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GRANDJOY



中糧  
COFCO  
自然之源 重塑領航

JOY CITY PROPERTY LIMITED

大悅城地產有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 207



2022

Environmental, Social and  
Governance Report

環境、社會及管治報告



## About This Report

### Report Introduction

**Joy City Property Limited** (“Joy City Property”, “Joy City”, “the Company” or “we”) is pleased to present our 2022 Environmental, Social and Governance Report (the “Report”). This Report aims to provide information on the Company’s performance of environmental, social and governance (“ESG”) responsibilities in 2022 and to respond to the key ESG concerns of stakeholders.

### Reporting Scope

Time frame: Unless otherwise specified, the time frame of this Report is from 1 January 2022 to 31 December 2022 (the “Year” or the “Reporting Period”). Certain disclosures may reasonably go beyond such time frame to ensure completeness of this Report.

Reporting Boundary: Unless otherwise specified, this Report covers the entire business operations of the Company for the Reporting Period.

### Basis of Preparation

This Report has been prepared in accordance with the ESG Reporting Guide (“ESG Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to the Sustainability Reporting Standards (GRI Standard) issued by the Global Sustainability Standards Board (GSSB).

### Reporting Principles

This Report follows the four reporting principles set out in the ESG Guide:

- **Materiality:** In preparation of this Report, key stakeholders were identified and materiality assessment was carried out as the basis for determining material ESG issues;
- **Quantitative:** The information contained in this Report is derived from relevant statistical reports or documents, key performance indicators (“KPIs”) are measurable, and the standards and methods used in calculations of emissions/energy consumption and other data are provided;
- **Balance:** This Report provides an unbiased picture of the Company’s performance during the reporting period, avoiding selections, omissions, or presentation formats that may inappropriately influence any decision or judgement by its readers;
- **Consistency:** The methodologies and KPIs used in this Report are consistent with those used in previous reports to allow for meaningful comparisons.

### Notes on Data

Certain financial data in this Report are derived from the 2022 Annual Report of Joy City Property Limited. In case of any inconsistency between the data in this Report and the 2022 Annual Report of Joy City Property Limited, the latter shall prevail. Unless otherwise specified, other data cover the Company and its subsidiaries, and all the monetary amounts in this Report are denominated in Renminbi (RMB).

### Form of Publication

This Report is published in both Chinese and English languages. In case of any discrepancy between the two versions, the Chinese version shall prevail. The electronic version of this Report is available on the website of the Stock Exchange of Hong Kong (the “Stock Exchange”) (<http://www.hkexnews.hk>) and the website of the Company (<http://www.joy-cityproperty.com>).

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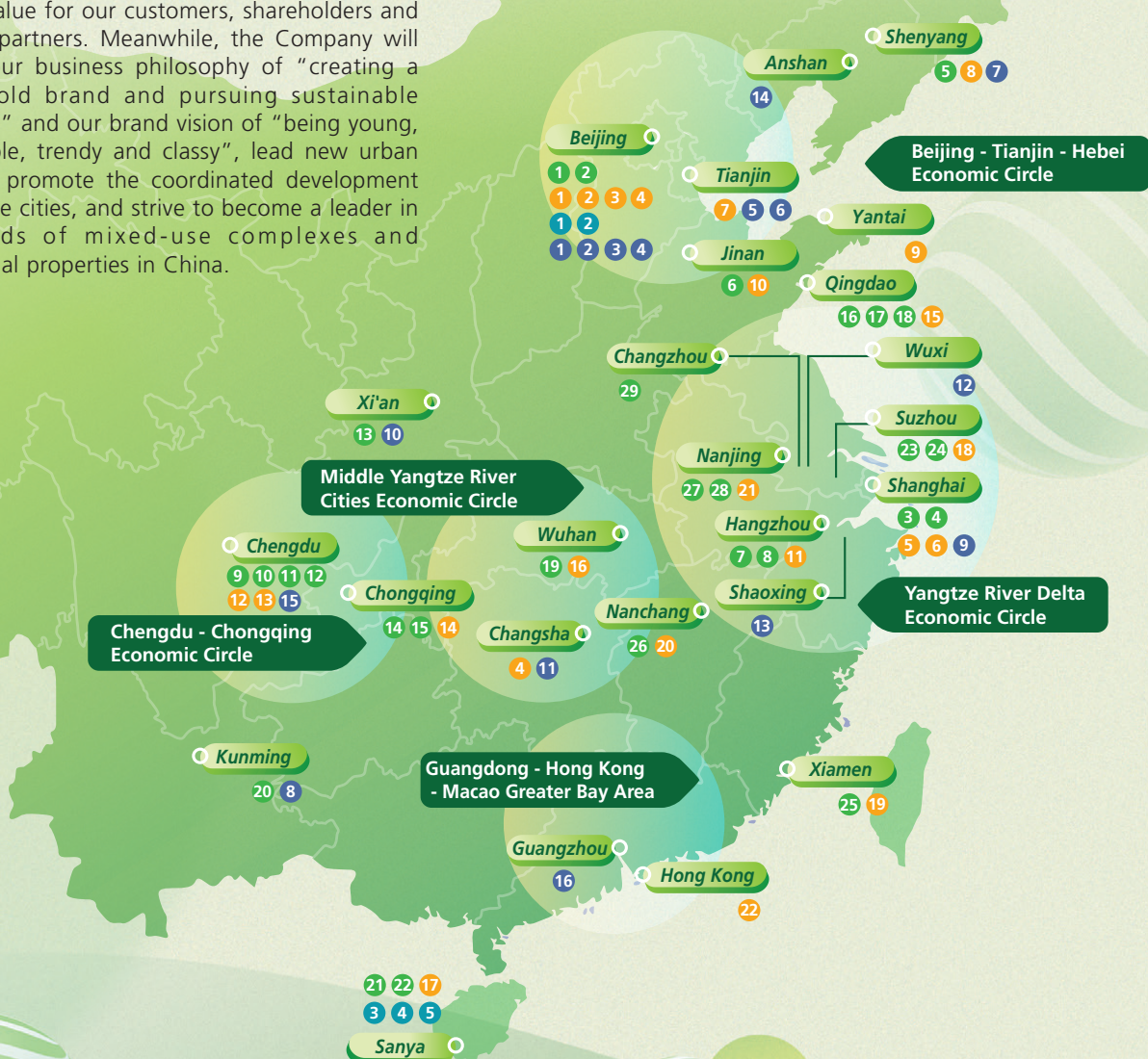


# About Joy City Property

Joy City Property Limited (stock code: 00207.HK), the flagship of the real estate business of COFCO Corporation, is a large-scale commercial property developer and operator focusing on the development, operation, sales, leasing and management of mixed-use complexes and commercial properties.

The Company focuses on the development, operation and management of urban complexes under the “Joy City” brand. It owns a number of urban complexes of Joy City in Beijing, Shanghai and other first-tier and key second-tier cities, including premium investment properties at prime locations in first-tier cities such as Beijing COFCO Plaza, Beijing COFCO • Landmark Tower and Hong Kong COFCO Tower; quality properties held for sale such as Shanghai Joy City • Joy Mansion One; and international top-class luxury hotels such as The St. Regis Sanya Yalong Bay Resort and MGM Grand Sanya. All these property projects strategically located in central districts of first-tier or key second-tier cities with superior quality as well as good investment value and appreciation potentials.

Going forward, the Company will stick to the dual-wheel driven business model of “combining property holding and sales” and the development strategy of “combining asset-light and asset-heavy operations”, establish the “general asset management” development model that integrates real estate with finance to continuously improve project quality and efficiency and create greater value for our customers, shareholders and business partners. Meanwhile, the Company will uphold our business philosophy of “creating a century-old brand and pursuing sustainable operation” and our brand vision of “being young, fashionable, trendy and classy”, lead new urban lifestyles, promote the coordinated development of Chinese cities, and strive to become a leader in the fields of mixed-use complexes and commercial properties in China.





## Property Development:

- 1 Beijing Chenyue Intl
- 2 Beijing Huayuan Center
- 3 Shanghai Ruihong
- 4 Shanghai Jing'an Joy City (for sale)
- 5 Shenyang Joy City E Cube
- 6 Jinan COFCO Shine City
- 7 Hangzhou Joy City (for sale)
- 8 Hangzhou OPUS Mansion
- 9 Chengdu Tianfu Shine City
- 10 Chengdu Xiangyun Yuefu
- 11 Chengdu COFCO Joy Mansion One
- 12 Chengdu Wine Town South Project
- 13 Xi'an OPUS Yangjing
- 14 Chongqing Joy City (for sale)
- 15 Chongqing One Majesty
- 16 Qingdao Joy Park
- 17 Qingdao Jimo Chuangzhi Splendid City
- 18 Qingdao Joy Bay
- 19 Wuhan Optics Valley Joy City (for sale)
- 20 Kunming Longshengfu
- 21 Sanya Joy Center
- 22 Sanya Joy Global Center
- 23 Suzhou COFCO Joy Mansion
- 24 Suzhou Joy Shishan One
- 25 Xiamen Yunxi One
- 26 Nanchang Joy City (for sale)
- 27 Nanjing Joy City (for sale)
- 28 Nanjing Joy Court
- 29 Changzhou Flower Jiangnan



## Hotel Operations:

- 1 Waldorf Astoria Beijing
- 2 Le Joy Hotel Beijing
- 3 The St. Regis Sanya Yalong Bay Resort
- 4 MGM Grand Sanya
- 5 Sanya Yalong Bay Cactus Resort Sanya by Gloria



## Investment Properties:

- 1 Beijing Xidan Joy City
- 2 Beijing Chaoyang Joy City
- 3 Beijing COFCO Plaza
- 4 Beijing COFCO • Landmark Tower
- 5 Shanghai Jing'an Joy City
- 6 Fraser Suites Top Glory Shanghai
- 7 Tianjin Joy City
- 8 Shenyang Joy City
- 9 Yantai Joy City
- 10 Jinan Joy City
- 11 Hangzhou Joy City
- 12 Chengdu Joy City
- 13 Chengdu Tianfu Joy City
- 14 Chongqing Joy City
- 15 Qingdao Jimo Joy Breeze
- 16 Wuhan Joy City
- 17 Sanya Joy City
- 18 Suzhou Joy Breeze
- 19 Xiamen Joy City
- 20 Nanchang Joy City
- 21 Nanjing Joy City
- 22 Hong Kong COFCO Tower



## Output Management and Related Services:

- 1 Joy City Commercial Management
- 2 Beijing Jingxi Joy City
- 3 Beijing Daxing Joy Breeze
- 4 Beijing LG Twin Towers
- 5 Tianjin Heping Joy City
- 6 Tianjin Xiqing Joy Life
- 7 Shenyang Financial Center Joy City
- 8 Kunming Joy City
- 9 Shanghai Parkside Joy City
- 10 Xi'an Joy City
- 11 Changsha North Star Delta Joy City
- 12 Wuxi Jiangnan Joy City
- 13 Shaoxing IFC Joy City
- 14 Anshan Joy City
- 15 Chengdu Jinniu Joy City
- 16 Guangzhou Huangpu Joy Life

# Chairman's Statement



## Dear stakeholders:

2022 was an important year for China's embarkation on a new journey towards building a modernized socialist country in an all-round way and delivering on its second centenary goal. After a turbulent half year due to the COVID-19 outbreaks, brick-and-mortar businesses recovered at a fast pace in the second half of the year. As China's economy is moving towards high-quality development, it increasingly calls for the real estate sector to transform and upgrade to better meet the people's expectation for a better life.

During the Year, Joy City Property continued to maintain good communication with stakeholders and work together to promote sustainable development, making unremitting efforts to lead new urban lifestyles and contribute to the coordinated development of urban areas.

**Further raising ESG governance standards and quality of disclosures.** During the Year, Joy City Property continued to improve its ESG governance system and worked hard to develop an ESG governance structure appropriate for the Company's operation and management practices. At present, the Company has integrated ESG concepts into its development strategy by clearly defining the ESG responsibilities and duties of officers at all levels from decision-making level to execution level, thus creating a standardised management system.

**Providing customers with products and services of higher quality.** During the Year, Joy City Property promoted the development concept of healthy living spaces and strengthened the quality management of residential design, enabling customers and property owners to enjoy a perfect and comfortable life through its high value-added premium products and high quality services. Meanwhile, the Company adhered to the brand-oriented approach and continued to optimise product management with a focus on enhancing both the revenue and brand value of its shopping malls.

**Building a beautiful homeland where people and nature coexist in harmony with low-carbon actions.** During the Year, Joy City Property insisted on green development practices, establishing a sound environmental management system, strengthening the management of emissions and the use of energy resources, and continuing to work on the exploration of green and low-carbon technologies and climate change response to create a greener and cleaner community and empower a beautiful China.

**Supporting charity work and giving back to the society.** During the Year, Joy City Property focused on hot issues such as rural revitalization, green and low-carbon practices, and epidemic prevention and control, and took the initiative to strengthen cooperation with external public welfare organisations. By sharing resources and achievements with the society, Joy City Property promotes a healthy and positive lifestyle, and social harmony and sustainable development.

Looking forward, Joy City Property will continue to deliver on its original aspiration with commitment and practise its mission with solid work, bringing warmth to every city, every family and every heart. In the future, we hope to develop together with you and create a happier and better life!

**CHEN Lang**  
*Chairman of the Board*

## Board Statement on ESG

The board of directors of the Company (the "Board") takes overall responsibility for overseeing the ESG management of the Company, including: formulating the Company's ESG strategy and regularly reviewing the implementation of the strategy; identifying and assessing ESG risks and formulating response plans; reviewing ESG management policy and ensuring the consistent implementation of the policy; reviewing ESG plans and objectives, and regularly reviewing the progress of ESG objectives; and reviewing ESG performance. The Board authorized the ESG management team to be responsible for the co-ordination, implementation and execution of ESG-related work.

Taking into account national planning, stakeholders' expectations and the Company's development strategy, the Board will continue to monitor the sustainability trends at home and abroad, strengthen the identification of material ESG issues, discuss and identify the Company's ESG risks and opportunities, and make the management and improvement of key issues a priority for sustainable development.

This Report, which has been considered and approved by the Board, discloses in detail the progress and achievement of the ESG objectives of Joy City Property Limited in 2022.



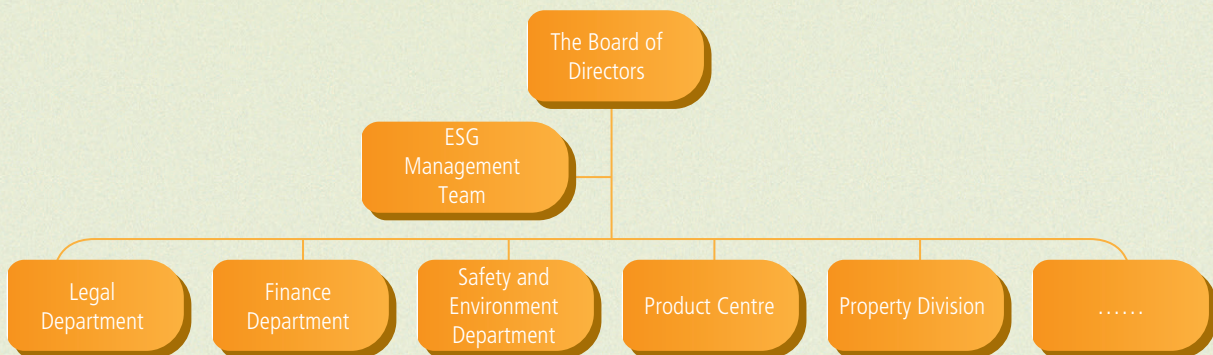
## >>> ESG Governance

### Improvement of ESG Management System

The Company has further improved its ESG governance system by developing an ESG governance structure compatible with its operation and management practices. Currently, the Company has integrated ESG concepts into its development strategy by defining the key ESG responsibilities and duties of officers at all levels from the decision-making level to the execution level, thus creating a standardised management system.

The Board is the highest responsible and decision-making body for ESG matters, responsible for controlling and assessing our material ESG risks, determining and improving our ESG-related policies, determining and ensuring the effectiveness of our ESG management, and monitoring the implementation of our ESG activities. The ESG management team has been delegated by the Board to organise and implement ESG management and disclosure, and its responsibilities include, but are not limited to, submitting annual ESG reports to the Board, reporting on ESG management, and organising ESG-related training.

#### ESG Management System



### Stakeholder Engagement

Joy City Property has always attached importance to establishing mutual trust and win-win relationships with stakeholders. We actively communicate with our stakeholders through various communication channels to deliver the latest information on our business development and operations in a timely manner, and to understand and respond to their expectations and demands on our ESG practices, so as to help us objectively review the issues that need to be addressed and resolved in our ESG work and promote long-term development of the Company.

From the perspective of sustainable development, the Company has prepared a stakeholder engagement matrix to provide a basis for identifying material issues.



**Stakeholder Engagement Matrix**

Stakeholders	Channels	Expectations and demands	Our response
Governments and regulators	<ul style="list-style-type: none"> <li>Daily communication</li> <li>Submission of information</li> <li>Workshops and surveys</li> <li>Governmental regulation</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Business ethics and anti-corruption</li> <li>Stringent internal control and risk management</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing compliance in operation</li> <li>Fulfilling tax obligations</li> <li>Strengthening risk management</li> </ul>
Investors/ shareholders	<ul style="list-style-type: none"> <li>Regular disclosure</li> <li>General meetings</li> <li>Daily communication</li> <li>Official website</li> </ul>	<ul style="list-style-type: none"> <li>Satisfactory operating results</li> <li>Sustained and steady growth</li> <li>Operation with integrity and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Constantly improving our ability to create value</li> <li>Robust operation</li> <li>Open and transparent disclosure</li> <li>Enhancing investor management</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>Customer service hotline</li> <li>Weibo, WeChat</li> <li>Satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Quality service experience</li> <li>Safety and security</li> <li>Brand value</li> <li>Privacy</li> <li>Consumer rights protection</li> </ul>	<ul style="list-style-type: none"> <li>Meeting customer demand for experience</li> <li>Organising various creative activities</li> <li>Keeping facilities safe</li> <li>Offering a better environment for shopping, dining and working</li> <li>Protecting consumer rights</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Advocating the concept of environmental protection</li> <li>Adhering to the strategy of sustainable development</li> <li>Disclosure of Environmental information</li> </ul>	<ul style="list-style-type: none"> <li>Garbage sorting and recycling</li> <li>Emission of greenhouse gas (GHG)</li> <li>Reducing waste discharge</li> <li>Energy consumption</li> <li>Resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>Shifting to green and energy-saving facilities</li> <li>Strictly managing garbage sorting</li> <li>Improving emission monitoring capabilities</li> <li>Advocating green office practices</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Labour contract</li> <li>Development and training</li> <li>Performance management mechanism</li> <li>Employee safety and rights</li> </ul>	<ul style="list-style-type: none"> <li>Protecting the legitimate rights and interests of employees</li> <li>Remuneration and benefits</li> <li>Providing fair and equal employment opportunities</li> <li>Providing diversified development and promotion opportunities</li> <li>Protecting employee safety</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining fair recruitment practice</li> <li>Providing diversified training and learning</li> <li>Providing smooth career development path</li> <li>Organising staff activities to promote work-life balance</li> <li>Caring for employee wellbeing</li> </ul>

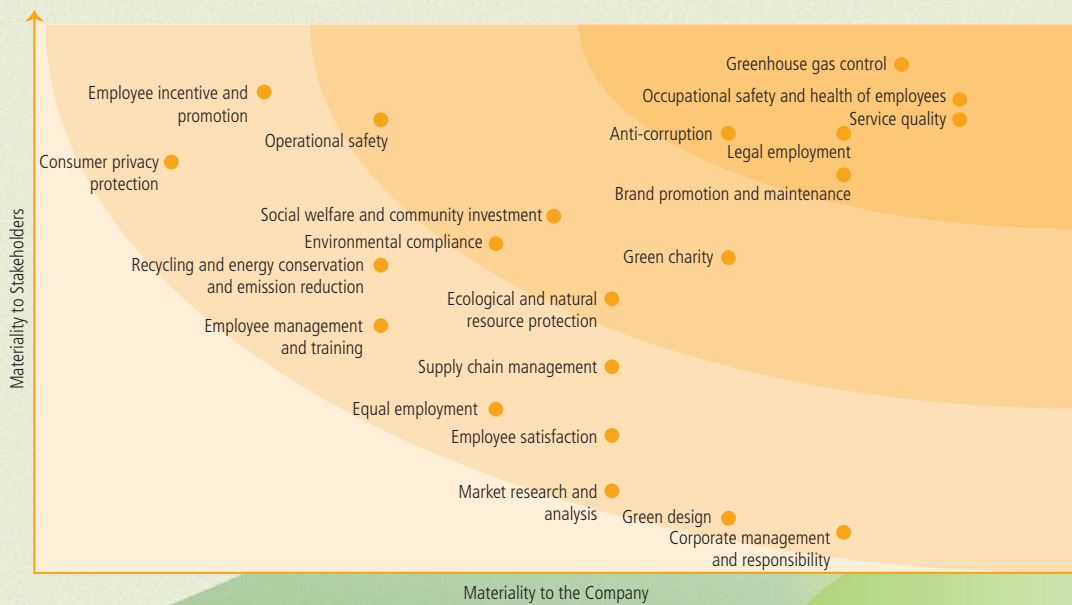


Stakeholders	Channels	Expectations and demands	Our response
Suppliers and business partners	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Cooperation agreements</li> <li>Regular visits</li> </ul>	<ul style="list-style-type: none"> <li>Fair procurement policy and fulfillment of promises</li> <li>Ensuring product quality and safety</li> <li>Preventing environmental and social risks from suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Refining management system</li> <li>Enhancing procurement management</li> <li>Enhancing procurement from clean supply chain</li> <li>Strictly controlling product quality and safety</li> <li>Sticking to fair and open procurement</li> <li>Strictly screening of merchants</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community activities</li> <li>Community services</li> </ul>	<ul style="list-style-type: none"> <li>Promoting safe and compliant operation</li> <li>Organising activities on community charity to promote harmony</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing facility safety management</li> <li>Organising public welfare activities</li> <li>Supporting rural revitalization</li> </ul>

### Identification of Material Issues

With reference to the ESG Guide of the Stock Exchange of Hong Kong, the Company understands the views of various stakeholders on the Company's ESG issues through questionnaires, business review and internal interviews, and identifies and determines the materiality of the issues of concern to stakeholders to ensure a more accurate and comprehensive disclosure of ESG information. As there was no significant change in the Company's operations during the Reporting Period, the results of the materiality assessment for the year were generally consistent with those of the previous year.

### Materiality Matrix



## >>> Environmental

Joy City Property is committed to the concept of green development, establishing a sound environmental management system, and continuing to strengthen the management of emissions and use of energy resources and explore green and low-carbon technologies and climate change responses to create a greener and cleaner community.

### A1 Emissions

Emissions management targets:

- Control carbon dioxide emissions, and by 2025, significantly reduce the carbon emissions per RMB10,000 revenue as compared to 2020.
- Promote separate disposal of non-hazardous waste of each class, and ensure standardized disposal of all non-hazardous waste.

### Emissions Control System

The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and other environmental laws and regulations. In addition, the Company has formulated and issued internal management standards on emissions such as the Ecological Sustainability System Development Plan of Joy City (2020-2022), the Review and Opening Risk Inspection, Work Safety and Environmental Management Regulations of Joy City, the Ecological and Environmental Management Rules of Joy City (Trial) and the Regulations on Pollutant Discharge Management of Joy City, and supervised the management of wastewater, exhaust, noise, solid waste and other emissions and pollution prevention and control of each projects in strict accordance with the such regulations.

During the Year, the Company did not involve in any litigation under any dispute resolution mechanism regarding serious violations of international or national standards, rules and regulations or local standards, rules and regulations of the places where it operates in relation to environmental protection.

### Wastewater and Exhaust Management

During the Reporting Period, the Company incorporated the supervisory monitoring of pollutants, the upgrading of environmental standards and GHG emission reduction into its annual environmental protection goals through execution of the 2022 Annual Safety and Environmental Protection Responsibility Statement, and promoted the upgrading of environmental standards of its operating projects in batches and phases, reviewed the effectiveness of such upgrading according to the monitoring of pollutants to reduce the risk of exceeding emissions standards. At the beginning of the Year, the Company clarified the requirements for supervisory monitoring of pollutants in regional companies and business units by reference to the frequency of pollutant monitoring in the General Technical Guidelines for Self-monitoring of Emissions and Pollutants and the Technical Guidelines for Self-monitoring of Emissions and Pollutants of Thermal Power Generators and Boilers as well as local pollutant emission standards. Furthermore, the Company collects and reviews the quarterly monitoring results of pollutants such as exhaust gas, wastewater and noise from each project, thereby controlling the risk of excessive discharge of pollutants at the very source.

During the Year, the Company launched two upgrading projects, e.g. the upgrading of the exhaust systems of catering businesses at Chaoyang Joy City and the upgrading of the sewage treatment station at Tianjin Joy City, with a total investment budget of RMB12,040,000.

## Case Study:

## Sewage treatment station at Tianjin Joy City

In 2022, Tianjin Joy City constructed a new sewage treatment station. The project was completed and accepted on 28 July 2022, and officially commenced operation on 1 August 2022. The water quality of the mall's drainage has significantly improved after the upgrading, with all indicators of sewage discharge up to par and meeting the Integrated Wastewater Discharge Standards of Tianjin (DB12/356-2008). In addition, the project adopts a smart control system + cloud platform supervision, eliminating the need for always-on manual monitoring. It is expected to treat 73,000 m<sup>3</sup> of sewage per year.



检测项目	检测标准	检测结果	检测结论
化学需氧量(COD)	50 mg/L	12	合格
氨氮(NH <sub>3</sub> -N)	5 mg/L	0.5	合格
总氮(TN)	40 mg/L	15	合格
总磷(TP)	0.5 mg/L	0.1	合格
悬浮物(SS)	100 mg/L	10	合格
pH值	6-9	7.5	合格
电导率	≤1000 μS/cm	150	合格
溶解性总固体(TDS)	≤1000 mg/L	150	合格
氯离子(Cl <sup>-</sup> )	≤100 mg/L	10	合格
硫酸根(SO <sub>4</sub> <sup>2-</sup> )	≤100 mg/L	10	合格

## Waste Management

The non-hazardous waste generated by the Company in the course of its operations mainly includes construction waste and office waste, and hazardous waste mainly includes fluorescent tubes, toner cartridges, coolants used in air conditioners, lubricating oils used in air conditioners and elevator systems. The Company has formulated the Regulations on Pollutant Discharge Management to regulate the waste management of its primary-level projects and promote these projects to dispose of waste in compliance with regulations and rules, the specific requirements of which include:

- All primary-level projects of the Company should take measures to reduce the amount of solid waste generated, promote the comprehensive utilization of solid waste, and reduce the hazard of solid waste. Also, they should take measures to prevent the scattering, running off, leaking and seeping of solid waste, as well as other measures against environmental pollution, and should not dump, pile up, discard or scatter solid waste without authorization;
- For primary-level projects of the Company that generate general industrial solid waste, they should obtain pollutant discharge permits in accordance with the law and, in accordance with national and local requirements, provide the local ecological and environmental authorities with relevant information on the type, quantity, flow, storage, utilisation and disposal of industrial solid waste, as well as specific measures to reduce the generation and promote the comprehensive utilisation of industrial solid waste; and they should comply with relevant provisions of the discharge permit management system. Dumping industrial solid waste into domestic waste collection facilities is prohibited;
- All primary-level projects of the Company should comply with the requirements of national and local laws and regulations and properly handle domestic waste, such as source reduction, and separate collection, separate transportation and separate treatment of domestic waste of different categories;

- All primary-level projects of the Company should comply with the requirements of national and local laws and regulations, and organise construction units to prepare construction waste disposal plans and take pollution prevention and control measures. Also, the construction units should timely remove the construction waste and other solid waste generated during the construction process, and utilise or dispose of such waste in accordance with the regulations of the competent environmental sanitation authorities, and shall not dump, scatter or pile up construction waste generated during the construction process without authorization.

**Case Study:****Hangzhou Joy City standardises the procedures for waste separation and recyclables handling**

Hangzhou Joy City Shopping Mall advocates waste classification at the very source. To this end, it has developed a flow chart for waste sorting and recyclables handling and required shop assistants and office staff to do the sorting accordingly, while waste sorting signs are attached to waste bins in public areas to remind customers to take the initiative in sorting. As a supplement, Hangzhou Joy City also conducted secondary sorting for garbage delivered to the sorting centre, placing sorted recyclables by type and making sure hazardous waste properly classified. In addition, the recyclables delivered to the recycling centre on a daily basis are weighed, settled, registered, sorted and packed, and stored by type such as cardboard boxes, foam, scrap metal and glass, and then transported out by a recycling company for disposal.

**Case Study:****Recycling of discarded materials from shop owners at Suzhou Joy Breeze**

During the inspection of fitting-out works, the property department of Suzhou Joy Breeze project communicated with the shop owners to recycle their unwanted surplus wood, plasterboard, keel and other materials for use in the maintenance of public areas, saving some materials for project maintenance.

## Emissions in 2022

Indicators	2022
Direct GHG emissions (tCO <sub>2</sub> e) <sup>1</sup>	10,163.60 <sup>2</sup>
Indirect GHG emissions (tCO <sub>2</sub> e) <sup>3</sup>	95,541.66
Total GHG emissions (tCO <sub>2</sub> e) <sup>4</sup>	105,705.25
Intensity of overall GHG emissions (tCO <sub>2</sub> e/RMB million)	33.15
Total discharge of domestic wastewater (10,000 tons)	140.52
Discharge volume of waste oil from kitchen wastewater after oil separation (tons)	476.88
Number of fluorescent tubes disused and recycled (pieces)	3,388
Number of toner cartridges recycled (pieces)	39
Waste A/C coolants (tons)	0.03
Waste lubricating oils (tons)	0.79
Total hazardous waste (tons)	1.54
Intensity of hazardous waste emission (tons/RMB10,000)	0.05
Dry waste generated (tons)	44,915.30
Wet waste generated (tons)	23,546.99
Total non-hazardous waste (tons)	68,462.29
Intensity of non-hazardous waste emission (tons/RMB million)	21.47

<sup>1</sup> The calculation of direct GHG emissions is mainly based on the GHG emission factors of natural gas set out in Table 2.4 under Stationary Combustion, Chapter 2 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

<sup>2</sup> The data for 2022 is significantly higher than 2021, mainly due to the addition of new projects including Jimo Joy Breeze, Suzhou Joy Breeze and Chongqing Joy City, as well as the increase in the use of gas for heating in the projects due to lower temperatures in the south China in winter of 2022.

<sup>3</sup> The calculation of indirect GHG emissions is mainly based on the average emission factors of the national power grid for 2022 set out in the Notice on the Management of GHG Emissions Reporting by Power Generation Enterprises from the Period 2023 - 2025 issued by the General Office of the Ministry of Ecology and Environment of the PRC.

<sup>4</sup> The Company's GHG emissions mainly come from the use of natural gas and electricity purchased.



## A2 Use of Resources

Energy and water consumption targets:

- Control energy consumption, and make sure the overall energy consumption per RMB10,000 revenue by 2025 is lower than that in 2020.
- Control water consumption, and make sure the water consumption per RMB10,000 revenue by 2025 is lower than that in 2020.

### Energy Consumption Management

Our daily operations mainly involves the electricity consumption by air-conditioning systems, lighting systems, elevator systems for maintaining the daily operation of commercial projects, and some projects involve the consumption of purchased heat such as district heating. In order to systematically manage energy consumption and improve energy efficiency, the Company has established an energy management platform, which has been implemented in a number of projects such as Chaoyang Joy City, Xi'an Joy City, Jing'an Joy City and Hangzhou Joy City. During the Reporting Period, the Company monitored and analysed the daily energy consumption of commercial projects in operation through the platform, and identified and analysed the energy-saving potential of the projects through the use of big data tools to facilitate the energy-saving and low-carbon operation of the projects. During the period, the Company also invited professional energy-saving consultants to analyse and evaluate the quarterly energy consumption of each project based on the platform's energy consumption data, providing support to property management offices for their energy-saving management.

During the Reporting Period, the Company's commercial projects engaged a team of professional energy-saving consultants to further enhance energy conservation and emission reduction in various aspects such as intelligent control, upgrading of air-conditioning and electromechanical systems, and construction of high-efficiency plant rooms.

Case Study:

#### Yantai Joy City's Energy-saving Upgrade

Yantai Joy City opened in 2014 and has been in operation for more than 8 years up to 2022. The energy consumption of its air conditioning system has been increasing year by year, and there is a need for energy saving. During the Reporting Period, Yantai Joy City vigorously promoted energy saving and engaged a joint professional consultant team from China Energy Conservation and Environmental Protection Group (CECEP) and Tsinghua University to carry out energy-saving transformation for its air conditioning system. Upon conducting testing through actual operation as well as research and analysis of energy bills over the years, Yantai Joy City has completed the formulation of the retrofit plan, which is scheduled to be implemented in 2023. According to the retrofit plan, the original lithium bromide direct-fired units will partially be replaced, significantly reducing use of natural gas and decreasing Scope 1 carbon emissions. It is predicted that after the retrofit, the carbon emission will be decreased by 1,400 tons per year, saving RMB2 million of operating costs annually.





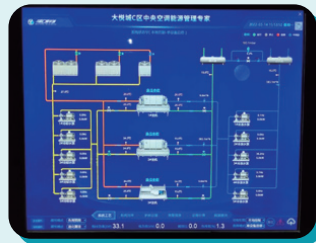
**Case Study:**
**Construction of high-efficiency plant rooms and energy-saving improvements of systems at several commercial projects, showing effective results**

During the Reporting Period, the Company engaged professional energy-saving consultants to design, inspect and commission high-efficiency plant rooms for some of its commercial projects, so as to ensure the equipment for these projects is energy-efficient. Specifically, Nanjing Joy City engaged ECADI International as a consultant to design a high-efficiency plant room; and Shenyang Joy City Hub E and Xiamen Joy City engaged Bureau Veritas and Jinma Energy Saving (金馬節能公司) respectively to adjust their M&E systems, providing a strong guarantee for the energy-saving operation of the projects.

Among the projects newly opened in 2022, Wuhan Joy City engaged the School of Architecture, Tsinghua University to continuously adjust, evaluate and inspect its high-efficiency plant room in operation. The comprehensive energy efficiency reached 5.6 in the first cooling season after it put into operation, saving 1,550,000 kWh of electricity compared with the electricity consumption of ordinary commercial projects in cooling season. Chongqing Joy City innovatively implemented its construction of high-efficiency plant room by means of the overall outsourcing of cooling station and imposing some covenants on energy-efficiency, saving about 1,000,000 kWh of electricity in the cooling season. The ultra-high energy-efficiency magnetic levitation units were adopted for the whole Jimo Joy Breeze Project. As a result, the design goal of high-efficiency plant room was achieved in the first year of its operation, with an annual comprehensive operation energy efficiency of 6.4 and saving approximately 100,000 kWh of electricity in the cooling season.

**Case Study:**
**Tianjin Joy City enables intelligent control**

During the Reporting Period, Tianjin Joy City built an intelligent management platform for the refrigeration station of its north and south zones to enable group control of core refrigeration equipment and gradually reduce energy consumption through intelligent control. According to statistics, the overall power consumption of Tianjin Joy City for the cooling season in 2022 decreased by 280,000 kWh as compared to the cooling season in 2021, representing an energy saving rate of over 5%, and saving of over RMB230,000 in electricity costs.





In addition to enhancing energy conservation and emission reduction of projects in operation, the Company also places emphasis on energy saving design of projects under construction. The Company has integrated assembled buildings into its construction system, increasing the assembly rate of projects through prefab partition walls, prefab staircases, prefab laminated panels and interior fit-out, thereby achieving savings in the use of construction materials and improving the energy efficiency of buildings. During the Reporting Period, the Company continued to promote prefabricated construction, for example, the overall assembly rate of Suzhou Shishan Joy Court project exceeded 50%, and the overall assembly rate of the Beijing Chenyue Intl Project reached 60%, which effectively saved energy consumption in the course of production and transportation of construction materials.

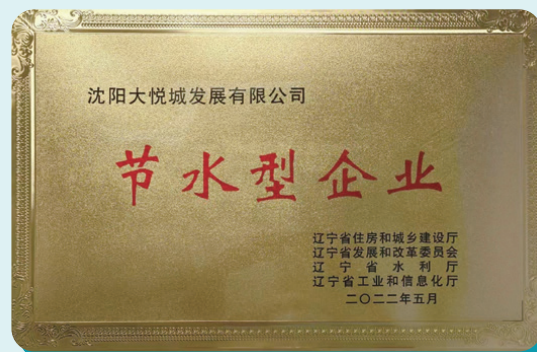
### Water Resources Management

Our water consumption mainly involves water used for greening, air conditioning systems, and domestic use in public areas such as toilets, and for other daily maintenance (exclusive of the water consumption of tenants as they have the control over their use of water resources). We use rainwater and water reuse technology to replenish water for greening and garage washing in support of the construction of sponge cities, taking into account governmental policies and internal needs. In addition, we have achieved ultra-high energy efficiency for our high-efficiency chiller plants through a high-precision automatic detection and control system by improving and coordinating internal chillers and external working condition in the following way: internally, inverter mainframes are selected appropriately and scientifically equipped with chillers; externally, a high-efficiency water transmission and distribution system is place, and working condition is improved through A/C pump frequency conversion and control optimisation, low resistance management design, enhancement of heat exchange capacity of cooling towers and optimisation of group control of cooling tower fan frequency conversion.

#### Case Study:

### Shenyang Joy City receives a “Water-saving Enterprise” award

Shenyang Joy City was awarded the “Water-saving Enterprise” jointly issued by the Department of Housing and Urban-Rural Development of Liaoning Province, the Development and Reform Commission of Liaoning Province, the Department of Water Resources of Liaoning Province and the Department of Industry and Information Technology of Liaoning Province.



### Use of Clean Energy

We vigorously promote the use of clean energy and renewable energy in our daily operations, taking it as a starting point for our efficient energy management. For example, Nanjing Joy City, Nanchang Joy City and Sanya Joy City use solar photovoltaic power generation technology; Nanjing Joy City Apartments has installed a solar water heating system; Nanchang Joy City uses air-cooled heat pumps to provide clean and low-carbon electricity and cold and heat source.



### Resource Consumption in 2022

Indicators	2022
Total water consumption (tons)	1,521,122.00
Water consumption intensity (tons/RMB million)	477.12
Total electricity consumption (MWh)	167,528.80
Electricity consumption intensity (MWh/RMB million)	52.55
Total consumption of fuel gas (MWh)	50,237.93
Gas consumption intensity (MWh/RMB million)	15.76
Comprehensive energy consumption (MWh)	217,766.73
Comprehensive energy consumption Intensity (MWh/RMB million)	68.31

### A3 Environment and Natural Resources

#### Contributing to Achieving the “Dual Carbon Goals”

The Company actively acted on the national call for achieving the strategic goals of carbon peaking and carbon neutrality, studied the national decisions and arrangements related to “dual carbon” work, established a Carbon Peaking Task Force with an office to undertake its daily work. During the Reporting Period, the Company set annual carbon reduction targets for its projects in accordance with COFCO Corporation’s carbon peaking plan, and phased out high-energy-consuming outdated mechanical and electrical equipment in batches in accordance with the Catalogue for Phasing Out of Energy-intensive and Outdated Mechanical and Electrical Equipment (Products), thereby contributing to realising the “dual carbon goals” as scheduled.

#### Case Study:

#### Applying the New Development Philosophy and Contributing to Carbon Peaking and Neutrality

In September 2022, persons in charge of our regional offices and business units attended the special training on “Applying New Development Philosophy and Achieving Carbon Peaking and Neutrality” held by COFCO Corporation to learn more the national decisions and arrangements on carbon peaking and carbon neutrality, which helped our employees to get a better understanding of our “dual-carbon” work and motivate them to do better and further promote our green and low-carbon development.





### Exploring Green Technologies

During the Reporting Period, through the “joint research centre for technologies for healthy environment and efficient systems” established in cooperation with the School of Architecture, Tsinghua University, the Company continued to carry out a number of research projects such as the development of energy-saving technology systems for Joy City shopping malls, the study on the key path for Joy City shopping malls to achieve zero-carbon transformation and carbon neutrality, and the study on the sustainability of green Joy City residential properties. The research results have been applied in a number of projects in Xiamen, Nanjing, Nanchang and Jinan, putting green and low-carbon technologies to practice and exploring and verifying the applicability of the technologies in the construction sector.

### Environmental Protection Activities

During the Reporting Period, the Company and its projects organised more than 10 activities relating to environmental seminars and training and public good, with more than 500 participants and attracting more than 1,500,000 views. In addition, the Company placed emphasis on green and low-carbon areas, and actively strengthened cooperation with external non-profit organisations such as the World Wide Fund for Nature, the Roundtable on Sustainable Palm Oil (RSPO), and Friends of Nature.

#### Case Study:

#### Protecting mangrove forests and marine wetlands

On 17 June 2022, our Hainan company held a themed activity –“Protecting Mangrove Forests and Marine Wetlands”– in the Qingmeigang Mangrove Nature Reserve, Sanya. Led by the a staff member of the reserve, our employees went into the mangrove forest and cleaned up all kinds of rubbish such as waste paper and plastic bags on both sides of the road.



### Obtaining a Green Loan

The Company adheres to the concept of “Green Joy City” and green development. During the Reporting Period, with the preliminary LEED Platinum certification for Chaoyang Joy City, the Company obtained a green loan facility in the amount of US\$100 million, and was awarded the “Outstanding Award for Green and Sustainable Loan Issuer (China’s Commercial Real Estate Industry) – Visionary Green Loan Framework” and the “Award for Pioneering Organisation in ESG Disclosure Enhancement” by the Hong Kong Quality Assurance Agency.



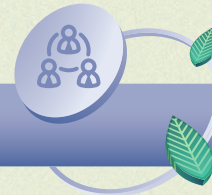
### A4 Climate Change

Addressing climate change has become a global consensus. The Company actively responds to climate change, identifies the risks that may be caused by climate change based on the principles of comprehensive risk management, and attaches great importance to the possible impact of extreme weather. With regard to the physical risks arising from climate change, our projects might be affected by extreme weather events such as typhoons, rainstorms, cold waves and high temperatures; projects under construction might be subject to suspension or partial suspension, which may affect the construction progress; and projects erected on low-lying areas may be exposed to the risk of backflow of rainwater or other secondary disasters.

In accordance with the Emergency Response Law of the People’s Republic of China and other relevant laws and regulations, and with reference to the COFCO Guidelines for Monitoring, Early Warning and Handling of Natural Disasters (Trial), the Company issued the Guidelines for Monitoring, Early Warning and Handling of Natural Disasters to further standardise its procedures for monitoring, early warning and handling of natural disasters, improve emergency management systems at all levels and provide guidance to all units for preparing for natural disasters and enhancing their emergency response capabilities, thereby enabling early analysis, early warning and early handling of natural disasters.

During the Reporting Period, the Company strengthened the weather warning and monitoring mechanism, opened the “Flood and Disaster Prevention Log” section of the BI Business Management Signboard, and organised all units to fill in weather warning and monitoring information on a daily basis. The weather warning system covers all regional companies and their projects that might be affected by possible natural disasters, sending out 34 rainstorm and typhoon warnings and 7 earthquake warnings during the Year. There was no significant property damage or injury incident caused by extreme weather during the Year.

## >>> Social



Joy City Property makes the best of its corporate influence and core strengths in respect of assuming corporate social responsibility. It not only enables customers and property owners to enjoy a perfect and comfortable life through high-value-added premium products and high-quality services, also fulfils its operating responsibilities as a listed company with lean team management and an open and honest corporate culture, and insists on promoting healthy and positive lifestyles, participating in charity work and giving back to the community.

### B1 Employment

#### Protection of Employees' Rights and Interests

The Company strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China and other employment-related laws and regulations, and has formulated the Management Measures for Recruitment, the Management Measures for Labour Contracts, Management Measures for Employee Leave, Management Measures for Employee Attendance, Implementation Measures on Hiring or Laying-off Employees Based on their Performance and other internal rules and regulations to effectively protect the legitimate rights and interests of employees.

In terms of remuneration, the Company implements equal pay for equal work and adopts the same remuneration structure for both male and female employees. Moreover, In order to stimulate better performance through strong incentives, the Company has established a scientific and transparent remuneration and incentive system and provides employees with competitive remuneration packages.

In terms of benefits, the Company provides all employees with a comprehensive package of benefits, including pension insurance, medical insurance, maternity insurance, work-related injury insurance, unemployment insurance, housing provident fund, commercial medical insurance, accident insurance and enterprise annuity plan, to reduce their worries and increase their motivation and sense of belonging.

#### Diversity and Equal Employment

The Company respects each and every employee and strives to ensure a fair and transparent recruitment process through a comprehensive recruitment system and diversified recruitment channels. It provides equal employment platforms and opportunities for candidates of different nationalities, genders and educational backgrounds, and provides a sound career development platform for employees. In addition, the Company also provides employment opportunities for the disabled, ethnic minorities and demobilized soldiers, and ensures equal pay for equal work.

In terms of recruitment channels, the Company mainly attracts and selects talents through campus recruitment, general recruitment and competitive recruitment. The Company has established contacts with the career guidance centres of well-known domestic universities to keep an eye on the availability of graduates in line with its needs in a timely manner. The Company also works with recruitment websites such as Zhaopin.com and Liepin.com. to obtain adequate information on candidates. In addition, the Company cooperates with headhunting companies to identify suitable candidates for key positions and select experienced and competent management and professional talents.

### Employment Data in 2022

Indicators		2022
Total number of employees by employment type	Full-time	3,794
	Part-time	0
Total number of employees by gender	Male	2,096
	Female	1,698
Total number of employees by age group	30 and below	1,243
	31-40	1,561
	41-50	744
	51 and above	246
Total number of employees by geographic location	Beijing	996
	Places other than Beijing	2,798
Total number of employees by academic qualifications	Master degree and above	649
	Bachelor degree	1,581
	College diploma	650
	High school diploma and others	914
Total number of employees by employee category (function)	Functional departments	852
	Development departments	546
	Operational departments	2,396
Turnover rate by gender (%)	Male	23.95
	Female	22.32
Turnover rate by age group (%)	30 and below	34.43
	31-40	18.58
	41-50	17.20
	51 and above	14.22
Turnover rate by geographic location (%)	Beijing	23.26
	Places other than Beijing	24.61



## B2 Health and Safety

### Employee Health Protection

We care about the health of our employees. We require all new recruits to have a medical check-ups before starting the on-boarding process, and organises regular health check-ups for our employees every year so that they can have a comprehensive understanding of their physical condition and take early precautions against potential illnesses and get early treatment for illness diagnosed, thereby ensuring that they work in healthy condition.

Since the outbreak of COVID-19, we have always put the life and health of our employees in the first place, and carried out comprehensive epidemic prevention and control work. During the Reporting Period, we formulated the Guidelines for the Prevention and Control of COVID-19 in Properties Held by Joy City and revised our emergency plan in a timely manner, guiding all units to carry out the emergency response work in a rapid, scientific and effective manner with regard to confirmed cases, positive nucleic acid test results, abnormal nucleic acid test results, close contacts and other "epidemic-related incidents". We organised and held special meetings on epidemic prevention and control, timely conveyed the decisions and requirements of the governments and COFCO Corporation, analysed the situation of domestic epidemic prevention and control, reported internal epidemic-related emergencies, and made arrangements for the deployment of epidemic prevention work at various stages. We formulated emergency work plans to cope with any possible incident during the 20th CPC National Congress and other major events, required the safety and disciplinary committees to jointly conduct daily inspections on the quality of each business line and the rectification of problems. Also, we strictly implemented the "daily report" and "zero report" system, and established a comprehensive staff information system to record and update information on staff residency and vaccinations and offices with confirmed cases in Beijing. In addition, we distributed medical protective masks, alcohol wipes, antigen test kits and other materials to our employees in a timely manner to ensure their safety and health.



### Safety and Environmental Protection Supervision

We carried out safety and environmental supervision and inspection through "raided front-line inspections without notice", ad hoc inspections, year-end inspections and performance evaluations, etc. During the Reporting Period, a total of 3,872 hidden dangers were identified, and rectification and improvement were carried out to ensure the overall smooth operation of the Company.

In addition, the Company drew lessons from external accidents and organised a series of special rectification work such as housing safety, fire and explosion prevention, and high-rise building fire risks, taking into account its own business practices. In terms of housing safety, the Company formulated the Management Measures for Safety Inspection of the Structures of Self-owned Buildings organised two rounds of inspections. One building was found to have suspected structural safety hazards during its self-inspection, which was later checked and confirmed to be safe by a professional institution. In respect of fire prevention and explosion prevention and fire risks in high-rise buildings, all units under the Company actively carried out self-inspection and self-correction, addressing a total of 1,617 hidden dangers and effectively reducing on-site safety risks.





In addition, the Company carried out safety performance assessment on a regular basis and followed up the rectification of hidden dangers, which effectively promoted the steady improvement of the safety management standard of each project. During the Reporting Period, the Company conducted safety performance assessments on 15 commercial projects, including Chengdu Joy City, Tianjin Joy City and Wuhan Joy City, in accordance with the safety performance assessment standards. The average safety performance score of these projects reached 82.74, with the average score of the 11 projects reassessed increasing from 82.12 in 2021 to 84.49.

### Project Safety Management

In order to regulate the safety management of counterparties, prevent and reduce the liability risk and economic loss the Company might suffer due to accidents involving counterparties, the Company formulated regulations such as the Production Safety Management System for Counterparties of Joy City, the Administrative Measures on Work Safety for Dangerous Operations of Joy City and the Safety Management System for Incidents in Production of Joy City in accordance with the Production Safety Law of the People's Republic of China, the Regulations on the Work Safety of Construction Projects, the Guidelines on Safety Management for Contractors of COFCO Corporation and other relevant laws and regulations and internal rules, to regulate on the safety management of counterparties such as contractors, lessees of premises and equipment, maintenance providers and workers from external parties. The Company follows the principles of "key responsible persons to be held accountable", "two roles in one post" and "localized management" in its management of the production safety of counterparties, and strengthened access control and process supervision. We supervised and inspected the safety management of the counterparties of each business unit and urged each business unit to manage the production safety of its own counterparties scrupulously. For projects with greater danger (which may lead to extensive fatalities and injuries of workers or cause significant adverse social impact), we shall urge the contractors to prepare dedicated construction plans for dangerous projects and implement safety measures in accordance with the Regulations on Safety Management of Sub-projects and Works with High Risks" (Decree No. 37 of the Ministry of Housing and Urban-Rural Development) and the relevant systems and standards of the Company.

### Application of Information Technology in Safety Management

Based on its the business practices, the Company made efforts to promote mechanisation, informatisation, automation as well as smart technology to improve the effectiveness of its safety management. During the Reporting Period, the Company organised 9 self-owned operating projects to complete the online operation of the hazardous operations management system, achieving a 100% coverage rate; and further standardised the operation procedures through the extensive application of the online management system, achieving an overall compliance rate of over 85%. Also, the Company actively explored innovations, and developed a remote safety monitoring system based on the Internet of Things technology with Suzhou Joy Breeze as a pilot site, which was successfully put into operation in early December. The system consists of three functional modules, namely, automatic fire monitoring and warning, fire equipment management and remote video monitoring and control. The application covers three management levels, namely, the headquarters, regional companies and projects to enable all-round, multi-level and all-weather supervision of the pilot project, enhancing see-through supervision, improving management efficiency and reducing management costs.

### Education and Training on Safety

The Company actively promoted the life-first safety culture, continually innovated and enriched the vehicles for the transmission of its culture to keep pace with the times. It also developed a strong and effective mechanism to guarantee implementation. It sought to support management with culture, ensure safety with management and promote development with safety, pushing for the construction and nurturing of the Company's safety culture.

During the Reporting Period, more than 3,010 training sessions on safety and environmental protection were organised at various levels, with a total of 98,900 participants; 51 knowledge contests on safety and environmental protection were organised, with a total of 3,730 participants; and 752 sessions on accident alert and education were held, with 21,110 people to taking part in the learning together. Also, campaigns such as Production Safety Month and Fire Safety Awareness Month were organised, among which, 958 emergency drills and 39 skill competitions were held, with a total of 27,300 participants. All these activities helped create an atmosphere in which all staff attached importance to safety and were concerned about safety.

**Case Study:****Head of the Company delivered a public lecture on safety and environmental protection and committed himself to the guarantee of safety**

Cao Ronggen, General Manager of the Company, gave a public lecture on safety, calling the staff to improve political awareness, fight against the COVID-19, assume responsibility and build a strong lifeline for safe development, and he led all participants to make a pledge to guarantee safety.

**Case Study:****Training on safety and environmental protection held during the "Production Safety Month"**

During the Production Safety Month, all units under the Company actively organised activities such as "Safety Experience Day", safety education and training, and special lectures to enhance employees' knowledge on safety and improve their self-protection awareness.



## Case Study:

## Emergency drills

According to their own operational risks, all units under the Company carried out drills for different types of accidents such as fires, lift trapping and flood and disaster prevention, which helped check the effectiveness of fire-fighting and other systems and equipment and enhance the safety awareness and emergency response capabilities of relevant personnel, achieving the expected results.



## Care for the Employees

To express our care for the employees, the Company continued to pay visits to the employees and extend regards to them through the "Spreading Love" activity, while giving special attention to helping employees who were in difficulty or seriously ill, etc. During the Reporting Period, the Company carried out sincere conversation with employees in Beijing before the Spring Festival, and paid greeting visits to front-line employees, expressing care for employees who faced difficulties in life, hospitalised with illness, served front-line posts during holiday seasons, stayed in the front-line for pandemic prevention and control of COVID-19, and those worked in places far away from their homes. Understanding the living and working conditions of employees, the Company tried its best to solve problems for employees; we held a seminar for the Party Committee to thank employees in Shanghai region, listened to their concerns, focused on what they need and desire, and provided practical help to employees.

In addition, the Company endeavored to make its employees happier through featured activities of the labor union. During the Reporting Period, the Company held a variety of favorite activities for its employee, such as the "Loyalty and Devotion to COFCO" commendation event, "New Year Blessings" event, Women's Day activity with the theme of "Beautiful Females in Joy City, Empowering a Better Life", the activity under the name of "Hard-working Female Employees of Joy City Made New Achievements for a Better Future" to pay respects to our diligent female employees, the physical fitness activities under the name of "Joyful Sports to Enjoy the Future", "Caring for Employees and Providing Health Supplies, Working Together to Fight the Pandemic" activities, "Fighting the Pandemic Together, Joyful Reading Together" online reading activity, and "Celebrating the 20th National Congress of the Communist Party of China with Great Contributions to the New Era" staff cultural works exhibition, etc., to share knowledge, spread love, and hand out health supplies to employees; we also set up a number of cultural and sports interest groups in badminton, table tennis, basketball, football, etc., to continuously enhance the loyalty and cohesion of employees, so that they can devote themselves to work whole-heartedly, create a strong working atmosphere for business expansion, and help the Company achieve high-quality development during the "14th Five-Year Plan" period.


**Case Study:**
**Pre-Spring Festival visit and “New Year Blessings” activity**

On 29 January 2022, the Company carried out a pre-Spring Festival greeting visit and “New Year Blessings” activity. Led by the Chairman of the Company, a team of the Company paid a greeting visit to the front-line employees who were still on duty during holidays at COFCO Plaza in Beijing, extending our New Year wishes and handing out allowances to them.


**Case Study:**
**Safety inspection in holidays and extending regards to front-line employees**

On 3 February 2022, the Chairman of the Company visited the operation company project in Beijing Region for holiday safety inspection, and extended regards to the front-line employees who were still on duty during the holidays. The Chairman had a detailed understanding of the sales and operation of the project, visited the living and service supporting areas of the project, the sites for promotional activities, and the central control room for firefighting, and learned more about the project’s building operation status and emergency response system. He also had in-depth communications with the project team on BIM operation and maintenance management platform, safety management information integration, and visualisation construction. He asked about the key points and difficulties in detail and gave corresponding instructions on the project.


**Case Study:**
**Women’s Day activity with the theme of “Beautiful Females in Joy City, Empowering a Better Life”**

On 3 March 2022, celebrating the 112th International Working Women’s Day, the Company held a activity with the theme of “Beautiful Females in Joy City, Empowering a Better Life” to further enrich the cultural life of female employees, strengthen communication between employees, enhance team cohesion and loyalty, and create a pleasant, harmonious and positive atmosphere. About 80 female employees from various functional departments of the Company participated in the activity.

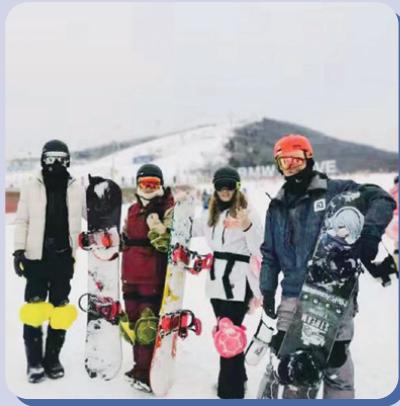

**Case Study:**
**“Fighting the Pandemic Together, Joyful Reading Together” online reading activity**

In May 2022, in order to further promote the long-term practice of “I solve practical problems for the people” campaign, and as a positive response to the Group’s call for “I solve practical problems for the employees” themed care month activities, the Company launched an online reading activity called “Fighting the Pandemic Together, Joyful Reading Together” to express our sincere concerns for employees and enrich the cultural life of employees working at home during the pandemic, and employees can freely listen to various books on real estate, economics, management, business, etc..

Case Study:

“Joyful Sports to Enjoy the Future” physical fitness activities

In response to COFCO Corporation’s “Joyful Sports by COFCO People” fitness campaign, and to make “I solve practical problems for the people” a regular activity, the Company carried out physical fitness activities under the theme of “Joyful Sports to Enjoy the Future” during the Reporting Period, and set up sports interest groups in badminton, skiing, table tennis, basketball, swimming, running, tennis etc., to carry out regular sports activities. Since the launch of these activities, the employees have actively participated with great enthusiasm, creating a positive and enthusiastic atmosphere for sports. These activities were highly praised by the employees as they have improved their physical fitness and communicated more with others through these activities.



Employee Health and Safety Data for 2022

Indicators	2022
Number of production safety accidents (times)	0
Number of work days lost due to work-related injuries (days lost per 200,000 work hours)	0
Number of work-related fatalities (person)	0(0 for the last three years)



## B3 Development and Training

### Talents Development

The Company has always attached great importance to talents development, and regarded it as an important anchor to promote our development. Through systematic planning and integrated layout, we adhered to the training principles of "ideological education" in political guidance, "empowerment" under our strategy, and "practice" by combining learning and application, and focused on the development of key personnel and their potential successors at various levels as well as improvement of their business capabilities. Building on the four major systems in teachers, courses, supports and operations, the Company established a tiered and classified talent training system, and has launched training projects such as the "Core Team Training Camp", the "Class 3040", the "Golden Helmsman", the "Golden Seed", the "New Joy Training Camp", the "Future Stars Camp" and the "Joy Seminar" programmes. We carried out various training work in an orderly manner to build up its talent pool and enhance its capabilities.

#### Case Study:

#### "Core Team Training Camp" for the top leaders

In order to further enhance the sense of political integrity and capabilities of the core team and contribute to the Company's high-quality development, the Company's "Core Team Training Camp" was fully upgraded in the Year to provide systematic training for the Company's management team, the heads of various departments, business units and regional companies as well as key candidates for relevant positions.

The Company adheres to the training principles of combining one-to-many training with joint training, combining theoretical learning with field practice, and combining centralised training with independent learning. In December, a centralised training was carried out for the Company's external directors and those in the external director talent pool to ensure that the external directors perform duties in compliance with laws and regulations and play the role of the board of directors. During the non-centralised training period, online course resources were made available for core team members, which correspond with the offline project courses, encouraging them to use the fragmented time and learn independently, so as to achieve full-cycle management and continuous learning.

为深入贯彻实施董事会及集团党委在大悦城控股“十四五”规划中提出的2022年全面提升董事会治理效能，进一步夯实公司的治理效能及核心竞争力，助力大悦城控股高质量发展，现开展“核心团队训练营”培训项目。

**一、培训原则**

实践以启思维与理论实践相结合  
理论学习与工作实际相结合  
集中授课与自主学习相结合

**二、培训对象**

大悦城控股董事成员、总经理助理级及以上人员、各部门、各业务单位及区域公司中层及以上管理人员。

**三、培训方式及内容**

采用“OMO”线上线下融合教学方式，重点围绕“政治素质、经营能力、管理提升、专业赋能、履职进阶”五大方面，围绕“政治引领、管理赋能”两大方向，开展线上线下相结合、集中与自主学习相结合。

**(一) 集中培训**

通过内外部专家授课、现场学习、沙盘演练等形式开展集中培训，有效实践落地，提升履职能力。

**(二) 读书学习活动**

确定课程体系开展书籍选读学习，并组织学员开展阅读学习、行研学习研讨及读书分享等活动。

**(三) 线上课程学习**

为学员提供丰富的线上课程资源，包括形势类、经营类、管理类、专业类等人类11门，共计2000余分钟，课程分为必修课程和选修课，每隔两个月通过大悦城控股线上学习平台开展线上课程学习。

**前期线上课程—赛普2.0系列课程**

**1. 课程内容**

<b>知识类</b>	《新形势下战略解码落地与实施》
<b>思维类</b>	《挑战》挑战
<b>管理类</b>	1. 定其自己：如何制定一套改善的项目目标 2. 定其自己：如何建立一套管理流程或体系 3. 定其自己：从专业的管理项目运营看有哪些转变
<b>经营类</b>	《精准定位—地产经营定位、招商流程、KPI考核、KPI分解与考核》

**2. 课程时间**

2022年12月22日至2023年2月28日。

**3. 登录方式**

学员通过数字资料系统“赛普”APP进入大悦城控股线上学习平台学习。

**Case Study:****"Class 3040" talent training project for high-potential talents**

In order to further strengthen the development of cadres and talents, the Company launched the "Class 3040" talent training project in the Year. The project aims to select and foster a group of high-potential talents with high growth potential and strong driving force and suitable for the underlying positions. Through the "combination of training and practice", it will promote the rapid growth of participants and help them play a role at critical moments and important positions, enabling them to become excellent young cadres who can implement the Group's strategy and achieve target performance, be ready to take positions and competent in relevant positions", thus building the backbone for the long-term development of the Company.

The programme was launched in February 2022 and went through four stages: plan development, application and recommendation, selection through preliminary screening and selection through re-screening, finally identifying 149 participants. During the Reporting Period, Class 3040 has successfully held the opening ceremony and the first intensive training as well as the second intensive training for Comprehensive Class 1 and Comprehensive Class 2. The series of online learning course "Middle Management Training Camp" and "New Manager Growth Camp" are provided on monthly basis.

**Case Study:****Residential project class under the "Golden Helmsman" Plan to build talent pool for residential projects**

To build a talent pool of strategic leaders for future business expansion and city layout, the Company initiated the talent training programme dedicated to the residential properties under the "Golden Helmsman" Plan. The programme aims to foster candidates for general managers of residential projects. Leveraging on the "Quality Model for Sales-oriented Projects", it helps to improve leadership and professionalism in all aspects through intensive trainings such as lectures by internal and external experts, learn from benchmarking projects and project visits. At the same time, action learning was carried out with the theme of learning from benchmarking projects and solutions for project problems, focusing on practice and applying what they learn.

During the Reporting Period, the "Golden Helmsman" programme conducted three online training sessions focusing on three major subjects, namely "finance, cost and marketing", "customer service" and "design engineering"; and eight online courses were also provided each month on real estate projects and management of middle managers.

**Case Study:****The "Golden Seed" programme for the candidates of department directors**

The "Golden Seed" programme is designed to accelerate trainings of backup talents for key positions. It aims at training candidates for department directors, improving them in terms of team management, business understanding, execution, and management readiness, to the level required by directorship.

During the Reporting Period, Golden Seed (Phase 6) conducted three intensive training sessions focusing on three subjects, namely, "finance and integrated operations", "business management" and "action learning workshop"; and seven online courses on real estate projects and management of new managers were also provided every month.

## Case Study:

## "New Joy Training Camp" programme for the new employees from social recruitment

The Company's "New Joy Training Camp" is a new employee integration programme for the Company's core staff (G5 level and above) and all employees at the headquarters recruited from the society, focusing on "recognition of the Company, the team and the mechanism". It aims at retaining the core staff after they were recruited, facilitating their promotions, enabling them to integrate into the Company rapidly, and enhancing their sense of belongings.

During the Reporting Period, the "New Joy Training Camp" conducted three intensive training sessions in the form of online intensive courses, elective courses through online learning platform and final exams, with a total of 368 participants.





## Case Study:

## the "Future Stars Camp" for new graduates

The 4135 training plan designed for new employees from campus recruitment includes the role adaptation in the first year of employment and three to five years of rotational experience while getting included in the talent pool. A phased, customised online learning programme helps the graduates to achieve rapid personal improvement. The intensive training for role adaptation in the "Future Stars Camp" plays an important role in the development of new employees newly graduated.

In November 2022, the eleventh session of the "Future Stars Camp" was held. With the theme of "learning and growth" and "team integration", the two-month full-term online programme carried out six major training activities, including course learning, action learning report, project visits, team demonstration, occupational portrait and teamwork, with a total of 72 participants.



## Case Study:

## Open lecture "Joy Seminar" training programme for all employees

During the year, the "Joy Seminar" made active innovation and continuous breakthrough. It regularly invited internal and external renowned lecturers to give lectures. The training covered learning from benchmarking projects, business practice experience and general skills courses, aiming to promote the sharing of experience and knowledge, and strengthen communication among employees. In order to better learn from the experience of excellent benchmarking projects, the Company designed a series of learning courses on benchmarking projects, and conducted seven online training sessions during the Reporting Period. In the first half of the Year, the professional courses including "Refined Design of Living Space", "Exploration of Publicity in Commercial Space" and "Face to Face with Experts – Discussions on the Experience of Commercial Center vs. Localization" were focused on the learning from external benchmarking projects, while in the second half of the Year, the series courses "Experience Sharing of Excellent Internal Benchmarking Projects" were focused on the experience sharing of excellent internal projects, attracting more than 2,900 participants.



## Employee Motivation

In order to promote the initiatives of employees at various levels, the Company has established a remuneration and incentive system that combines "performance-oriented" short-term incentive and medium- and long-term incentive laying equal stress on "incentives and disciplines". At the same time, annual awards were set up by the Company to reward outstanding performance of staff and teams accordingly.

In addition, in face of the “black iron” era of the real estate industry, we have to exploit management for benefits. The Company focused on “rewarding the good performers and punishing the poor ones through rigid implementation”, and strengthened the incentive and restraint mechanism, aiming to improve profit and returns. Classified assessments were conducted based on the businesses, embodying the scientificity of the assessments. With rewards being honored and punishments being implemented rigidly, the Company strengthened the effectiveness of incentives and constraints.

### Employee Promotion

Combining the characteristics of the industry and related positions, the Company established a dual-channel career development system based on value and development, namely development towards management hierarchy or professional hierarchy, providing employees with a clear and multi-choice career development path.

During the Year, we improved our “Team Members Swapping” programme to make it more flexible by allowing team members swapping at any time as and when required and developing a working mechanism whereby business units may coordinate their exchange of staff members on their own with a timely filing and our head office will provide general directions and supervise the entire process. During the Reporting Period, a total of 38 staff members were “swapped”, enabling the sharing of professional experience in the commercial operation and development fields among our business units; and a total of 10 young cadres joined the “Team Members Training” programme, promoting young talent to work and learn at the grassroots levels.

### Employee Training Data for 2022

Indicators		2022
Percentage of employees trained by gender (%)	Male	56.10
	Female	43.90
Percentage of employees trained by employee category (function) (%)	Functional departments	20.32
	Development departments	15.53
	Operational departments	64.15
Average training hours completed per employee by gender (hours)	Male	5.34
	Female	5.07
Average training hours by employee category (function) (hours)	Functional departments	5.44
	Development departments	5.02
	Operational departments	5.26
Total training sessions		27
Total participants		5,315
Total training hours		19,759
Average training hours per employee (hours)		5.2



## B4 Labour Standards

We strictly comply the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labour and other employment-related laws and regulations. We have established the necessary information collection and approval process for staff recruitment, insist on law-based employment, and forbid the use of child labour and forced labour. For recruitment and employment, the Company enters into a written labour contract with each employee, in which working conditions, compensations and other rights are agreed upon in accordance with the law. All labour contracts with employees are entered into, performed, changed or terminated in accordance with the law, and are strictly fulfilled.

During the Year, there was no violation of international, national local standards, rules and regulations relating to child labour and forced labour.

## B5 Supply Chain Management

The Company attached great importance to supply chain management and incorporated the concept of sustainable development into its supply chain management. When conducting procurement, environmental protection and resource conservation are taken into account, as the Company is committed to creating a green supply chain.

### Improving the Tender System

The Company strictly abides by the Bidding and Tendering Law of the People's Republic of China, keeps optimising its bidding and procurement system in accordance with the requirements of "strengthening management, improving efficiency and controlling compliance", and holds training on a regular basis to improve its bidding and procurement management standards.

During the Reporting Period, the Company further improved its the bidding and procurement system by revising 8 rules on bidding and procurement, filling system loopholes in a timely manner and strengthening the restraint mechanism of the system. Training was held to enhance the management standard and professional capability of bidding and procurement teams, and three training sessions on "red line management" requirements were organised for all procurement teams during the Year. Third-party inspections and special inspections on bidding and procurement were conducted on a regular basis to promote improvement and enhance management.

In addition, the Company continued to promote electronic bidding and procurement process, actively participated in the establishment of COFCO's e-tendering platform, and was listed in the first batch of pilot units of COFCO's e-bidding platform. In terms of non-tendering e-procurement, the Company has fully digitalised the non-tendering business and further optimised the functions of the non-tendering e-platform. In terms of open tendering, the Company has fully digitalised its open tendering process by using the electronic platform of the bidding agency, further improving the level of informationization and intelligence of bidding and procurement, and optimising the management and control of tendering and procurement.

### Upgrade of Supplier Relationship Management

In order to optimise supplier structure and standardise supplier management, the Company has formulated internal policies such as the Supplier Management Rules of Joy City and the Centralised Procurement Rules Joy City to clarify the standards and procedures for supplier classification management standards and processes and stabilise its supplier pool.



### Management process for the supplier database of our regional branches

#### Inclusion in the database

- Obtain basic information of a supplier and conduct preliminary inspection and verification. Then conduct initial vetting, identification of related parties, inspection and assessment, if the supplier is assessed as qualified, then it will be included in the supplier database of our regional branches

#### Rating

- Classify suppliers based on their past cooperations with our regional branches

#### Assessment

- Evaluate the suppliers during and after performance of contracts, calculate the annual weighted average score, and invite a third party to conduct quality evaluation
- For suppliers with low performance ratings, low third-party quality ratings on projects, major quality incidents or mass complaints on delivery, regional management personnel shall hold face-to-face meetings with such suppliers, and require them to develop corrective measures for the problems and complete rectification within a time limit.

#### Re-rating

- Re-rate the suppliers based on the annual performance evaluation results

#### Removal from the database

- Tendering and procurement management committee of regional branches review the suppliers with low annual performance evaluation results and decide on whether to remove them from the database

During the Reporting Period, the Company upgraded its Supplier Relationship Management (SRM) and launched it online, with improved functions, simplified interface, and clear instructions to facilitate users' operation, enquiry and maintenance. The new system categorises suppliers at a primary level by department, enabling better supplier classification management. It improves our evaluation efficiency and accuracy by automatically pushing supplier performance evaluation, tracking progress in real time and standardising evaluation process. Also, the system refines our supplier management by enabling open and fair results through processing trace records and traceable scoring records.



As at the end of the Reporting Period, the number of our suppliers by region is as follows:

Region	Number of suppliers
Northeast China	397
South China	1,179
Northwest China	665
Zhejiang	566
Nanjing	930
Shanghai	2,070
Hainan	405
Central China	1,062
Beijing	1,506
Southwest China	2,109

### Responsible Supply Chain

The Company attaches great importance to the environmental and social risk management in the supply chain, and regards inspection of environmental qualifications such as pollutant discharge permits, energy management system certification and green product certification as part of its supplier audit so as to select environmental-friendly products and services. Suppliers that are included in its supplier database and shortlisted for centralised procurement must possess ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System certificates.

In addition to qualification review, the Company also engages third-party organisations to conduct quality inspection on products purchased through centralised procurement, formulates work plans for quality inspection of materials under the principles of "health", "safety", "on-time delivery" and "customer satisfaction", and requires all centralised procurement units to sign the "Eagle Watch" undertaking on sampling inspection, specifying inspection process and punishment measure to achieve quality control of materials and reduce the risk of using substandard materials and the risk of customer complaints. During the Reporting Period, the Company upgraded the Eagle Watch programme by incorporating the "Undertaking on Third-Party Quality Inspection" into the bidding document for centralised procurement as an appendix, and emphasised inspections on materials centrally purchased that were consumed in large quantities and of high concern to customers, thereby prompting suppliers to give more attention to quality inspection. During the Year, sampling inspections were conducted on 107 batches of materials, with a pass rate of 100% on first-time inspections. As such, the quality of materials purchased were considered to be stable and reliable.

## B6 Product Responsibility

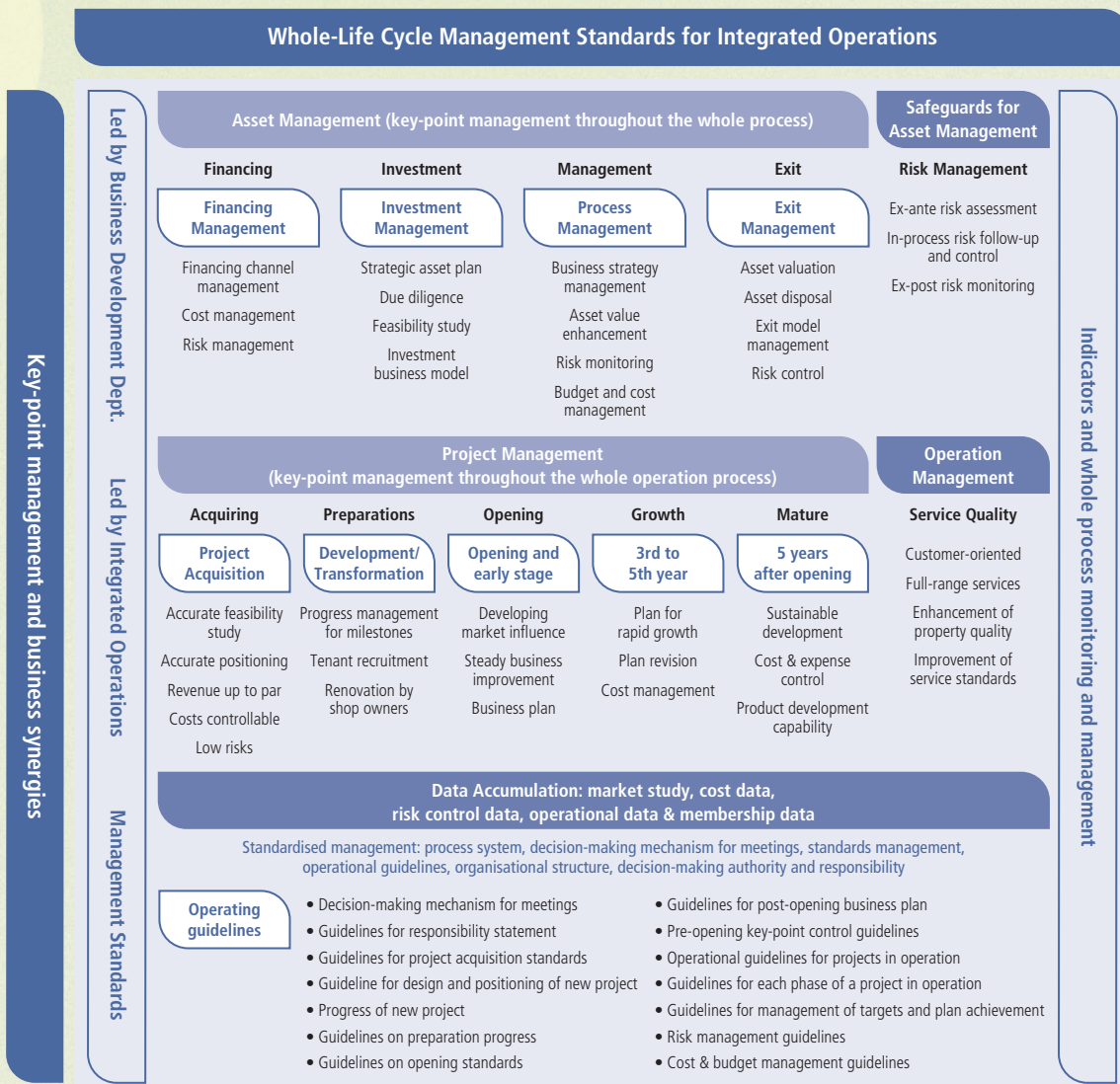
### Improving the Operation Management System

During the Year, the Company optimised and integrated its existing fragmented management modules into an integrated commercial operation management system, and effectuated the closed-loop whole-life cycle management focused on "financial indicators, operation indicators and satisfaction improvement" for its projects, thus completing the establishment of the integrated operation management system.



Based on the whole-life cycle management system for large projects, the Company added new operational indicators and the whole process monitoring of operation plans, placed focus on key-point management and business synergies, and took advantage of data accumulation and quality standardisation to provide management support, thus finally forming a closed-loop supervision and management system for the whole process of integrated commercial operations. During the Year, the Company was able to effectuate key-point management on the projects to be opened through the panoramic plan and successfully ensured the smooth opening of 4 projects.

In addition, the Company has developed three major operation manuals, namely, the Asset-light Operation Manual, the Asset-heavy Operation Manual and the Project-Launching Preparation Manual; three panoramic plans, namely, the Panoramic Plan for Launching Asset-light Operations, the Panoramic Plan for Launching Asset-heavy Operation manual and the Panoramic Plan for Projects in Operation; and two manuals on internal control standards, namely, the Renovation Management Manual and the Rent Receivables Management Manual, providing a full set of standardised management tools for the operation of large commercial projects.



Key-point management and business synergies

Indicators and whole process monitoring and management



### Improving Product Quality

We strictly abide by the Product Quality Law of the People's Republic of China and other relevant laws and regulations, lays much stress on quality and refined services, and are committed to providing consumers with high-quality living spaces. During the year, none of our products was subject to recalls for safety and health reasons.

- **Promoting the development concept of healthy living spaces**

We always adhere to the design principles of health and safety to benefit our customers. During the Year, we cooperated with Tsinghua University and renowned design firms in the industry to carry out research on refinement of residential design and renewal of our product lines, with the aim to boost the rational, convenient and safe use of housing spaces. With respect to building materials, we strictly complied with national norms and standards and only used standards-compliant materials such as environmentally-friendly paints and flooring to ensure consumer safety.

- **Strengthening the quality control of residential design**

We have established a full-process quality control system for residential projects and systematically improved the quality of residential design through the standardised strategy for addressing common quality issues, deepening the management accuracy of design suppliers, improving the construction drawing review system, and strengthening the technical standards and selection requirements for centralised procurement projects. The Group completed the research on common quality issues arising from small size units, flatness of surface, quality of exterior windows and protection of finished units with fine decoration, and reflected the solutions into the results of residential standardisation, and applied the results in 11 projects, including Nanjing Joy Court, Suzhou Shishan Joy Court, Beijing Chenyue Intl, Hangzhou OPUS Mansion and Xi' an One Mansion Phase III. Besides, 50% of the design engagements were outsourced through centralised procurement which could designate specific design teams, thus ensuring the professional level of suppliers and providing support for the improvement of residential design quality.

- **Tightening construction quality control**

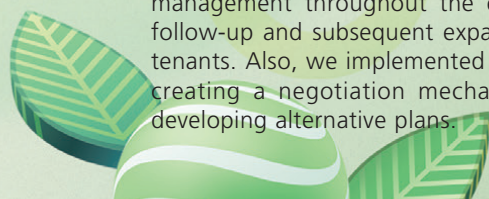
We continued to carry out the "Diamond Action", and strictly controlled the quality of construction works through a series of management actions in respect of "rules and standards setting, frequent inspection, process optimisation, technical innovation, and team improvement". Since the launch of the "Diamond Action 2.0" with higher standards and requirements in 2020, we have been able to maintain effective quality control on project construction through full-process and system-wide refined management, with third-party assessment score on our construction quality increasing from 81.86% in the first quarter of 2017 to 91.35% in the fourth quarter of 2022, maintaining at industry-leading levels.

### Selecting Quality Brands

With a continuing focus on core commercial brands, we have been expanding and enriching our portfolio of tenant brands, and endeavouring to build "Joy City" into a leading brand with most sustainability potential in the commercial property sector.

During the Reporting Period, we further improved our tenant recruitment system and our management efficiency. We improved the review and approval procedures of our commercial management committees for recruitment of brand tenants, termination and revision of tenancies and rent concessions, and established the Joy City headquarters management committee, regional commercial property management committees and the headquarters review committee to create a decision-making system covering project teams and regional and headquarters management, thereby standardising our approval and decision-making system for commercial projects. Moreover, we came up with the "14 Steps" approach for tenant recruitment to refine the management of tenant recruitment and brand database, and straightened the ABC grading model of our commercial projects, further optimising our product management.

In addition, in order to enhance the refined management over strategic brands, we developed rules and standards and adopted multiple measures to manage strategic brands in an integrated manner. We effectuated the closed-loop management throughout the entire life cycle from brand selection to negotiation and cooperation, performance follow-up and subsequent expansion, and established a core brand database for selection of premium brands as our tenants. Also, we implemented a "strong headquarters" strategy for management of strategic brands, which included creating a negotiation mechanism for strategic brands, tightening control over tenant recruitment plans, and developing alternative plans.





## Innovative Commercial Branding

We always adhere to the brand-oriented approach and strive to enhance both our mall revenue and brand value. During the Year, taking advantage of the 15th anniversary celebration of our “Joy City” brand, we innovated our commercial branding by launching a series of diversified themed activities with our four original IP matrix of “Hi, It’s New Shopping Festival”, “Joy Lit Season”, “Joy City Shopping Festival” and “Joy Joy So Red Festival” as the core, which effectively enhanced our engagement with customers, made our “Joy City” brand staying top-of-mind with consumers and became an urban commercial symbol. Furthermore, we launched the 15th anniversary promotion of “15 years of beauty, 15 years of joy” and held a series of activities such as the metaverse-based creative brand H5, celebrity performances, gifts-giving celebrations, Joy City charity events, co-branding of 100 brand names, youth topic marketing and industry insights sharing, which boosted our brand visibility and reputation and demonstrated our commercial strength.

With our excellent management capabilities and continuous innovation, we have been able to maintain a leading edge in terms of brand influence in the market. During the Reporting Period, we won more than 140 major industry awards and honours, including the “ICSC 2022 MAXI Awards – Global Innovation Award”, the 3rd place of “2022 Top 10 Chinese Property Developers (Central State-owned Enterprises) in Terms of Brand Value”, the 6th place of “2022 Top 100 Retail Commercial Real Estate Enterprises in Terms of Comprehensive Strengths”, and the “Marketing Plan Excellence Award 2022 at Mall China Golden Mall Awards”, further consolidating our leading position in the commercial property sector.

### Case Study:

#### “Joy Lit Season” Event

In line with the national policy of “stimulating economy, boosting consumption, and stabilising growth”, we planned and launched an all-inclusive promotional campaign – “Joy Lit Season” – to boost mall footfalls in the summer of 2022. The event integrated cultural, commercial, scientific and tourist elements, featured “novel experiences, cross-ecosystem, dual-line interaction, digital and AI empowerment, and cultural contents”, and carried out through three major themed activities of “Joy Coupons”, “Joy Live Stream” and “Joy-full Market”, effectively boosting our corporate reputation, brand influence and business performance. During the event period, we recorded total sales of RMB4,340 million, total footfall of 36,256,000 and 440,000 new members nationwide, representing a year-on-year increase of 28%, 21% and 20% respectively. Through these activities, we helped promote the resumption of operation of brick-and-mortar businesses and markets in innovative ways and drive the recovery of post-pandemic consumption.



## Consumer Protection

We always pursue the “customer-oriented” business philosophy, and conduct analyses and researches to better meet the needs of consumers. We strictly abide by the Civil Code of the People’s Republic of China, the Cybersecurity Law of the People’s Republic of China, the Measures for Data Security Management, the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests and other relevant laws and regulations, take consumer privacy protection very serious, and strive to continuously improve our service standards and enhance consumer satisfaction.

- **Privacy Protection**

We attach great importance to consumer information security, and have relevant systems and rules in place, which set out requirements on information protection for our employees, including:

- For the membership management system, strict account access management is put in place, only authorised employees have access to key data and employees have no right to access higher-level data without proper authorisation;
- Access is restricted to certain employees who need to know member information for performing their duties. In this regard, a strict access control and monitoring mechanism has been set up, and training on information security and confidentiality is provided for employees on a regular basis. Moreover, all employees who may have access to personal information are obliged to keep the information confidential;
- User privacy protection protocols are set in place for all client Apps, such as membership App, online store App, corporate WeChat groups, and WeChat official accounts;
- Security management rules are adopted for marketing media tools (wayfinding systems, LCDs and LEDs), including provisions on information release, content management;
- A customer information protection mechanism is set up in all systems involved, and all operations are recorded;
- In terms of membership information management, according to the Regulations for Management of VIP Membership Card Holders of the Commercial Projects, for first-time upgrading, a VIP Membership Card Holder needs to bring his/her ID card to the membership centre/service counters to complete their personal information registration, and customer service staff are required to verify user information and credit points face to face; what’s more, one-to-one SMS/telephone communication is required for upgrading/downgrading and grade-keeping of a VIP Card.

- **Satisfaction Improvement**

During the Reporting Period, we worked toward the 14th five-year strategic goal of developing a comprehensive Big Service system. Specifically, we integrated satisfaction service system model and management principles into the whole process of research, effectuated the full-cycle management with “customer contact point” and “customer experience” as the core of research, and finally established practical indicators, management improvement guidelines and a cross-department comprehensive Big Service management system.

Through quality control management, we established a comprehensive B-B+C Big Service system based on customer/consumer satisfaction and demand for product optimisation, standard improvement and service enhancement. As at the end of the Reporting Period, we had established a quality control standardisation program, identified 55 customer sensitivity points for projects under preparation and in operation, and disseminated and reported the results of the previous year’s satisfaction assessment to boost further improvement. By pressing ahead on the “quality control standardisation”, we developed the standards and a scoring system for unannounced inspection. As such, we achieved 90 points in consumer satisfaction and 91 points in tenant satisfaction for the year, reaching a three-year high.

- **Communication and Feedback**

During the Reporting Period, we established a “Big Service” management system with a focus on consumer satisfaction, successfully completing the system framework and preliminary standardisation of rules and procedures. Throughout the Year, we had been working to improve our satisfaction management, focusing on service guarantee for sensitive points of our customers/tenants, optimisation of customer service management standards, tracking of customer complaint handling and training of customer service staff.

In addition, we continued to take over the functions of the 400+ call centre and the complaint mailbox to provide feedback and follow-up on the complaints for our projects nationwide, forming a closed-loop supervision. A total of 13 complaints were received throughout the Year, and all were properly addressed as per our annual return visits. On the other hand, we conducted satisfaction survey through interviews with tenants of key projects to further optimise internal control management standards.

### Intellectual Property Protection

In order to strengthen the risk control management of the outreach materials of the business units of the Company at all levels and avoid infringement due to unauthorised use of fonts, pictures, audios and videos, etc., the Company adopted the Administrative Measures for the Release of Commercial Outreach Materials. According to the Measures, business units of the Company at all levels (including media service providers) should comply with the following principles in their outreaching activities: tiered management, Omni-channel management, speaking with one voice, strict management and brand reputation of paramount importance; and should not release or reproduce fonts, photographs, audios and videos without the authorisation of relevant right holders in writing, so as to effectively prevent the risk of infringement.

## B7 Anti-corruption

We strictly abide by laws and regulations, including but not limited to the Criminal Law of the People's Republic of China, the Criminal Procedure Law of the People's Republic of China, and the Anti-Corruption and Bribery Law of the People's Republic of China. We have revised and improved the Opinions on Further Strengthening the Construction of Discipline Inspection Cadres Team, the Measures on Strengthening Daily Supervision and Management, as well as the internal audit specifications, thus establishing a sound internal control system and relevant rules to prevent any possible corrupt practices in our operations. During the Reporting Period, we improved the Implementation Plan for Work Priorities of the Disciplinary Committee in 2022 to further strengthen our integrity building and anti-corruption work.

- **Strengthening Supervisory Responsibility**

In daily supervision, the Company underscored "strictness", strengthened survey research on integrity building and paid close attention to the prevention and supervision of any possible corrupt practices concerning any "top leaders" and senior officers, "key minority", key areas, key links and key personnel. The specific measures included:

- **Strengthening supervision over "top leaders" and senior officers.** During the Reporting Period, our Discipline Inspection Committee visited our branches and projects in Beijing, Tianjin, Zhejiang, southwestern region, northeastern region and Hainan to have face-to-face talks with "top leaders" of these branches and Joy City projects, requiring them to uphold integrity and motivating them to perform better and move up the career ladder;
- **Strengthening proactive supervision.** We earnestly acted on the request of the Chairman of COFCO Corporation for performing proactive supervision, developed a work plan for proactive supervision together with detailed rules, and organised two training sessions on proactive supervision for discipline inspection cadres. In addition, we promoted centralised procurement and transparent tenant recruiting process, strengthened transparent partnerships with tenants, and actively entered into the "transparent Partnership Initiative" with tenants, achieving a 100% coverage;
- **Enhancing joint supervision.** We gave full play to the role of the coordination group for integrity building and anti-corruption work, organising timely meetings of the co-ordination group to analyse the situation and identify risks, requiring all business lines to strengthen their daily supervision and ensure effectiveness of supervision in accordance with the management rules. We worked with our business departments to revise and implement the Rules for the Management of Duty-Performance-related Benefits and Expenses of Persons-in-charge of Joy City Projects, giving full play to the supervisory role of the "gateway" departments and ensuring proper reimbursement management. We emphasised supervision over bidding and purchasing activities, and coordinated project procurement departments to handle and verify petitions via letters and visits related to bidding and procurement. Aiming at the corruption risks in the commercial sector, the Group promoted the Commercial Management Centre to improve the Anti-Commercial Bribery Agreement, the Ten Prohibitions for Employees of the Commercial Management Centre of Joy City and other systems, published the supervision and whistleblowing hotline, further smoothed the communication channels and improved the supervision methods. Meanwhile, the Company urged Property Division to establish systems related to bidding, procurement and integrity, and announced the supervision and whistleblowing methods to prevent micro-corruption in the property business line.

- **Enhancing supervision over talent selection and engagement.** We regard the supervision over talent selection and engagement as a key part of our supervisory efforts. During the Year, we conducted integrity appraisal on 514 persons and one business unit and issued integrity certificates accordingly; and conducted integrity appraisal on 47 persons to be promoted and issue integrity certificates accordingly. Also, we checked the backgrounds of managers hired through social recruitment via the anti-fraud alliance platform.
- **Standardising whistleblowing procedures**

During the year, the Company announced the revised and improved contact methods for supervision of biddings and procurements, and urged the Commercial Management Centre and the Property Division to announce the methods and telephone numbers for supervision and whistleblowing to further smooth the whistleblowing channels.
- **Fostering a culture of integrity**

The Company made great efforts to promote culture of integrity and, through anti-corruption education and training, popularised integrity knowledge to our directors and employees and promoted the virtue of integrity, thereby enhancing their integrity and awareness of honesty. During the Reporting Period, the Company organised a total of 64 training sessions on anti-corruption and integrity, including 60 sessions for employees and 4 sessions for the Board, and the total person-times involved in the training reached 5,008, including 4,992 person-times from employees and 16 person-times from directors. The total length of the training sessions was 640 hours.

We were not aware of any legal cases regarding corrupt practices brought against us or any of our employees during the Year.

### **B8 Community Investment**

We actively fulfil our social responsibility and mission, and promote social harmony and sustainable development by sharing resources and achievements with the society. During the Reporting Period, due to the recurrent outbreaks of COVID-19, we focused our charity efforts on key issues such as rural revitalization, green and low-carbon practices, and epidemic prevention and control, and proactively strengthened cooperation with external philanthropic organisations.



### Rural Revitalisation

Since 2022, the Company has resolutely carried through the instructions of President Xi Jinping on rural revitalization, devoted practical efforts in consolidating and expanding the achievements of poverty alleviation and effectively promoting the rural revitalization, thus continually contributing to the rural revitalization of Ganzi County in Sichuan Province.

1) Continuous investment for supporting purposes. In accordance with the requirements of “shaking off poverty rather than responsibility, policies, assistance and supervision (四個不摘)” the Company invested in Ganzi County for supporting purposes, strictly implemented the indicators as set out in the responsibility letter for targeted assistance and completed the relevant objectives and tasks in an orderly manner; 2) Fully supporting the industrial revitalization of Jueri Village, Laima Town. The Company participated in organization of trainings on vegetable planting technology and horse breeding skills, and promoted the construction of highland barley pre-packaging plant; 3) Continued assistance through public welfare activities. The Company further explored new models of public welfare assistance, made use of its advantages in operations of shopping malls, cooperated with tenants to actively carry out public welfare activities, and supported the development of Ganzi County through its “Joy City Charity” activity, contributing to the public welfare and livelihood of Ganzi County with practical actions; 4) Further enhancing assistance via consumption. We took practical actions to support the development of food processing industry in Ganzi County through purchasing special agricultural products of Ganzi to expand the sales of local agricultural products; 5) Promoting “Beauty of Ganzi”. The Company coordinated its commercial projects, residential marketing centres and other platforms to promote “Beauty of Ganzi” and boost the exposure of the agricultural and livestock products and natural scenery of Ganzi County; 6) Successive assignment of cadres on temporary duty to its counterpart for promoting the implementation of various support work; 7) Further strengthening talent assistance. The Company provided supports for the training of cadres and employees, professional and technical personnel and “three teams” (management team, professional and technical team and marketing team) in Ganzi County; 8) Joint efforts on Party building. The Party building enabled us to better understand the actual needs of reform and development of Ganzi County and contribute to the revitalisation of rural areas.

### Green and Low-Carbon Practices

For three consecutive years, we partnered with the World Wide Fund for Nature to support the “Earth Hour”. From 21 March to 26 March, more than ten commercial projects and office buildings of the Company jointly released the “Earth Hour” co-branded posters on over 100 large LCD screens, attracting over one million views.



## Epidemic Prevention and Control

During the Reporting Period, many parts of the country experienced serious resurgences of the COVID-19 epidemic. In order to effectively prevent and control the epidemic, our commercial projects strictly cleaned and disinfected every corner of the malls on a daily basis to ensure thorough disinfection; and adopted strict management measures for staff, food ingredients, environment and shops to ensure food safety. In addition, our employees actively joined the frontline of the fight against the epidemic, sorting and distributing emergency supplies for shops and residents, and disinfecting public areas, making them the “busiest persons” during the suspension period.

### Case Study:

#### Supporting the fight against the epidemic in Shenzhen

On 4 March 2022, the Shenzhen Municipal Committee of the CPC called for volunteers to join the effort and help Shenzhen win the battle against the epidemic. According to the epidemic prevention and control requirements of the Party Committee of the Company, our regional company in Southern China set up a 17-member task force to support Shenzhen in just one day, equipped with all necessary materials.

On 7 March, the task force went to the Weizai Area of Shekou, Nanshan District which was put under control and provided centralised closed services there. During the five-day service period, the task force distributed daily supplies to 18,514 home-bound residents in 8,503 households in the area, assisted in organising 12,456 home-bound residents to complete nucleic acid testing, made telephone calls to 990 persons who might be infected for epidemiological survey, and detected and handled one fire incident.

The task force comprised Party members, Communist Youth League members, ex-servicemen, young cadres from our business departments and projects, and a senior employee who would be retiring in 3 months. All of them expressed their desire to do their part in the fight against the epidemic.





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