content Index of the ESG Reporting Guide of Stock Exchange	34

About this Report

Powerlong Commercial Management Holdings Limited (stock code: 9909.HK) (the “**Company**” or “**Powerlong CM**”) and its subsidiaries (together, the “**Group**”) is delighted to publish its fourth *Environmental, Social and Governance Report* (the “**Report**”).

The Report details the Group’s performance in terms of environmental, social and governance (“**ESG**”) and its future planning and goals. The Group has disclosed most of the key performance indicators with descriptions to establish baselines for assessment to facilitate comparisons. For details of the Group’s businesses, please refer to the *Annual Report 2022* of Powerlong CM.

Reporting Period and Scope

Unless otherwise specified, the Report covers the period between 1 January 2022 and 31 December 2022 (the “**Reporting Period**”), with part of the content suitably extended. The content of the Report is determined based on operational control, which covers all business sectors under the Group, including commercial operational services and residential property management services.

Reporting Guideline

The Report has been prepared in accordance with the requirements of the *Environmental, Social and Governance Reporting Guide* (“**ESG Reporting Guide**”) contained in Appendix 27 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (“**Listing Rules**”) issued by the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), and is based on the reporting principles of Materiality, Quantitative, Consistency and Balance. The contents covered herein comply with the disclosing requirements provided in the *ESG Reporting Guide*, the provisions of the “mandatory disclosure requirements” and the “comply or explain” set therein.

During the preparation of the Report, the Group applied the following reporting principles according to the *ESG Reporting Guide*:

Materiality: The Group’s material issues for the Reporting Period were determined with reference to the 2022 materiality assessment results¹ from Powerlong Real Estate Management Holdings Limited (“**Powerlong Holdings**”), thereby the Report is prepared by focusing on the confirmed material issues;

Quantitative: The standards and methods of the data calculation in the Report, the applicable assumptions and calculation tools are disclosed;

Consistency: The preparation method of the Report is fundamentally consistent with the previous year, and the changes in the disclosure on the data reporting scope and calculation method are specifically explained;

Balance: The Report provides an unbiased picture of the Group’s performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

¹ Powerlong CM is a subsidiary of Powerlong Holdings. As the business nature and the reporting scope of the two companies are similar, the material issues for the Report were referenced from the 2022 materiality assessment results of Powerlong Holdings.

Reporting Declaration

The Report highlights the management process and emphasises on its materiality, balance, and consistency to provide a comprehensive overview of the Group's philosophies and policies. The Group guarantees the reliability, authenticity, objectivity, and timeliness of the Report, and is intended to strengthen communications with stakeholders through issuing the Report, so as to further promote sustainable development of the environment, society and economy. The disclosed content of the Report is determined by the results of stakeholder engagement processes. Please refer to the chapter "Responsibility Management" in the Report for details of the process.

Confirmation and Approval

The Company's board of directors ("**Board of Directors**") has approved the Report on 29 March 2023 to ensure the contents of the Report is authentic, accurate and complete. The Board of Directors is responsible for the Group's ESG strategy and report, and is responsible for assessing and determining the Group's ESG-related risks to ensure the Group's ESG risks and internal management and control system are implemented appropriately and effectively.

Report Availability and Feedback

The Report can be accessed and downloaded from the company website at www.powerlongcm.com or the HKEXnews of the Stock Exchange at www.hkexnews.hk.

The Group welcomes any comments and suggestions regarding the Report or ESG-related matters through email at boardteam9909@powerlong.com.



Group Overview

As a subsidiary of Powerlong Holdings and a leading commercial operational service provider in the People's Republic of China ("PRC"), the Group focuses on the Yangtze River Delta region, especially city clusters with vast potentials for economic development. Based on local demand, it is committed to creating good city living. The Group has been offering commercial operation services to developers, tenants, and owners of retail commercial properties since 2007, while providing property management services to residential properties, office buildings and serviced apartments. and was successfully listed on the Main Board of the Stock Exchange on 30 December 2019, being the first commercial management operational service provider under an asset-light business model listed on the Stock Exchange.

With the corporate mission of "creating space full of love", the Group adheres to its corporate philosophy of "simple, truthful, prosper together, forward forever", with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

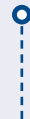
Our Businesses

Commercial Operational Services

The Group provides high-quality commercial operational services under its four brands, namely "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地).



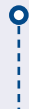
As of 31 December 2022, the Group's commercial operation team had approximately **3,879** team members



93 retail commercial properties in operation across the country



An aggregate gross floor area ("GFA")² in operation of approximately **10.6** million square meters ("sq.m")



Contracted to provide commercial operational services for **142** retail commercial properties



An aggregate contracted GFA of approximately **15.2** million sq.m.

The Group's commercial operational services include full-chain services covering positioning, tenant sourcing, opening, operation and management for shopping malls and shopping streets, which primarily included:

Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of retail commercial property;

Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and

Property leasing services with respect to units located within the shopping streets and shopping malls.

² Unless otherwise specified, all "GFA" of commercial properties in the Report refers to areas including car parks.

The Group's brand enjoys considerable recognition in the markets where it operates, and has been awarded various types of honours during the Reporting Period, such as China Top 10 Commercial Real Estate Enterprises with Best Operations of the Year 2022 (2022 年中國商業地產運營十強企業) awarded by China Index Academy (中國指數研究院), Leading Enterprise Award in Commercial Property of the Year 2022 (2022 年度商業地產領軍企業) awarded by Winshang.com (贏商網), and List of Excellence in Commercial Management Companies of the Year 2022 (2022 年度商業管理公司卓越榜) awarded by mallchina.org (中購聯) in China.

Residential Property Management Services

The Group provides residential property management services for residential properties, office buildings and serviced apartments that cover various aspects as below:

- Pre-sale management services to property developers during their pre-sale services, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening, and repair and maintenance services; and
- Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, management services for common area, advertising space and car park.

As of 31 December 2022, the Group had **92** projects delivered of its residential property management services

An aggregate GFA delivered of **19.4** million s.q.m.

Contracted to manage **140** projects

An aggregate contracted GFA of **30.7** million s.q.m.



Responsibility Management

Chairman's Statement

The Group understands the importance of good corporate governance, including governance of ESG-related issues that are crucial to sustainable development. The Group has been committed to integrating the concept of sustainable development with the Company's overall strategies, policies, and business plans. The Group has formed an ESG governance system with clear responsibilities by following the ESG governance system of Powerlong Holdings. Taking into account the nature of the Group's own businesses, an ESG Working Group has been set up to assist the Board of Directors in guiding and managing ESG-related work of the Group. The Board of Directors takes the responsibility of supervising and approving the management policies and strategies of ESG, which is also responsible for supervising ESG targets and reviewing the progress towards the ESG targets. Besides, it participates in identifying, evaluating, prioritising, and managing important ESG-related issues. Based on the sustainable development strategy, the Group conducts a materiality assessment of ESG topics once a year, and the management and improvement of material issues are regarded as the priority of annual ESG work. The Board of Directors reviews and confirms the results of the materiality assessment, considers the material issues as a part of the Group's overall strategy when formulating it, and monitors the management and performance of the material issues. Relevant employees are responsible for establishing and supervising policies and measures related to ESG topics, and regularly reports to the Board of Directors on the progress and achievement of work.

With regard to risk management and internal control, the Group has established an internal control department which takes charge of identifying and monitoring the risks and internal control related matters of the Group and reports directly to the Board of Directors for deliberation, decision-making and effectiveness review. The Group understands the importance of identifying and managing ESG-related risks to the Group's business strategy, and it is committed to incorporating ESG issues into the consideration of its own development strategy. The Board of Directors ensures that the Group develops appropriate and effective ESG risk management and internal control systems, and is in charge of assessing and determining ESG-related risks. The Group has carried out the ESG-related risk identification and assessment to analyse the potential risks and related impacts of ESG material issues on the Group's business strategy. By analysing two dimensions, namely the severity of the impact of the risks and the likelihood of the occurrence of the risks, the Group identified important ESG risks, reviewed the internal management gaps of the identified important ESG risks and continuously improve the management.

In the future, the Group will continuously improve its governance structure to ensure effective supervision and control of possible risks during operation, and it will identify and analyse ESG risks and related impacts regularly and continue to assist in developing appropriate and effective ESG risk management and internal control systems. In the future, the Group will also set more detailed environmental goals and promote low-carbon operations vigorously, as well as help the Group to keep moving forward on the path of sustainable development.



Stakeholder Communication

The Group deeply believes that effective communication with stakeholders can drive the sustainable development of the Group. Therefore, the Group identifies key stakeholders who have strong relationships with the Group's operation and communicates constantly with key stakeholders through various channels to proactively listen and respond to their demands and expectations. Meanwhile, the Group improves internal management according to each party's opinions.

The Group determines whether the relevant person or group is a key stakeholder through the following three key points:

- Whether the person or group has invested or will invest in the Group
- Whether the person or group has an influence on the Group's business operation
- Whether the person or group has gained interests or been impacted by the Group's businesses, products, services, and its relationship with the Group

Key Stakeholders	Expectations	Frequency	Responses
 Government and regulators	<ul style="list-style-type: none"> ● Policy implementation ● Tax contribution ● Environmental protection ● Information disclosure 	<ul style="list-style-type: none"> ● Regular or irregular 	<ul style="list-style-type: none"> ● Accept government supervision and inspection ● Proactive taxation ● Green operation ● Disclose information on a regular basis
 Investors (shareholders)	<ul style="list-style-type: none"> ● Return on investments ● Risk control ● Operational regulation ● Sustainable development 	<ul style="list-style-type: none"> ● Regular or irregular 	<ul style="list-style-type: none"> ● Annual General Meeting ● Annual report and periodic report ● Company website ● Company circulars ● Inspection team ● One-to-one meeting ● Investment bank forum ● International roadshow
 Employees	<ul style="list-style-type: none"> ● Remuneration and benefits ● Occupational health ● Career development ● Equal opportunities 	<ul style="list-style-type: none"> ● Regular or irregular 	<ul style="list-style-type: none"> ● Annual meeting ● Employees' training ● Employees' medical check-ups ● Employees' activities
 Customers	<ul style="list-style-type: none"> ● Product and service quality ● Information security ● Safety and environmental protection 	<ul style="list-style-type: none"> ● Irregular 	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Customer privacy protection policies ● Interactive activities with customers ● Emergency drill ● Waste sorting and recycling
 Suppliers/Partners	<ul style="list-style-type: none"> ● Business integrity ● Win-win cooperation ● Open and fairness 	<ul style="list-style-type: none"> ● Regular or irregular 	<ul style="list-style-type: none"> ● Bidding policies ● Supplier selection system ● Taking environmental and social factors into consideration during supplier review
 Community and the public	<ul style="list-style-type: none"> ● Community environment ● Maintaining stability ● Harmonious development ● Poverty alleviation 	<ul style="list-style-type: none"> ● Irregular 	<ul style="list-style-type: none"> ● Donations ● Community building ● Community activities ● Rural Revitalization
 Media	<ul style="list-style-type: none"> ● Timely communication 	<ul style="list-style-type: none"> ● Regular 	<ul style="list-style-type: none"> ● Regularly organise media activities
 Commercial tenants	<ul style="list-style-type: none"> ● Win-win cooperation ● Open and fairness ● Timely communication 	<ul style="list-style-type: none"> ● Regular or irregular 	<ul style="list-style-type: none"> ● Examining and verifying of commercial tenants before settlement ● Screening of merchants ● Commercial tenant activities

Materiality Assessment

In order to identify the most concerned ESG issues of key stakeholders to emphasize the disclosure of relevant information in the Report, the Group took reference from the 2022 materiality assessment results of Powerlong Holdings, and conducted the assessment based on two major dimensions namely "importance to the Group" and "importance to stakeholders", to confirm material issues to be disclosed in the Group's 2022 ESG report.

When identifying the ESG issues most relevant to the Group, the Group took reference from sustainability-related standards and guidelines based on the Group's strategies and business characteristics, and considered the current development background and trend in the industry.

	 Environmental issues	 Social issues	 Governance issues
Material issues	<ul style="list-style-type: none"> • Development and operation of green projects • Protection of ecological environment and natural resources • Greening of surrounding areas of projects • Energy use and conservation • Water usage and conservation 	<ul style="list-style-type: none"> • Product and service quality • Protecting legitimate rights and interests of employees • Abiding by labour standards • Client health and safety • Supply chain management 	<ul style="list-style-type: none"> • Social and economic compliance • Disclosure of corporate compliance information • Corporate operational risk and crisis handling mechanism
Other issues	<ul style="list-style-type: none"> • Respond to climate change • Wastewater discharge and management • Solid waste discharge and management • Air emission and management • Greenhouse gas emission and management 	<ul style="list-style-type: none"> • Occupational health and safety • Vocational development and training for employees • Community investment and involvement in surrounding areas of projects • Employment and employee welfare • Client information protection 	<ul style="list-style-type: none"> • Financial performance and investor interests • Internal corporate anti-corruption • Resist from unethical commercial competition

The Group conducted the assessment by integrating Powerlong Holdings' material issues and its own circumstances to obtain the above results of materiality assessment and identify 13 material issues, which stakeholders participating in the survey were most concerned about. In response to the key stakeholders' information requests on the Group's environmental and social aspects, the Report is in compliance with the information disclosure requirement of "mandatory disclosure" and "comply or explain" of the *ESG Reporting Guide* issued by the Stock Exchange, mainly focuses on these material issues and disclosed the relevant management measures and performance accordingly.





The Group strives to provide customers with products and services with the highest quality, and continuously upholds the philosophy of “customers always come first”, to constantly drive its sustainable development. Powerlong Holdings has established a brand management mechanism based on the *Brand Management Mechanism Compilation*, and the Group follows Powerlong Holdings’ management mechanism to ensure the Group constantly promotes a definite, clear, and consistent brand image. During the process of business operation, the Group does its best to follow Powerlong Holdings’ brand management mechanism, and strictly complies with the *Trademark Law of the PRC*, the *Law of the PRC on the Protection of Consumer Rights and Interests*, the *Advertising Law of the PRC*, the *Patent Law of the PRC*, and other relevant laws and regulations. Furthermore, the Group respects and protects the patents of its suppliers and partners, and the information obtained during its business activities is kept confidential to protect the intellectual property of the associated parties.

Quality Customer Services

Quality services are the key to the Group's sustainable development. Therefore, to meet the customers' needs, the Group keeps optimizing and improving each detail throughout operation to provide high quality and attentive services, and part of the Group's subsidiaries have obtained ISO9001 certification of quality management system. To conduct detailed analysis on customers' expectations and needs across its business sectors as well as to improve the quality of its products and services, the Group conducted a series of surveys concerning quality of customer service during the Reporting Period, including but not limited to the following methods:

- Annual customer satisfaction survey
- Visit customers in person or by telephone
- "Mysterious customer" investigation
- On-site surveys during events
- Environment maintenance inspection at the neighbourhood



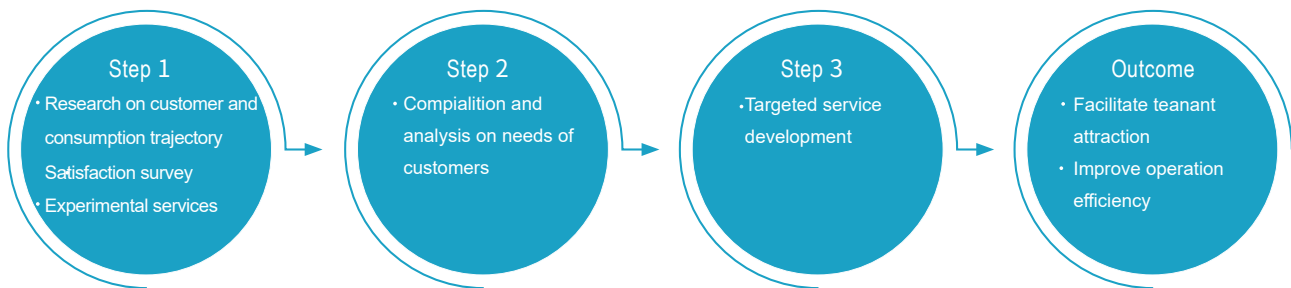
All customer service personnel in commercial operational and property management businesses are required to record in detail the complaints, suggestions and comments related to services from customers. The documented cases are forwarded to appropriate departments for timely follow-up and handling following the *Customer Complaint Handling Process* to satisfy reasonable demands of customers. During the Reporting Period, the Group received a total of 2,956 complaints related to products and services, of which 1,288 were related to commercial operational service and 1,668 were related to residential property management service. All complaints were resolved in a timely and reasonable manner.



Commercial Operation

As a leading commercial operational service supplier in China, meeting customer needs and providing customers with high-quality and caring services are the Group's primary considerations. Throughout the course of commercial properties' operations, the Group has always put customers' satisfaction on the services at the foremost concern. The Group has implemented the "Customer-oriented Programme" for listening and responding to customers' demands on an on-going basis, so as to maintain close relationships with customers. The Group's commercial operational centre also engages with third-party institutions to carry out customer investigations for every commercial project, and takes corrective and preventive measures to enhance and adjust the service content and quality in accordance with the management and services-related comments and suggestions raised by customers.

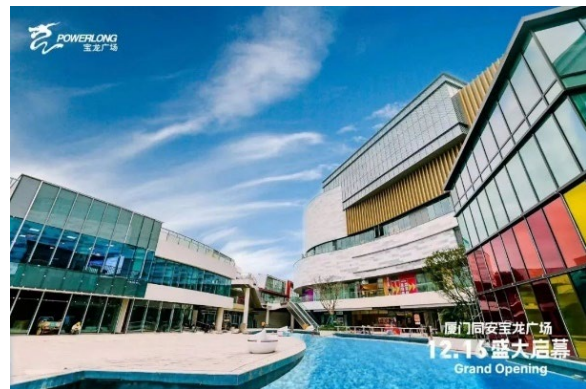
The Group's procedures to improve operational efficiency of commercial properties are:



Case – Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)

On 16 December 2022, Xiamen Tong'an Powerlong Plaza was grandly opened. The project adopted the "multi-level space design with mall + water commercial street", successfully integrating the cultural history of Tong'an and the river features into modern commerce, bringing consumers a new cultural and social experience along the waterfront.

Through its innovative design, Tong'an Powerlong Plaza created special spaces include the first roof garden and the first heart-warming promenade. Five major thematic spaces were also built to allow commerce to extend to life, experience and social interaction, empowering over 500,000 Tong'an people to live better lives to the maximum extent.



Case – Taizhou Jiaojiang Powerlong City (台州椒江寶龍城)

On 24 June 2022, the third Powerlong City created by Powerlong CM in China, namely Taizhou Jiaojiang Powerlong City, was grandly opened. Inheriting the "business + art" gene of Powerlong CM, Taizhou Jiaojiang Powerlong City has deeply integrated art into the commercial space and used artistic imagination to have a dialogue with the city full of romanticism.

In order to inject new energy into the city, a variety of approaches have been adopted by Taizhou Jiaojiang Powerlong City to innovate the scenes so as to capture the commercial clout to attract visitors. For example, it invited trendy artists to create immersive thematic art exhibitions and collaborated with popular streamers with millions of followers to launch offline and online live boardcasts.



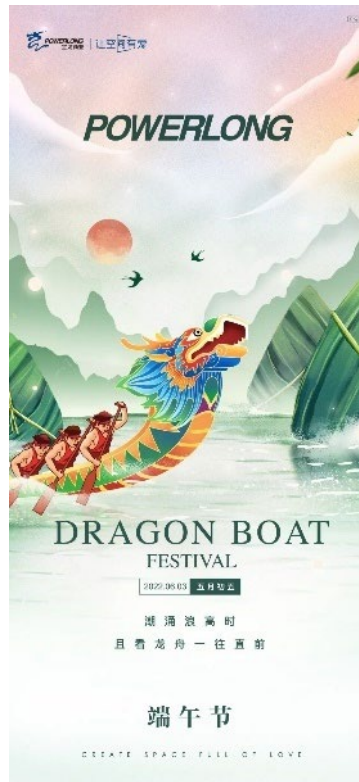
Property Management

In relation to residential property management, the Group regularly collects comments and suggestions from property owners, and proactively improves the quality of property management. Some of the property management teams also provide the latest updates on community information to property owners through WeChat official accounts and other platforms in terms of weather forecast, travel guide, maintenance status of water supply and power supply facilities, and other thoughtful services. With the property owners' health and comfort in mind, the Group is committed to optimising the basic facilities and environment in the community.

Besides, the Group regularly arranges fire drills in communities to strengthen property owners' emergency response capabilities and to prevent hazards. The Group also organises diversified activities which provide comfortable communication platforms for property owners, and create harmonious atmosphere.

Case – Festive Wishes to the Property Owners

During the Reporting Period, Shanghai Powerlong Property Management Company Limited (“Powerlong Property”) collaboration with its local projects, offered sincere wishes to the property owners on various traditional festivals.



Consumer Rights and Intellectual Property Protection

The Group respects the privacy of customers and their intellectual property rights. Customer data and information obtained during the course of business operation will only be used in providing services for customers, and it will not be disclosed to third-party organisations or be used for other purposes other than providing customer services without customers' consent. The Group strictly complies with relevant laws and regulations including but not limited to the *Law of the PRC on the Protection of Consumer Rights and Interests* and the *Criminal Law of the PRC*, and has stipulated the process and precautions of handling important documents for employees in internal guidelines such as the *File Management Policy*, the *File Borrowing Policy* and the *Customer Information Security Management*, in which employees are required to treat customer data in strict confidence. The Group's customer information is attended by specified personnel. Confidential paper documents are properly placed in the storage room and digital version of customer information are encrypted to avoid data breaches. Customer information can only be accessed by authorised employees while the outsiders are prohibited to access. Additionally, the Group signs non-disclosure agreements with employees and provides regular training for them to enhance their awareness in personal data security, and to prevent employees from using, leaking, and selling customers' personal information illegally.

Furthermore, the Group spares no effort in safeguarding the patents of its suppliers and partners. It has developed and implemented the intellectual property rights management system, and have entrusted the Group's Legal Affairs Department to be responsible for managing intellectual property rights-related issues. The information obtained during business activities will be kept confidential to protect the intellectual property rights of the related parties. At the same time, the Group provides training regarding intellectual property rights in the induction training for new employees to introduce the Group's implementation of intellectual property rights and management methods, so as to enhance their awareness in protecting intellectual property rights. The Group also established the "No Fakes" model merchant alliance and regularly held training on "No Fakes" related contents. The Group also requires the brands operated by the tenants of all its commercial properties to obtain trademark registration certificates and closed-loop authorization. If the trademark registration certificates are not obtained in time, a monthly trademark authorization guarantee is required. The merchandise sold in the stores must be consistent with the brand. Once any unauthorized merchandise is found, it is required to be removed from the shelves immediately.



Supply Chain Management

In regard to the Group's business nature, suppliers play a vital role in the Group's commercial operational and property management businesses. Therefore, the Group adheres to the corporate values of symbiosis and win-win, focuses on continuous strategic alliances, establishes and continuously optimizes and improves the supplier management mechanism, with a view to achieving comprehensive and effective supply chain management.

The Group adopts stringent criteria to select supplies with high qualities, and initiate collaborations with qualified suppliers. The Group has formulated internal procurement guidelines such as the Cost Guidebook, the Regulations on Internal Supervision and Audit System and the Suppliers Approval Standards and conduct procurement management according to the guidelines for all the suppliers. The guidelines provide clear stipulation of the criteria for shortlisting suppliers, and indicate that suppliers are subject to rigorous scrutiny before being included in the supplier list. To ensure the Group's service quality, only suppliers that have obtained marks higher than 70 are eligible to be shortlisted.

On the basis of aligning the Group's standards, the Group gives priority to those suppliers with outstanding environmental and social practices, and provide environmentally friendly products and services, thereby to further manage the social and environmental risks along the supply chain.

The Group conducts regular suppliers' evaluation to ensure the service and product quality provided by suppliers meets the Group's standards. If the product or service quality of suppliers are found to be below the Group's acceptable standards, suppliers are required to make immediate improvements. At the same time, the Group has established diversified and reliable communication channels to maintain close liaison with suppliers. It allows the Group to strengthen collaborations and ensure effective communication of any possible significant delay or conflict, so as to minimise the chances of affecting the Group's service quality due to undesirable services from the supply chain.

The Group provides a fair, just and open platform for suppliers where all procurement is conducted in accordance with the Group's tendering policy. Strictly abiding by the *Bidding Law of the PRC*, the *Corruption-free Management Agreement* has been included in the contracts to set out duties and penalties of integrity management for both the Group and suppliers. Furthermore, the hotline for inspection and complaints has also been listed in the tender documents to encourage suppliers and other relevant parties to report any behaviour in corruption.



As a responsible enterprise, the Group spares no effort in supporting sustainable development and actively reducing its environmental footprint by introducing green elements into the commercial operational and property management businesses. Based on strictly abiding by the laws and regulations related to environmental protection such as the *Environmental Protection Law of the PRC*, the *Law of the PRC on Environmental Impact Assessment*, the *Law of the PRC on Prevention and Control of Pollution from Environmental Noise*, the *Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* and the *Regulation on Urban Drainage and Sewage Treatment*, the Group has developed a series of policies and measures to reduce emissions of air pollutants and greenhouse gases (“GHG”), discharges into water and land, as well as generation of hazardous and non-hazardous wastes that are generated during the Group’s business operation. In addition, the Group actively responds to the Sustainable Development Goals of the United Nations. Under the premise of complying with the goals set by Powerlong Holdings, combined with its own business strategies and development conditions, the Group takes energy saving, water saving, reduction of GHG emissions as well as reduction of waste as its environmental protection goals to constantly promote green development and contribute to achieving the national “Dual Carbon” goals of carbon peaking by 2030 and carbon neutrality by 2060.

The Group has actively responded to and followed the *Responding to Climate Change: China’s Policies and Actions* and other policies related to climate change. In accordance with aforementioned policies, the Group has formulated corresponding energy conservation and emission reduction plans and measures to improve system efficiency, optimize energy use, and reduce GHG emissions, so as to reduce the environmental impacts caused by the Group’s business operation. Meanwhile, some of the Group’s subsidiaries have established relevant contingency plans and conducted regular drills to cope with climate-related risks such as extreme weather to enhance the Group’s ability to cope with climate change.

In terms of environmental management, the Group makes reference to national and local standards where its business operates, combines the requirements of ISO14001 Environmental Management System and considers the actual operation to formulate environmental policies. The Group continuously evaluates the progress of the implemented policies and related achievement for further improvement and identifying next steps. Through adopting the “PDCA³” model, the Group has achieved sustainable improvement on its environmental performances. For details of the environmental performance, please refer to the “Performance Summary” section of the Report.

³ PDCA model refers to the continuous improvement cycle of “Plan, Do, Check, Act”.

Reducing Emissions during Operation

In the operation process, the Group produces a certain amount of air pollutants, GHG and waste and uses energy and water resources. The Group focuses on reducing the impacts on environment caused by its own business activities and actively responds to potential influence of climate change on the Group's businesses. The Group introduces a sustainable operation model and contributes to reducing energy and resources consumption, air and GHG emissions through the implementation of various internal policies and mechanisms related to energy saving and emission reduction, so as to respond to climate change. Through developing internal management policies such as the *Energy Management Guide*, the Group conducts comprehensive energy classification management in aspects such as lighting, heating, refrigeration, domestic water, and power distribution. The Group's operational projects practice delicacy management in their daily operations and appoint the engineering director to take responsibility of integrated energy management to ensure the realization of energy saving and emission reduction targets.

Energy Saving

With the intention of reducing each project's energy consumption, the Group begins with lighting and installs energy-saving lighting systems in its projects, including replacing traditional fluorescent lights with LED lights in commercial and property management projects, installing sound sensor, infrared and light sensors, as well as time controllers, to automatically adjust lighting systems, so as to improve energy efficiency. Escalators in some projects are also equipped with automatic sensors, which allow the escalators to enter idle mode when not in use. In addition, the Group reduces the consumption of resources during operation through installing a series of smart systems, including building automation systems at commercial projects to monitor temperature and brightness, and remotely control the lighting and air-conditioning systems according to the actual situation. The Group also actively enhances the management, maintenance and cleaning of equipment for the highest operating efficiency to reduce equipment energy consumption, so as to achieve the target of energy saving. In order to monitor environmental performances of the Group's projects more effectively and more comprehensively, the Group requires all projects to record their daily energy usage in air-conditioning, analyse the data, and optimize the operation mode of air-conditioning systems to achieve energy-saving.

Water Saving

In terms of water usage, the Group does not involve with any large-scale water usage during its operation due to its business nature. Also, all the operating Group-owned properties use municipal water, and thus the Group does not encounter any issues in sourcing water. Nonetheless, the Group is dedicated to reducing water consumption in the course of operation through a vast range of measures. In terms of commercial operation, the Group has installed self-closing faucets and automatic faucets in public washrooms and has equipped toilets with automated flushing systems. In terms of property management, the Group offers property owners with upgraded fire sprinkler systems which adopted more water-saving designs. The Group also conducts regular inspection and maintenance for fire and water pipelines to avoid waste of water resource, and arranges for repairs as soon as "running, leaking, dripping, or leaking" is found. In the future, the Group will continue to seek opportunities to improve water efficiency in the course of operations and make every effort to fulfil corporate sustainable responsibility.

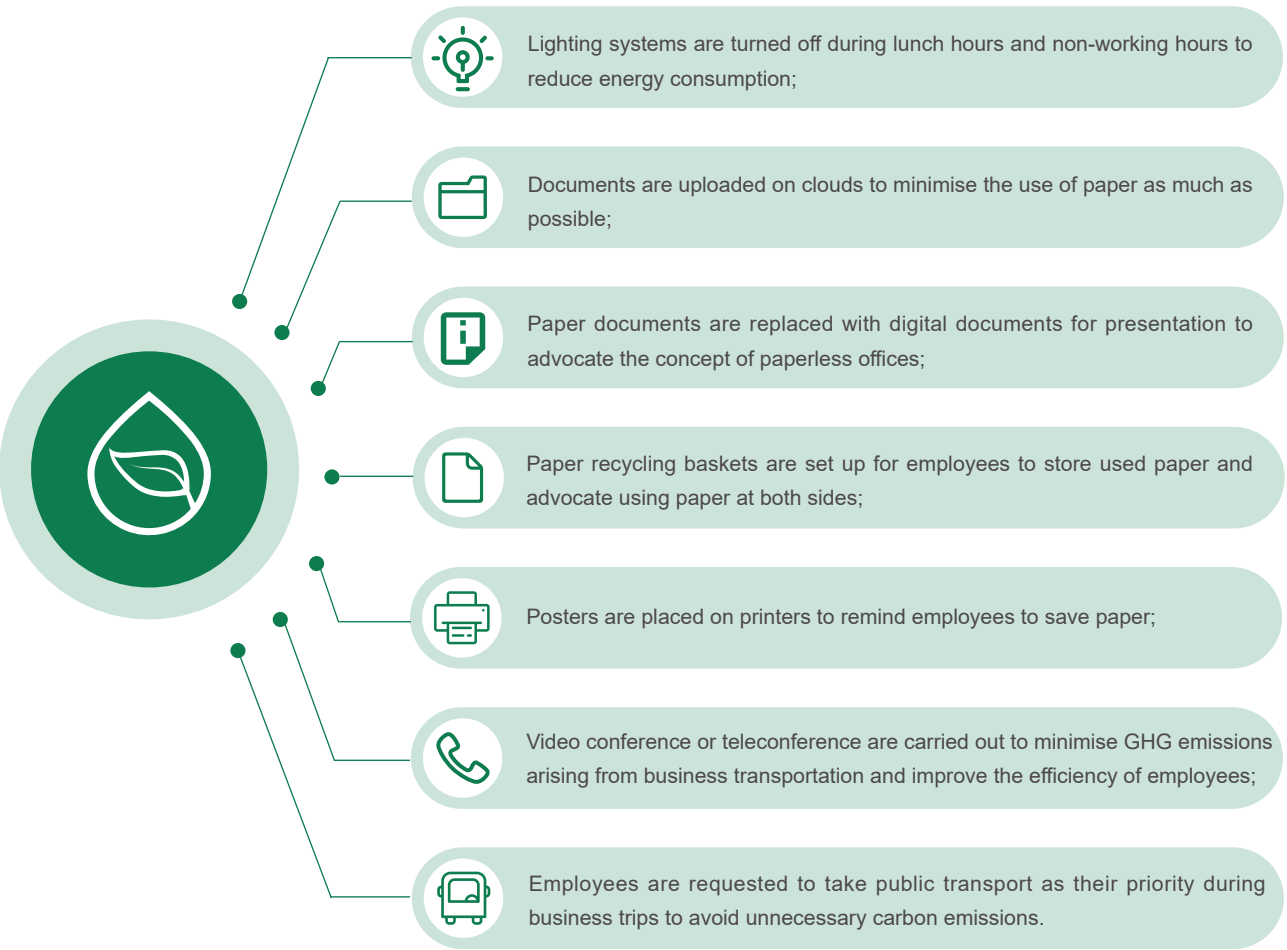


Waste Sorting

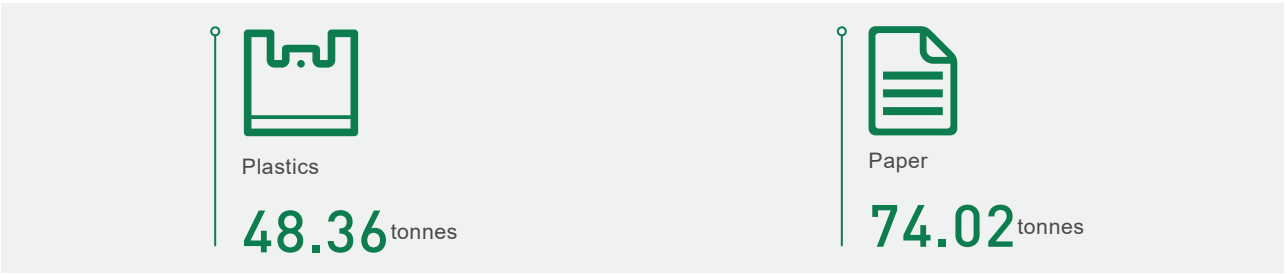
In terms of waste management, the Group has established long-term partnerships with qualified waste recycling and handling operators to undergo systematic recycling and management of general wastes and hazardous wastes generated from commercial operational and property management businesses. Recycling bins of different waste types are placed at project sites, while waste segregation services are offered to each unit of apartments of the property management business. At the same time, the Group carries out environmental education programmes in the community from time to time, as well as organises recycling activities for materials such as unwanted clothing to improve environmental protection awareness of the community and promote sustainable development.

Sustainable Office

In order to implement the Group's emphasis on resources and energy saving in the office premises, the Group has advocated the concept of "green office" in offices across the country. The Group encourages employees to implement the policy of reducing, reusing, and recycling for paper, ink cartridges and other office wastes, so as to effectively minimise wastage of resources and reduce waste generation. To enhance the awareness of employees in environmental protection, the Group has developed and regularly reviews relevant guidelines and measures.



During the Reporting Period, the following materials had been recycled from offices of the Group's property management business:



Through the effective implementation of operation and office policy relating to energy saving and emission reduction, the Group wishes to raise employees' awareness on environmental issues as well as climate change issues, and proactively extend the concept of sustainability into their daily lives.



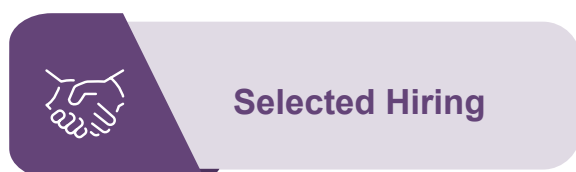
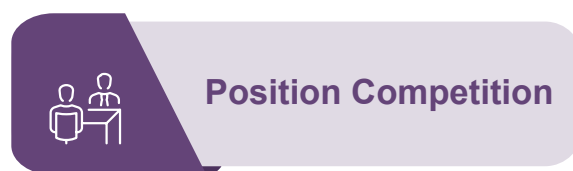
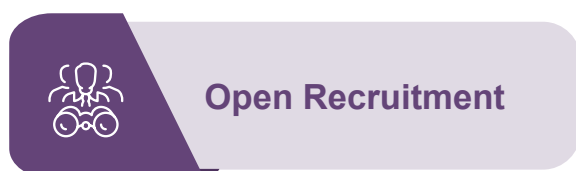
The Group views employees as one of the vital driving forces of its business development. Therefore, the Group continuously improves its human resources management system through formulating a series of people-oriented human resources management systems and regulations, and provides employees with appropriate training and resources while introducing diversified talents. The Group offers a platform for every employee to demonstrate their personal qualities, so that each employee can play to their own strengths. At the same time, the Group constantly cares for its employees and cultivates the sense of belonging on the corporate ethos of “Shared Devotion, Pathway, and Passion” to create a harmonious and pleasant working environment.

Besides strictly complying with relevant laws and regulations including the *Company Law of the PRC*, the *Labour Law of the PRC*, the *Labour Contract Law of the PRC*, the *Law of the PRC on the Protection of Rights and Interests of Women* and the *Law of the PRC on the Protection of Minors*, the Group also strictly enforces the detailed regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, development and training, and other benefits outlined in the *Human Resources Management System Compilation of Powerlong CM* formulated by Powerlong CM. In addition, the Group advocates an equal and diversified human resource management policy, and will not discriminate against employees based on race, nationality, ethnicity, gender and other factors.

Optimising Employment Management

Emphasis on Talent Requisition

The Group believes that attracting, recruiting and retaining high-quality talents are crucial to achieve the Group's success. To provide equal opportunities for every job applicant, the Group upholds the principles of "Open Recruitment, Position Competition, Selected Hiring, Optimised Allocation" for the recruitment of talents. To ensure the abilities of job applicants are fully considered during the recruitment process, the Group has established an evaluation system considering its circumstances to objectively assess and appoint the candidates who meet the Group's requirements.



The Group places great significance in promoting its corporate culture. The Group believes that employees and the company can achieve development altogether only if the employees understand, recognise, and integrate themselves into corporate culture. Therefore, the Group considers the compatibility between the job applicants and the Group's corporate culture during the recruitment process, and appoints suitable talents.

In order to protect labour rights and avoid the occurrence of child labour and forced labour, the Group strictly complies with the *Labour Law of the PRC*, the *Provisions on the Prohibition of Using Child Labour* and other national and local laws and regulations. The Group reviews the age of all job applicants so as to forbid the recruitment of child labour, and if any case related to child labour recruitment is found, it will be dealt with in accordance with the requirements in laws and regulations. The Group also prohibits any form of forced labour. Furthermore, hired employees are required to submit a written report at least three days in advance before they propose a termination of the labour contract during the probation period. If the employee is found not to meet the employment conditions, violate laws and regulations, or violate the Group's rules and regulations and labour discipline during the probation period, the Group can also unilaterally terminate the labour contract. During the Report Period, the Group received no case involving recruitment of child labour or forced labour.

Competitive Remuneration and Benefits

The Group is committed to providing a fair and pleasant workplace for all employees. The Group respects the thoughts of employees and has made every effort to understand and satisfy employees' needs by communicating with them through various channels. Regular meetings with employees are held for employees to voice out their opinions and for the Group to provide feasible solutions for employees' problems encountered at work. In addition, the Group offers various benefits for employees, including catering at the employee canteen; traffic accident insurance for employees with special job nature; and exclusive benefits such as birthday gifts, wedding gifts, gifts for new-born, condolences subsidies, flight tickets and accommodation subsidies for visiting relatives. Furthermore, to ensure the work-life balance of employees, the Group ensures that employees to enjoy paid leaves and other statutory holidays in accordance with the law, and regularly reviews the working hours of employees and implements strict management of overtime. Overtime work must be approved by respective department heads. All employees who worked overtime could apply for subsequent holiday shift to ensure employees receive adequate rest, and to maintain a health ethos and appearance.

Upholding the principle of “Rewards are consistent with one’s contribution”, the Group has established and implemented the *Guidelines for Salary Management* to objectively offer salaries of different positions to employees based on their abilities and responsibilities. Apart from general salary adjustments, the Group regularly reviews employees’ salaries and determines the range of salary adjustment according to employees’ abilities, performances, incentives, and other factors.

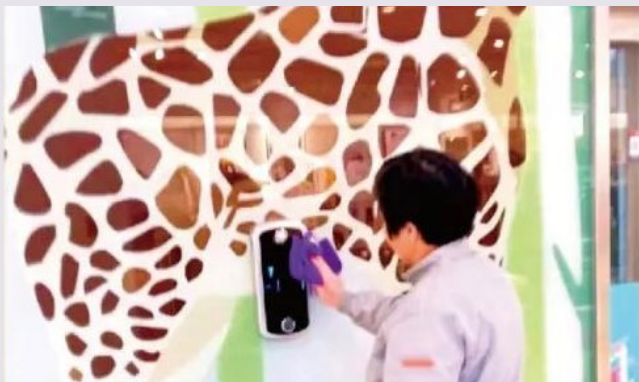
Additionally, the Group conducts performance appraisal and assessment of all employees every year, and arranges salary adjustments and promotions based on factors including the ability and performance of each employee. The Group would demote the rank or arrange position transfer for those employees who performed poorly in the assessment consecutively. If those employees were unable to meet the standards in further evaluation, the Group would terminate the labour contract and provide them with reasonable dismissal compensation in accordance with relevant laws and regulations.

The Group is committed to creating a warm and loving working environment for employees and encourages a harmonious and caring relationship between employees. The Group also encourages employees to participate in various family activities. To further enhance the work-life balance of employees, the Group actively organises a wide range of recreational activities to provide a platform for mutual communication between employees, and to create a blissful festive atmosphere to ease the pressure of employees.

Safeguarding Employees’ Health during the Covid-19 Pandemic (“Pandemic”)

In 2022, in response to the repeated and severe pandemic, the Group actively cooperated with the pandemic prevention and control work and increased the hygiene sterilisation frequency in each operating project to maintain public hygiene, so as to safeguard employees’ and customers’ health and safety. The pandemic prevention measures carried out by the Group during the Reporting Period include the following:

- ♡ Equipping pandemic prevention supplies such as gloves, face masks, disinfectants, and thermometers at shopping mall helpdesks;
- ♡ All employees (including employees from retail shops) are required to measure their body temperature and wear face masks during work; all office workers (including clerks and outsourced personnel) have to register and measure their body temperature every morning, and report abnormal problems;
- ♡ Conducting training on the prevention and control of contagious disease to all employees (including employees from retail shops) to fully promote hygiene and protection;
- ♡ Disinfecting public areas in malls on both morning and afternoon, conducting disinfection at all angles with disinfectants, and increasing the number of disinfection at frequently contacted areas during peak hours;
- ♡ Turning on the new air system throughout the day during business hours, operating air-conditionings at the largest fresh air volume, to reinforce air circulation in venues; monitoring the air quality of the malls to ensure healthy and safe shopping spaces.



Health and Safety

Employees' health and safety is the foundation of the Group's development. The Group is dedicated to providing comprehensive protection for employees, and has established a series of regulations on the basis of the *Law of the PRC on the Prevention and Control of Occupational Diseases* and the *Regulation on Work Safety Permits*. The Group has set out various requirements in terms of safety precautions and management to ensure the health and safety of employees.

Safe Working Environment

The Group constantly cares about employees' health whilst developing its business and adheres to the principle of "Precaution First and Combined with Treatment", and has implemented classified management and comprehensive treatment for the prevention of occupational diseases. As such, the Group provides annual medical check-ups for employees.

Policies for Employee Health Management

The Group safeguards the occupational health and safety of employees in all aspects.



Medical check-ups are offered to new joiners



Job duties are appropriately allocated for employees with occupational contraindications and allergies



Regular medical check-ups are arranged for employees who are exposed to toxic and hazardous materials

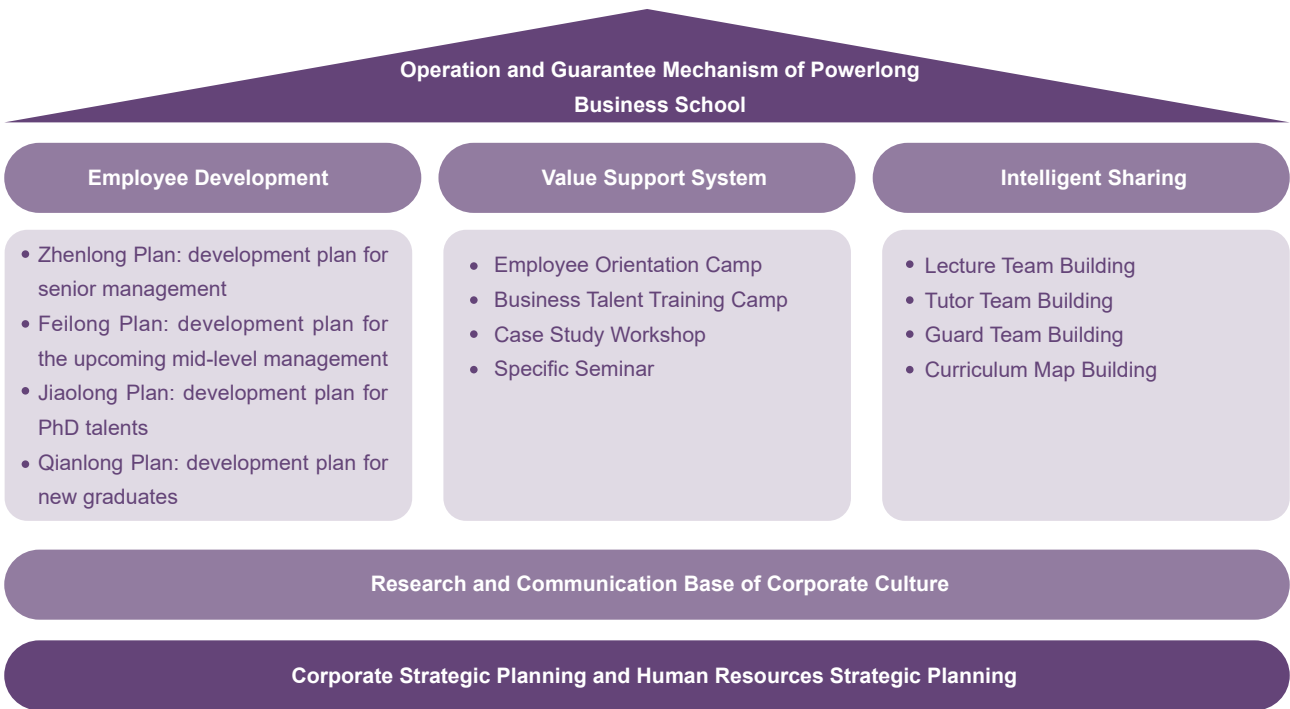


Active treatment for patients diagnosed with occupational diseases is provided

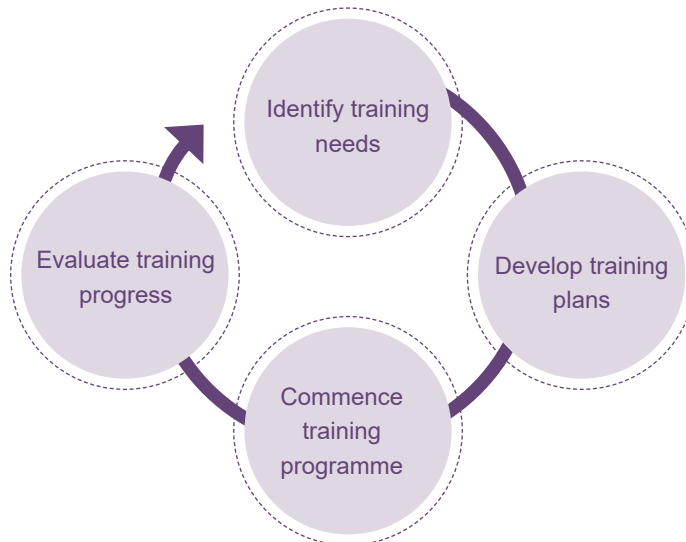
The Group persistently maintains alertness on safety during daily operations, including regular organization of engineering training, facility and equipment maintenance training and inspection on fire-fighting equipment and safety signs to ensure the effective operation of safety facilities. The Group also arranges fire drills and fire safety education for employees to participate in, with the aim to strengthen their emergency preparedness. Furthermore, to safeguard employees' health and safety in office premises, the Group also provides supplies such as face masks, sanitiser and first-aid kits for employees, and disinfects the offices every morning and evening to minimise the risk of illness.

Occupational Training

The Group believes that employees' specialties, experiences, and professional development could contribute to the business development of the Group. The Group has established a special training system to provide diversified themed training for employees from different professions and at different positions from top to down. The training system mainly consists of "Four Talent Development Plans" which include "Zhenlong Plan", "Feilong Plan", "Qianlong Plan" and "Jiaolong Plan", business training, vocational skills training, new employee training and others. According to the training forms, the programmes could be classified into intensive lecture training, internal seminars, internal intensive training camps, online self-paced learning, field trips and others to fully develop competence of talents at all levels. Meanwhile, the Group has also established the online learning platform and the learning credits management system for employees to encourage and urge them to move forward.



The Group's training system is operated in accordance with the international standardised project management process outlined in the ISO10015 Quality Management, achieving a closed-loop operation.



01

Identify training needs: Research and analysis are carried out by Powerlong Business School and units responsible for training at the end of each year. The survey is carried out through face-to-face interviews, telephone interviews, questionnaires, analysis of critical incidents and other approaches to formulate the *Training Demand Analysis Report* as the reference for medium- to long-term planning.

02

Develop training plans: Based on the medium- and long-term planning of Powerlong Business School, Powerlong Business School and units responsible for training combined the *Training Demand Analysis Report* to formulate the annual training and budget plan and submit them to Powerlong Business School for approval.

03

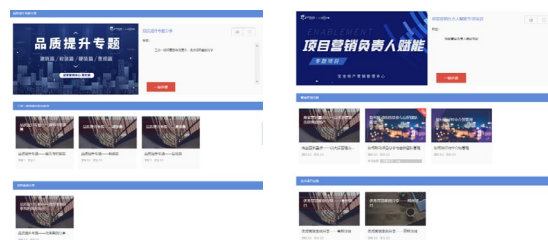
Commence training programme: Units responsible for training implement the training programme or topics in accordance with the annual training plan.

Apart from general employees' training, the Group also provides specialised training for employees from different business sectors to enhance employees' professional knowledge. With to the purpose of improving the property management service quality, the Group has established a three-tier training system for the property management business based on the concept of "Centre, City, Project". The three-tier management system requires service teams across the country to formulate topics, such as business etiquette and reception manners, for daily "30-minute training" according to daily operations and work planning while combining the *Ten Standards for Powerlong Property and the Residential Property Management System*. Classes and fieldwork are arranged for every unit based on the formulated topics to ensure daily operation and service quality of the Group. The Group has also set up an online training platform and has organised video training programme regularly for different business sectors to improve training efficiency. During the Reporting Period, the Group conducted employee training in accordance with the *2022 Human Resources Management System*. The occupational training system comprised three major categories, namely standardised training, ladder training and professional skills upgrading training, covering corporate culture training, professional training and management competency training and other aspects, in order to further improve the comprehensive abilities of the employees.

Case – Thematic Training and Management Competency Training of Powerlong CM

In order to enhance the comprehensive strength of employees and strengthen the development of the internal promotion ladder, during the Reporting Period, Powerlong CM continuously provides professional training and professional management competency training to all business lines mainly through online training. The thematic training of quality improvement was delivered through summarising and enhancing the problems as well as sharing excellent cases to activate the potential and vitality of employees in terms of scene innovation. By guiding marketing managers through professional courses and case

studies of outstanding projects, and through course examinations, personal improvement plans, follow-ups and other processes, the conversion and empowerment enhancement programme enables professional managers to improve their competencies more effectively from the training in a holistic manner.

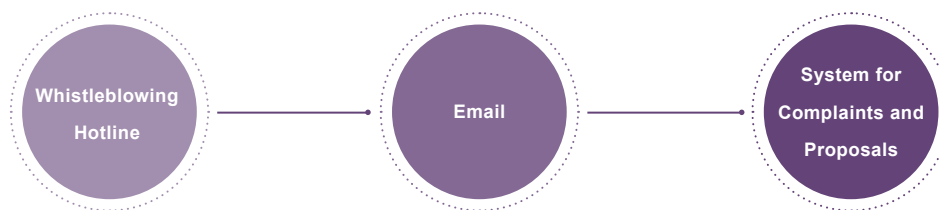


Probity and Integrity

Upholding the highest standards of professional ethics and business integrity, the Group requires all employees to be honest and self-disciplined in their daily work. The Group complies with the *Criminal Law of the PRC*, the *Anti-Money Laundering Law of the PRC*, the *Prevention of Bribery Ordinance* in Hong Kong, China, and other laws and regulations, and has formulated the *Employee Integrity Self-discipline Rules* which clearly stipulates that all employees are subject to the aforesaid rules to resolutely resist any forms of bribery, extortion, taxation fraud, money laundering and other behaviours.

With the intention of creating and maintaining an incorruptible environment within the Group, the Supervisory Department has been established to monitor and audit the Group's operational risks. All new joiners must attend a training programme related to integrity and self-discipline to strengthen their anti-corruption awareness. Furthermore, to ensure all tendering and procurement are carried out in compliance with laws and regulations, employees of managers and above in all departments, as well as all employees from the Procurement Department and the Tendering Department must sign the *Employee Integrity and Discipline Agreement*, while all relevant suppliers and contractors must also sign the *Letter of Assurance on Integrity and Compliance* before bidding and undertaking businesses.

The Group has established a variety of clear complaint-handling channels, including an internal whistleblowing hotline, an email address, and a specialized system for complaints and proposals. The "400 Sunshine Hotline" has been established to handle complaints and reports. With the aim to strengthen internal supervision within the Group, employees are encouraged to raise any complaints or comments concerning the Group's internal management. The Group has developed a protection policy in accordance with relevant laws and regulations, so as to ensure the independence and confidentiality of all whistleblowing and complaint processes, and that the informants will not be subjected to illegal retaliation or discrimination due to their participation in legal reports or investigations. Employees may file complaints through the aforementioned whistleblowing channels in the event of unlawful retaliation or discrimination, and the Group shall handle the complaints seriously. During the Reporting Period, the Group did not receive any cases of corruption lawsuits related to the Group and its employees.



Case - "International Anti-Corruption Day and Sunshine Powerlong" Online Promotion Activities and Regular Holiday Promotion

In order to strengthen the Group's integrity-building work and raise the anti-corruption awareness of the Board of Directors, management and all staff, the Group conducted the online promotion activity "International Anti-Corruption Day and Sunshine Powerlong" on 9 December 2022, where the Board of Directors and all staff actively learnt it. The promotion documents, compiled by the Supervision and Audit Department, include a speech on International Anti-Corruption Day, an explanation of the "Integrity Promotion Manual", the viewing of the Integrity Video and the signing of the Integrity Convention. In addition, the Group also promoted anti-corruption posters on the WeChat platform "Sunshine Powerlong" to regularise the promotion of integrity, along with the festive holidays.





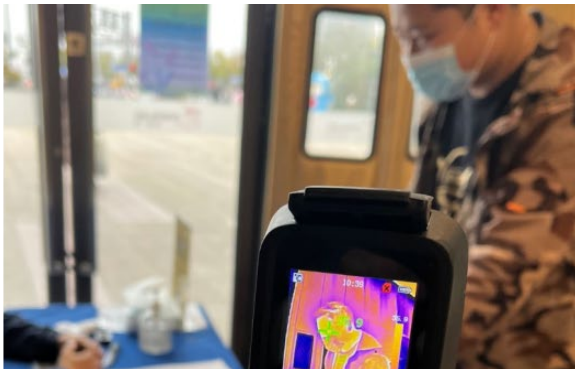
The Group strives to contribute to the communities related to its business operations to fulfil its corporate social responsibility. A broad spectrum of operation-related internal management policies on community communications has been formulated and implemented. In addition to corporate public welfare and charity work, the Group also practices the commitment of “Growing with the City” and strengthens its connections with communities through the operation of various projects to promote sustainable development of communities.

In order to better carry out community welfare undertakings, the Group participated in initiating the establishment of the Shanghai Powerlong Foundation and the Shanghai Xujiankang Foundation in 2020 and 2021 respectively. The Group’s community investment activities cover aspects such as rural revitalization, disaster rescue, social care, cultural education, medical and health care, and environmental protection. The Group hopes to contribute to the development of the local area and to promote sustainable development in the community through its operations and charitable donations in the regions of various projects. During the Reporting Period, the Group contributed charitable donations through Powerlong Group Development Co., Ltd. and its subsidiaries (“**Powerlong Group**”), of approximately RMB 25.896 million.

Fighting the Pandemic Together

Case - Protecting People's Health and Safeguarding the Needs of the People's Livelihood

In March, a new round of pandemic rebounded across the country and the situation was serious and complex. Powerlong CM actively responded to the pandemic prevention and management requirements of various levels of government and set up a pandemic prevention and emergency response team as soon as possible. Through efficient anti-pandemic measures, we reached a unified front with our merchants, consumers and owners to share the same trials and hardships together. During the pandemic, the employees of Powerlong CM were also part of the "heroes in harm's way" who stood firm in their positions to protect people's livelihoods and were at the frontline of the fight against the Pandemic.



Case – Powerlong CM Protects Supply to Safeguard Shanghai

In April 2022, Shanghai suffered an unprecedented test since the outbreak of the pandemic. At this difficult time, nine of the commercial projects deployed by Powerlong CM in Shanghai secured supply to protect Shanghai. With the relevant permission and comprehensive epidemic protection in place, Powerlong CM collaborated with branded merchants in the commercial projects, actively organised the rapid resumption of work to ensure supply, doing its utmost to provide more peace of mind for those living under the pandemic and more protection for the city that has slowed down.



Performance Summary

The statistics and calculation methodology adopted in the Report have been appropriately noted. The environmental data in this section covers properties held and operated by the Group. Unless otherwise specified, the data provided in this section refers to the annual consolidated data of the corresponding year. During the Reporting Period, the Group further improved its data collection and statistical system, thus there were differences for some data as compared with the previous year.

Quality Customer Service

Customer satisfaction:

Indicators	2022	2021	Unit
Average customer satisfaction of the Commercial Sector	96.2	96.2	%
Average customer satisfaction of the Property Management Centre	87.3	87.2	%
Number of received complaints related to products and services	2,956	2,599	Number of cases

Operation performance:

Indicators	2022	2021	Unit
Lawsuits involving operation health and safety	0	0	Number of cases
Number of cases involving violation of intellectual property rights during operation	0	0	Number of cases
Number of complaints due to leakage of customers' information	0	0	Number of cases

Green Development

Emissions

Atmospheric pollutants emissions⁴:

Indicators	2022	2021	Unit
Nitrogen oxides (NOx)	6.32	7.70	Tonne
Sulfur oxides (SOx)	0.84	0.95	Tonne
Particulate matter (PM)	0.003	0.008	Tonne

⁴ The air emission data were calculated in accordance with the emission sources, fuel consumption, the *Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial)* and the *Technical Guidelines for the Preparation of Emissions Inventory from Non-road Mobile Source (Trial)* in Mainland China, as well as the *Manual of the Accounting Methods and Coefficients of Boiler Pollution* issued by the Ministry of Ecology and Environment of the PRC. The data of air emissions from non-mobile sources during the Reporting Period only include air emissions caused by the direct use of boilers from projects, and do not include other appliances such as cooking appliances; the emission data from road mobile sources and non-road mobile sources include the emission resulted from natural gas, petrol and diesel used by related facilities.

GHG emissions:

Indicators	2022	2021	Unit
Total GHG emissions ⁵	345,825.64	335,395.78	Tonne CO ₂
Direct emissions (Scope 1) ⁶	8,577.83	10,362.57	Tonne CO ₂
Indirect emissions (Scope 2) ⁷	337,507.71	325,293.12	Tonne CO ₂
GHG emission reduction from owned trees ⁸	259.90	259.90	Tonne CO ₂
Total GHG emissions per thousand RMB income from property rental and management services ⁹ (Scope 1 and Scope 2)	0.14	0.14	Tonne CO ₂

Non-hazardous waste generation:

Indicators	2022	2021	Unit
Total non-hazardous waste generation ¹⁰	4,620.44	7,513.22	Tonne
General waste	3,807.89	5,964.33	Tonne
Food waste	812.55	1,548.90	Tonne
Non-hazardous waste generation per thousand RMB income from property rental and management services	0.002	0.003	Tonne

⁵ The Company has adopted the method of "rights of operation and control" to define the organisational boundary in terms of the statistics and reporting of GHG. Scope 1 and Scope 2 emissions were calculated in accordance with the emission sources and fuel consumption, as well as the relevant conversion factors from the *Guideline on Accounting Methods and Reporting of GHG Emissions of Land Transport Enterprises (Trial)*, and the *Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors (Trial)* in Mainland China.

⁶ The data of direct GHG emissions were calculated in accordance with stationary source, road mobile sources, non-road mobile sources, and the *Guidelines on the GHG Emission Accounting and Reporting for Public Building Operation Units (Enterprises) (Trial)* and the *Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial)* from mainland China.

⁷ The data of indirect GHG emissions were calculated in accordance with the national grid average emission factors published by the Ministry of Ecology and Environment of the PRC. In particular, the grid emission factor used for 2022 refers to the *Notice on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry for 2023-2025*; the grid emission factor used for 2021 refers to the *Guidance for Accounting and Reporting Corporate Greenhouse Gas Emissions for Power Generation Facilities*.

⁸ This refers to the total amount of GHG reduction by trees owned by the Company with the height of 5 metres or above. The GHG emission reduction was calculated in accordance with the relevant conversion factor in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong*.

⁹ The type of income comes from the rental of investment properties and property management services.

¹⁰ The statistic and calculation scope of general waste excludes the waste generated by merchants in commercial malls, office tenants, and residents; the statistic and calculation scope of food waste excludes waste generated by restaurants in commercial malls, office tenants, and residents.

Hazardous waste generation¹¹:

Indicators	2022	2021	Unit
Total hazardous waste generation	13.31	15.45	Tonne
Electronic waste	2.19	3.31	Tonne
Battery	2.18	2.94	Tonne
Mercury-containing lamp	6.13	7.10	Tonne
Printer cartridge	0.42	0.51	Tonne
Chemical container	2.39	1.60	Tonne
Hazardous waste generation per thousand RMB income from property rental and management services	0.000005	0.000006	Tonne

Water discharge¹²:

Indicators	2022	2021	Unit
Total amount of wastewater discharged	7,210,639.19	7,177,242.97	Tonne

Compliance on emissions and discharges:

Indicators	2022	2021	Unit
Cases involving illegal discharge of pollutants into the environment	0	0	Number of cases

Uses of Resources

Energy consumption¹³:

Indicators	2022	2021	Unit
Total energy consumption	634,656.99	611,613.40	MWh
Natural gas	42,664.14	51,316.67	MWh
Petrol	51.79	297.65	MWh
Diesel	133.77	113.28	MWh
Purchased electricity	591,807.30	559,884.88	MWh
Energy consumption per thousand RMB income from property rental and management services	0.25	0.25	MWh

¹¹ Hazardous wastes were categorised in accordance with the Appendix 2 Reporting Guidance on Environmental KPIs of the How to Prepare an ESG Report of Stock Exchange. The reporting and calculating scope of general waste did not include wastes produced by retail shops in shopping malls, tenants from commercial buildings, and residents from communities; the reporting and calculating scope of food waste did not include wastes produced from restaurants in malls, tenants from commercial buildings, and residents from communities.

Water consumption

Indicators	2022	2021	Unit
Total water usage ¹⁴	8,011,821.32	7,974,714.41	m ³
Consumption of municipal water (tap water)	7,598,913.32	7,642,744.91	m ³
Consumption of circulating water (reclaimed water and cooling water)	412,908.00	331,969.50	m ³
Amount of water discharged into the natural environment after pre-treatment by the Group	686,317.32	970,835.84	m ³
Total water consumption ¹⁵	6,912,596.00	6,671,930.07	m ³
Water consumption per thousand RMB income from property rental and management services	3.14	2.71	m ³

Mitigating the Impacts on Natural Environment

Amount of recycled wastes during operation:

Indicators	2022	2021	Unit
Recycled paper	73.92	103.01	Tonne
Recycled plastic bottle	48.16	57.37	Tonne
Recycled metal	13.53	22.27	Tonne
Recycled glass bottle	8.80	8.20	Tonne

Environment greening

Indicators	2022	2021	Unit
Owned trees with the height of 5 meters or above	10,900	10,900	Number of trees

Environmental compliance

Indicators	2022	2021	Unit
Cases involving damage to the natural environment	0	0	Number of cases

¹² The data for the total amount of wastewater discharged were calculated in accordance with the total water usage and related conversion coefficient provided by the *Manual of the Accounting Methods and Coefficients of Life Sources Pollution*.

¹³ The energy consumption data were calculated in accordance with the amount of purchased electricity and consumed natural gas, petrol and diesel, as well as relevant conversion factors from the *Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors (Trial)* issued by the National Development, Reform Commission of the PRC and the International Energy Agency.

¹⁴ Total water usage includes the consumption of municipal water (tap water) and circulating water (reclaimed water and cooling water).

¹⁵ Total water consumption refers to the consumption of municipal water (tap water) excluding the amount of water discharged into the natural environment after pre-treatment by the Group.

Caring for Employees

Employment

Employee composition

Indicators	2022	2021	Unit
Total number of employees	5,726	6,886	Number of people
By gender			
Male employees	3,584	4,291	Number of people
Female employees	2,142	2,595	Number of people
By age group			
Above 50	255	320	Number of people
41-50 years old	1,085	1,257	Number of people
31-40 years old	2,525	2,856	Number of people
21-30 years old	1,850	2,397	Number of people
20 or below	11	56	Number of people
By educational background			
Master's degree or above	65	101	Number of people
Bachelor's degree	1,475	1,746	Number of people
College degree	2,178	2,406	Number of people
Secondary schools	747	910	Number of people
Others	1,261	1,723	Number of people
By geographical region			
Mainland China	5,726	6,886	Number of people
Hong Kong China or other regions	0	0	Number of people
By employment type			
Full-time	5,726	6,886	Number of people
Part-time	0	0	Number of people

Employee turnover¹⁶:

Indicators	2022	2021	Unit
Employee turnover rate	40.48	36.36	%
By gender			
Male employees	40.86	36.66	%
Female employees	39.85	35.85	%

¹⁶The employee turnover rates were calculated according to "the number of turnovers in the specified category / (the number of employees in the specified category + the number of turnovers in the specified category)".

Indicators	2022	2021	Unit
By age group			
Above 50	43.46	27.77	%
41-50 years old	37.03	27.51	%
31-40 years old	36.92	35.70	%
21-30 years old	45.46	41.22	%
20 or below	78.85	54.47	%
By geographical region			
Mainland China	40.48	36.36	%
Hong Kong China or other regions	0	0	%

Development and Training

Employee training

Indicators	2022	2021	Unit
Person-times of employees receiving training related to career development ¹⁷			
Male employees	2,423	3,026	Person
Female employees	1,324	1,772	Person
Senior level employees	239	356	Person
Middle level employees	736	1,174	Person
General employees	3,568	3,264	Person

Indicators	2022	2021	Unit
Average number of hours per employee attended career development-related training ¹⁸			
Male employees	22.11	18.21	Hours
Female employees	24.35	17.08	Hours
Senior level employees	91.24	75.61	Hours
Middle level employees	55.39	11.41	Hours
General employees	19.45	18.46	Hours

¹⁷ According to the statistical system of the Group, the calculation unit of trained employees was "person-times", and the Group does not have the statistics of the total number of trained employees in the unit "person". The Group will consider the improvement of the statistical system in the future and future improvement of the statistical system calculate and disclose the data of the percentage of trained employees in "person".

¹⁸ The average number of hours per employee attended career development-related training was calculated according to the formula: average training hours completed per employees by category = total training hours completed by employees under that category / total number of employees under that category.

Employee Safety

Indicators	2022	2021	2020	Unit
Number of work-related fatalities	0	0	0	Number of people
Number of work-related injuries that led to employees not being able to attend work	0	0	0	Number of people
Lost days due to work injury	0	0	0	Number of people

Professional Ethics and Business Integrity

Indicators	2022	2021	Unit
Cases involving bribery, extortion, fraud and money laundering	0	0	Number of cases

Supply Chain Management

Indicators	2022	2021	Unit
Number of suppliers by geographical region			
Mainland China	107	92	Number of suppliers
Hong Kong China or other regions	0	0	Number of suppliers
Number of suppliers where the supply chain management practices are being implemented	107	92	Number of suppliers

Content Index of the ESG Reporting Guide of Stock Exchange

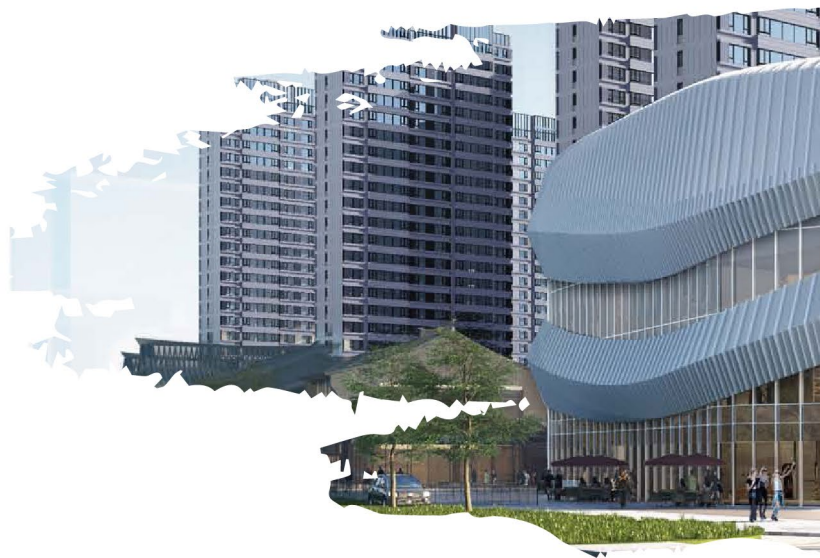
Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks	
Mandatory Disclosure Requirements			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Responsibility Management – Chairman's Statement	
Reporting Principles	Describe or explain how the reporting principles were applied in the preparation of the ESG report	Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report – Reporting Period and Scope	
"Comply or explain" Provisions			
<i>A.Environmental</i>			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Creating a Green Environment Together Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office
	A1.1	The types of emissions and respective emissions data.	Performance Summary
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect A1: Emissions	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting emission target(s) and waste reduction target(s), and plans to disclose them in the future.
	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.	
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office The Group is actively mapping and analysing the current state of environmental performance to lay the foundation for setting energy use efficiency target(s) and water efficiency target(s), and plans to disclose them in the future.
	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.	
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Matters related to packaging materials are not applicable to the Group due to the Group's business nature.
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responsibility Management – Chairman's Statement Creating a Green Environment Together
	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 the m.	Creating a Green Environment Together - Reducing Emissions during Operation Creating a Green Environment Together - Sustainable Office
<i>B. Social</i>			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-	Valuing Human Resources Valuing Human Resources – Optimising Employment Management
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Valuing Human Resources – Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
	B2.2	Lost days due to work injury.	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Valuing Human Resources – Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Valuing Human Resources – Occupational Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Valuing Human Resources – Optimising Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Valuing Human Resources – Optimising Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	Valuing Human Resources – Optimising Employment Management
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operational Service Management – Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Performance Summary
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operational Service Management – Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operational Service Management – Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operational Service Management – Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operational Service Management – Quality Customer Services Operational Service Management – Commercial Operation Operational Service Management – Property Management Operational Service Management – Consumer Rights and Intellectual Property Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This indicator is not applicable to the Group due to the Group's business nature.
	B6.2	Number of products and service-related complaints received and how they are dealt with.	Performance Summary Operational Service Management – Quality Customer Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operational Service Management – Consumer Rights and Intellectual Property Protection

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Aspect B6: Product Responsibility	B6.4	Description of quality assurance process and recall procedures.	Operational Service Management – Quality Customer Services Operational Service Management – Commercial Operation Recall procedure is not applicable to the Group due to the Group's business nature.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operational Service Management – Consumer Rights and Intellectual Property Protection
Aspect B7: Anti- corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Valuing Human Resources – Probity and Integrity
	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.	Performance Summary
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Valuing Human Resources – Probity and Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	Valuing Human Resources – Probity and Integrity
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Sincerely Giving Back to the Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Sincerely Giving Back to the Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Sincerely Giving Back to the Society



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