

# Midea Real Estate 2022 Environmental, Social and Governance Report

SMART  
LIFE  
WITH MIDEA

SMART  
LIFE  
WITH  
MIDEA

智慧生活 美的人生

ESG  
2022

# About This Report

## Scope of Report

This report is the fifth Environmental, Social and Governance ("ESG") Report produced by Midea Real Estate Holding Limited, which discloses the vision, strategies and practices in respect of environmental, social and governance of Midea Real Estate Holding Limited and its subsidiaries from 1 January 2022 to 31 December 2022 (the "reporting period") in a comprehensive and objective manner for stakeholders to have a better understanding of the Company's sustainability performance. In order to make this report more comparable and forward-looking, some contents are extended. Unless otherwise specified, the scope of this report is consistent with that of the 2022 annual report of the Company.

## Basis of Compilation

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

## Source of Data

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

## Appellation Statement

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

## Approval of Report

This report was considered and approved by the Board of Directors of the Company on 24 March 2023 in accordance with the materiality principle of the ESG Reporting Guide. It will be released upon approval.

## Availability of Report

The report is prepared in Traditional Chinese and English for readers' reference, and the Chinese version shall prevail in case of any slight discrepancy in content. An electronic version of this report is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company's official website ([www.midea-adc.com](http://www.midea-adc.com)).

## Feedback

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

Address: 34/F, Midea Real Estate Plaza, No.1, Chengde Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC  
E-mail: [investor@midea.com](mailto:investor@midea.com)

# Statement on Responsibility

In 2022, the market downturn continued amid the profound changes unseen in a century and the lingering COVID-19 pandemic, but it also marks the first year of the industry's shift to a new real estate development model. We always adhere to the long-term corporate values, and vigorously seek change and innovation by taking "Pioneer of Smart Life" as our vision. With the attitude of "pragmatic, simple, hard-working and collaboration", we are committed to transforming into a smart real estate manufacturer. Upholding the values of "Achieve Success with Talents, Accomplish Talents with Careers", we strive to achieve the common growth of employees and the enterprise. Under the concept of "capitalizing on intelligent power to build a green future", we actively fulfill our social responsibilities. By strengthening our ESG governance system, we will keep the bottom line of safety in our operations and stay true to the original aspiration, and promote sustainable development proactively.

**R&D innovation and product quality are the core competitiveness for corporate development.** Under the core values of product strength of the "long-termism and innovation", Midea Real Estate vigorously creates smart, healthy, and comfortable communities. By reshaping the community chassis and optimizing the seven streamlines of home returning, we strive to enhance the sense of happiness of owners. Meanwhile, we have carried out innovative activities such as "Cloud Supervisor" and "Community Responsibility Officer" to cultivate ingenuity and jointly protect our beautiful communities. The Company continues to improve the safety management system to promote safe construction, and established a 4+3+X System for Smart Construction Sites of Midea Real Estate to ensure construction safety. In order to have a more comprehensive understanding of customer needs and listen to customer opinions, we developed a customer satisfaction survey system independently. In 2022, our customer satisfaction achieved 87 points.

**Persisting in sustainable development is the core driving force for our Company's long-term business operations.**

By integrating the concept of green and low-carbon development into the whole process of product design, construction and operation, Midea Real Estate endeavors to create green and low-carbon living. In 2022, we actively carried out carbon inventory work and formed Midea Real Estate's Low-Carbon Healthy Living Technology System 1.0. At the outset of the design, we adopted the concept of zero carbon to help create a low-carbon community through the project's zero-carbon life cycle management and sponge city construction. By virtue of our own advantages in intelligent manufacturing, we collaborated with the industry peers to carry out the research and application of prefabricated building technology and strengthen green construction management. By vigorously promoting the use of green recyclable building materials in the construction stage and deepening the practice of green construction, Midea Real Estate spared no effort in reducing our impact on the environment. In 2022, GFA of Midea Real Estate's newly certificated green buildings reached 1,968.6 thousand square meters. We will constantly improve our green and low-carbon operation management, strengthen our concept of energy conservation and consumption reduction, and move steadily towards our environmental goals of 2024.

**Employees cohesion is the centripetal force for corporate development.** We firmly believe that, employees are the driving power for the development of enterprises, and the mutual achievement of enterprises and talents is the symbol of healthy development of enterprises. Upholding the concept of "Achieve Success with Talents, Accomplish Talents with Careers", we insist on equal employment, by establishing a fair and just salary and welfare system, setting up smooth communication channels, and we have effectively protected personal privacy and the legitimate rights and interests of our employees. Also, we provide diversified training opportunities for employees and create a fair and smooth development and promotion channel. In 2022, the proportion of trained employees reached 85.78%, with an average training time of employees of 72 hours. We also care about the physical and mental health of our employees, and provide them with benefits such as festival care, care for female employees, and striver care, in a bid to stand shoulder to shoulder with them and move forward in solidarity.

**Proactively assuming social responsibility is the credibility of corporate image.** Midea Real Estate adheres to common prosperity with the community and vigorously participates in public service. We have always held fast on the public service concept of "capitalizing on intelligent power to build a green future", and have continued to carry out a number of activities nationwide in many fields, such as community renovation and upgrading, health guarantee, education support, environmental protection, charity fundraising, and knowledge popularization, etc. We continue to promote the "Midea Revitalisation Action" plan for community renewal, pioneered the introduction of AED into the community, and carried out public service training in emergency care, contributing to the community safety. In 2022, the Group invested a total of RMB26,315.2 thousand in public service and charity, covering more than 130 communities with 855 employees participated in volunteer activities. Putting a new premium on transparent procurement, we constantly improve the supply chain management system, strengthen risk management of supply chain, and proactively drive suppliers to improve their ability in fulfilling their responsibilities, with a view to building a sustainable supply chain.

In the future, by staying true to the long-termism, Midea Real Estate will be persistent in innovation and steady development, keep the bottom line of safety, and work with stakeholders to steadily move towards a sustainable future.

▶  
CONTENTS

# 01

Statement on Responsibility 02

# 02

About Us

Company Profile	06
Business Layout	06
Responsibilities and Achievements	06
Key Performance in 2022	07

# 03

Special Feature Chengyijia 08

# 04

Compliance with Laws to Ensure Stable and Sustainable Development

Sustainable Development Management	14
Corporate Governance	17
Creating a Sustainable Supply Chain	21



# 05

Intelligent Manufacturing and Innovation with Attentive Service

Providing High-quality Services	25
Strict Control of Product Quality	29
Consolidation of Safety Management	34

# 06

Energy Reservation and Consumption Reduction for "Dual Carbon" Goals

Green Design	39
Green Construction	41
Green Operation	45
Climate Change	48

# 07

Step Forward with Midea

Protection of Employees' Rights and Interests	53
Talent Occupational Development	56
Occupational Health of Employees	58
Employee Care	59

# 08

Community Engagement

Dedication to Social Service of the Community	64
Boosting Education Development	65
Consolidating Rural Revitalization	66

# 09

Appendix

List of ESG Policies	69
ESG KPIs	74
ESG Index	80

# 02

## ABOUT US

Company Profile

Business Layout

Responsibilities and Achievements

Key Performance in 2022

## Company Profile

Midea Real Estate, founded in 2004 and listed on the Stock Exchange on 11 October 2018 (Stock Code: 3990.HK), is one of the Top 100 private enterprises in Guangdong Province, and a leading smart property manufacturer, whose shares are included in the indexes such as Hang Seng Stock Connect Hong Kong Index, and the Group is widely recognized by all sectors of society. Guided by the policy of "intensive development in focused areas and strategy upgrade", the Group insists on the coordinated development of four major business lines, namely residential property development, property management services, commercial operations and real estate technologies, and is committed to delivering great value for our property owners in intelligent and healthy manners. In 2022, the contracted sales and contracted GFA of Midea Real Estate reached RMB79.24 billion and 6,316 thousand square meters, respectively, and our ranking in terms of sales scale raised from 28th to 24th, maintaining a stable development in the challenging market environment.

## Business Layout

As a national property developer, Midea Real Estate has strategically deployed 332 projects in five core economic regions (data as at 31 December 2022): Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta Economic Region, the Midstream of Yangtze River Economic Region, Beijing-Tianjin-Hebei Economic Region and Southwest Economic Region, with presence in national core cities such as Shanghai, Guangzhou, Tianjin, Chongqing, Chengdu, Zhengzhou and Wuhan, and in provincial capitals such as Hangzhou, Nanjing, Changsha, Hefei, Kunming, Fuzhou, Nanchang and Guiyang. In 2022, more than 80,000 sets of quality properties were delivered, with a delivery rate of 85%, ranking at the forefront of the industry.

Midea Real Estate adheres to the coordinated development of four major business lines, namely residential property development, property management services, commercial operations and real estate technologies. Among them, residential property development and services closely follow the trend of users' demands for smart and healthy living in the technological era of AIoT (Artificial Intelligence of Things). We have created the unique "5M Smart Health Community" strategic product system to provide customers with a sophisticated and smart living experience from five dimensions, namely "M-Smart, M-Health, M-Quality, M-Service, and M-Life". In terms of real estate technologies, the Group has vigorously built an industry chain for creating a smart and technology-based living environment, so as to cultivate it into a "second runway" for independent development. We have developed intelligent industries and building technologies, and iterated technologies based on users' needs. Driven by the integrated smart home solutions, we have established core competitiveness around scenario innovation and the Internet of Things, boasting industry-leading solutions and full-chain service capabilities. From research and development, design, production and construction, to management, operation and maintenance, we have built a closed-loop system for the entire value chain and established the advantages of integrated products and services. We have received the recognition as the first "National Standard Creation Base for Smart Residential Area" and

## Responsibilities and Achievements

### Midea Real Estate

Ranked 127<sup>th</sup> among Top 500 Chinese Private Enterprises of 2022  
Ranked 39<sup>th</sup> among Top 100 Chinese Private Enterprises in Service Industry of 2022  
(All-China Federation of Industry and Commerce)

Ranked 26<sup>th</sup> of Chinese Real Estate Developers of 2022 by Comprehensive Strength  
Ranked Top 10 among Chinese Real Estate Developers of 2022 by Operational Efficiency  
(China Real Estate Association, Shanghai E-house Real Estate Research Institute)

Ranked 19<sup>th</sup> among Listed Real Estate Companies of 2022 by Comprehensive Strength  
Ranked Top 8 among H-share Listed Real Estate Companies of 2022  
(Shanghai E-House Real Estate Research Institute)

Ranked 22<sup>nd</sup> among Chinese Real Estate Enterprises of 2022 by Comprehensive Strength  
Ranked 18<sup>th</sup> among Chinese Real Estate Enterprises of 2022 by Brand Value  
(EH Consulting)

Ranked 14<sup>th</sup> among Top 50 Listed Real Estate Companies of 2022 by Comprehensive Strength  
(Securities Market Weekly)



## Midea Real Estate Services

Ranked 23<sup>rd</sup> among Chinese Property Service Enterprises of 2022 by Comprehensive Strength (China Property Management Research Institution and CRIC Property Management)

Top 10 by Property Management Services Quality for Industrial Parks in 2022 (CRIC Property Management and Shanghai E-House Real Estate Research Institute)

Included in Top 100 Chinese Property Service Enterprises of 2022 by Brand Value Chinese Property Management Services Enterprises with Featured Brand in 2022 (China Property Management Research Institution & CRIC Property Management)

Included in the list of TOP 20 among Top 100 Property Service Companies in 2022 (CRIC Property Management & Shanghai E-house Real Estate Research Institute)

## Key Performance in 2022

Indicator category	Indicator name	Performance in 2022
Financial Performance	Total Assets	251.94 billion
	Total Equity	50.31 billion
	Revenue	73.63 billion
	Operating Profit	6.83 billion
	Profit for the year	3.58 billion
	Profit Attributable to Owners of the Company	1.73 billion
Product Service	Delivery during the year	Over 80 thousand units
	Rate of delivery	85%
	Number of new design contracts	306
	Annual production capacity of prefabricated components	220 thousand cubic meters
	Customer Satisfaction	87 points
Compliant Employment	Total Workforce	11,159 employees
	Proportion of Female Employees	39.73%
	Labour Contracts Signing Rate	100%
Safety and Health	Employee Physical Examination Coverage Rate	100%
	Average time of Work Safety Training Sessions	42 hours
Training and Development	Percentage of Employees Trained	85.78%
	Total Investment in Training	8,531.4 thousand
Charity	Total Charity Investment	26,315.2 thousand
Energy Conservation and Emission Reduction	GFA of newly certificated green buildings	1,968.6 thousand square meters
	Intensity of Carbon Dioxide Emissions	0.06 tCO <sub>2</sub> e / revenue in RMB(million)
	Intensity of Energy Consumption	0.11 MW·h / revenue in RMB(million)
	Intensity of Water Consumption	132.11 m <sup>3</sup> / revenue in RMB(million)

# 03

Special Feature  
Chengyijia

Since its inception, Midea Real Estate has always embraced the values of "sincerity" – 100% dedication to customer service, in the hope of ensuring more users to feel our consistent commitment of customer satisfaction and quality of product and services. Leveraging on the core driving force of "intelligent and healthy" products, we strive to create Midea Real Estate's user brand named "Chengyijia" (橙意家) — an all-scenario full-cycle living scenes proposal for all of our users. From product design to construction and delivery, and to daily services, we continuously deliver the concept of "visible high-quality life" to customers through three major sectors, namely our products, projects and services, and penetrate every detail with full sincerity, by taking users' needs as the origin, a better life as the vision, and smart technology as the method.

In 2022, we comprehensively upgraded "Chengyijia 2.0" to pursue an overall upgrade in products, quality and services. We focus on analyzing the sensitive points of high-frequency traffic streamlines in the community, and divide the community into seven major streamlines and twelve key space modules, forming a "community chassis" system that can meet the needs of all property owners.

Upholding the bottom line of quality, we improved the quality of more than 300 ongoing delivery tenders. Through process demos and construction site opening for investigation, online cloud supervision, process quality control, Gong Jiang Jia APP, digital measurement process and other ways, we have built high-quality projects for users to live with ease. In the past three years, more than 90% of our projects under construction have adopted the new construction system, reducing common quality problems by more than 66%.

We serve wholeheartedly, care about owners' concerns, and build a full-cycle and full-dimensional service system around the core demands of owners at different stages. We developed the "Midea Revitalisation Action" plan, issued a "Community Responsibility Officer" invitation to the whole community, and invested exclusive funds every year to carry out home renewal and smart transformation for the delivered communities, so that the community can continue to grow and upgrade. In 2022, we invested a total of RMB 25,544 thousand, and implemented more than 550 renovation items for over 130 communities in 42 cities across the country, benefiting 400 thousand owners. Relying on the "Chengyijia" brand, we strive to create a high-quality living space, integrate full-dimensional high-quality services, and have created four major clubs, namely the Parent-Child Club, Old Friend Club, Public Service Club and Sports & Wellness Club, aiming to improve customer perception and services, and enhance daily interaction between the Company and owners. We hope to use the clubs as a carrier to enrich the culture of the community, promote the harmony of neighbors, break through social barriers, and provide as many kinds of community services as possible for the owners, so that the community can be warmer. As the four clubs continue to grow and their activities become more diverse, we began to help owners build a variety of themed clubs and provide resource to support owners in realizing self-governance of clubs. From the daily life of the four major clubs to the spontaneous club construction by owners, from community linkage to public service practice, Chengyi Community has covered 7 major regions across the country in 2022, providing services for more than 200 projects, and has organized more than 610 activities with over 104 thousand participants so far. 33 vertical clubs were built with more than 21.6 thousand club members.

Making products with sincerity	Improving quality with honest	Providing service with dedication
<ul style="list-style-type: none"> <li>•Customer survey and customer co-creation activity</li> <li>•Community infrastructure quality improvement</li> <li>•Wei G Health Communities</li> </ul>	<ul style="list-style-type: none"> <li>•New "Chengyijia" process demos</li> <li>•Construction site opening day</li> <li>•Online cloud supervision</li> <li>•Process quality control</li> <li>•Gong Jiang Jia APP</li> <li>•Digital measurement process</li> </ul>	<ul style="list-style-type: none"> <li>•Midea Revitalisation Action</li> <li>•"Meiguanjia" with seven kinds of care and accompany services</li> <li>•6-cycles full-dimensional service system</li> <li>•"Chengyi" club</li> <li>•Community Responsibility Officer</li> </ul>

Parent-Child Club – Visible moments of growth. Focusing on nature, sports, art, culture, life and other aspects, Parent-Child Club organizes various forms of study, leisure, games and other activities to deepen the relationship between children and parents, and also enable children to absorb more knowledge.

### Parent-Child Club-Love and Company

#### Growth

The Parent-Child Club works with the society and government agencies to set up the Ivy classroom to experience social life with "little" owners in the form of research and study, providing a major information channel for "little" owners to understand the society. This is not only conducive to broadening the knowledge of "little" owners, but also promoting the harmony between parents and children indirectly. The Company actively cooperates with government departments to carry out research and study activities, such as Little Red Army study tour, fire control study, parent-child reading, intangible cultural heritage research, military summer camp and other activities to enrich children's holiday life.

#### Company

The Parent-Child Club regularly holds flea markets, carries out social service activities and invites parents and children to participate together so as to provide an opportunity for parents to get along with their children and deepen their relationship.

### Humanities

The Parent-Child Club also injects traditional cultural factors into the activities, allowing children to understand and learn traditional culture and enhance cultural cohesion through activities such as intangible art heritage research, sinology study, handicrafts, painting and live streaming classes.



Parent-Child Club

Sports & Wellness Club – Visible dynamic life. With the theme of love and health, Sports & Wellness Club advocates diversified sports forms, and calls on more owners to actively participate in urban sports, community sports and neighborhood sports to create a healthy life together.

### Sports & Wellness Club-Passion

#### Passionate

Life is vibrant because of sports. Sports & Wellness Club gathers sports lovers in neighborhood to deliver a green, healthy and positive lifestyle through sports. In 2022, community basketball games, children's football leagues and other activities were carried out in many cities, allowing the spirit of sports to be transmitted among owners.

#### Joy

Sports & Wellness Club has gradually moved towards independent operation by owners, and organized various activities such as city cycling, fun run around the lake, neighborhood frisbee competition, badminton tournament and so on, constantly enriching the sports life of owners.



Sports & Wellness Club

Old Friend Club – Visible warm get-together. The Old Friend Club is an emotional bridge among neighborhoods, bringing together new and old friends through various hobbies and group activities, to build and share a warm and beautiful life together.

### Old Friend Club · Co-Create with Joy

#### Co-create

Old Friend Club builds a community platform and deeply implements the concept of co-creation, so that the owners and neighbors can realize value with collective wisdom and efforts, and deepen their healthy relations through collaboration. In 2022, Old Friend Club carried out various forms of activities, such as tea party, club salon, club council, etc., covering sectors such as product quality, community service, club operation and even project delivery, enabling everyone to contribute to the construction of a better community.

#### Happy Gathering

In 2022, many cities across the country organized activities such as the Chengyi Life Festival, Club Culture Festival, Exclusive Pet Season, Mid-Autumn Festival Gala, and Owners' Spring Festival Gala, which received extensive media attention as well as positive feedback from club members and owners.



Old Friend Club

Public Service Club – Visible beautiful love. Midea Real Estate attaches great importance to the power of public service. By transmitting the warm power together with the government, markets, community, etc., we actively assume social responsibility and become a co-builder of a beautiful city with our neighbors to safeguard our wonderful life and spread love and hope to every corner of the city.

### Public Service Club-Responsibilities

#### Responsibilities

Midea Real Estate has always been a long-term practitioner of social responsibility. We have been paying attention to poverty-stricken areas for many years, constantly carrying out the "Black Eyes Plan" to spread love to left-behind children. In 2022, the Public Service Club expressed its care and warmth with practical actions, such as material donations and vegetable delivery in the national anti-epidemic activity, and shouldered the mission of protecting our homeland with responsibility bearing.

#### Sharing

In 2022, several public service research activities were carried out by Public Service Club, such as book donation to community libraries, public service flea markets, and tours of "little" community responsibility officer, so that more children and parents could participate in public welfare.



Public Service Club





## Compliance with Laws to Ensure Stable and Sustainable Development

Sustainable Development Management

Corporate Governance

Creating a Sustainable Supply Chain

## Sustainable Development Management

Midea Real Estate attaches great importance to the sustainable development of enterprises, and we have established an ESG Working Committee and an ESG Working Office to fully integrate environmental, social and corporate governance-related matters into our development strategies and business activities, continuously improve the ESG governance structure, and clarify the roles and responsibilities to protect the rights and interests of stakeholders and practice sustainable development. The Company incorporates major risk indicators into the performance evaluation system of relevant executive, so that each executive assumes corresponding responsibilities for risk matters according to their business modules.

### Board Statement

The Company's Board of directors place a high value on sustainable development management and has established an effective ESG management mechanism to form an ESG governance structure with clear levels and division of work.

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

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

### ESG Governance Structure

Midea Real Estate set up an ESG Working Committee under the Board of directors to carry out ESG-related work, implement various management measures, and regularly report ESG implementation and work planning to the Board of directors, to ensure the effective management of ESG work by the Board of directors. An ESG Working Office was also set up under the ESG Working Committee, which is responsible for preparing annual ESG reports, tracking progress towards relevant goals and assisting in reporting ESG work to the Board of directors. The Board of directors reviews the Group's annual ESG performance and put forward suggestions and requirements for subsequent work.

ESG Working Levels	Key Responsibilities	Staffing
ESG Working Committee	<ul style="list-style-type: none"> <li>Directly reporting to the Board of directors, as the coordination body under the Board of directors.</li> <li>Undertaking various ESG-related management work and coordinating ESG-related business promotion, planning and implementation and information collection.</li> </ul>	Composed of relevant functions such as product management, project management, bidding and procurement, audit and supervision, human resources.
ESG Working Office	<ul style="list-style-type: none"> <li>Organizing the compilation of the ESG report and assisting the working committee in reporting ESG work to the Board of directors.</li> </ul>	Composed of relevant functions such as securities affairs and brand management.

### Stakeholder Communication

Midea Real Estate believes that maintaining a positive and equal communication with stakeholders is a long-term driving force for the Company's development. We fully understand the needs of stakeholders by actively listening to the opinions of all walks of life, and strive to create multiple communication channels and a long-term effective communication mechanism, so as to respond in a targeted way to stakeholders with practical actions.



Stakeholders	Demands & Expectations	Ways of Communication
<b>Shareholders &amp; investors</b>	<ul style="list-style-type: none"> <li>Transparent disclosure</li> <li>Safeguard shareholders' rights</li> <li>Compliant corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Regular disclosure of business information</li> <li>General meeting of shareholders</li> <li>Investor conference &amp; roadshow</li> </ul>
<b>Governments &amp; regulators</b>	<ul style="list-style-type: none"> <li>Law-abiding and compliant business operation</li> <li>Fully implement national policies</li> <li>Anti-corruption and anti-bribery</li> <li>Support local development</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting and communication</li> <li>Forums and exchange events</li> <li>Formulate relevant policies</li> <li>Participate in local development actively</li> </ul>
<b>Property owners/customers of malls &amp; office buildings</b>	<ul style="list-style-type: none"> <li>High-quality products and services</li> <li>Effectively respond to customer complaints</li> <li>Safeguard customer's safety</li> <li>Customer's privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Effective complaint channels and responses</li> <li>Satisfaction surveys</li> <li>Disclosure of fee information</li> <li>Property/commercial service activities</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Development and training</li> <li>Safety and health</li> <li>Benefits and care</li> </ul>	<ul style="list-style-type: none"> <li>Regular communication</li> <li>Regular training session</li> <li>Employee activities</li> <li>Fair compensation</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Energy conservation</li> <li>Pollutant emission reduction</li> <li>Effective utilisation of materials</li> </ul>	<ul style="list-style-type: none"> <li>Green production and green office</li> <li>Environmental information disclosure</li> <li>Forums and exchanges</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Win-win cooperation for mutual benefit</li> <li>Good faith compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regular daily communication</li> <li>Supplier conferences</li> <li>Procurement activities</li> </ul>
<b>Industry association/ chamber of commerce</b>	<ul style="list-style-type: none"> <li>Comply with the industrial norms</li> <li>Promote industry innovation</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen industrial exchange</li> <li>Strengthen innovation research and development</li> </ul>
<b>NGO &amp; the public</b>	<ul style="list-style-type: none"> <li>Local community development &amp; care</li> <li>Support social service</li> </ul>	<ul style="list-style-type: none"> <li>Public service activities</li> <li>Community services</li> <li>Information disclosures</li> </ul>

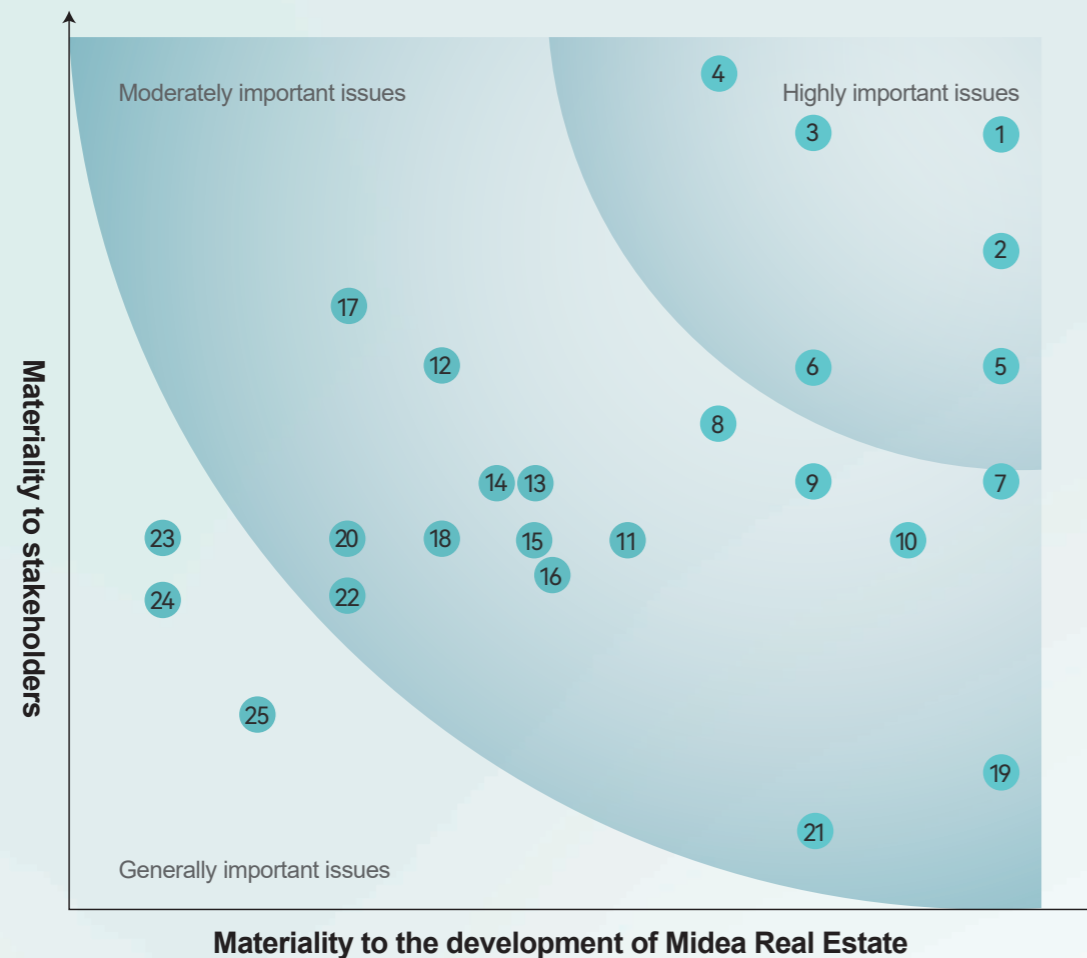
## Analysis of Substantive Issues

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

In 2022, since the Group's operating business and sustainability management system have not undergone significant changes, we have combined the assessment criteria of various material issues with the actual business operation of the year. By taking the ESG Reporting Guide of the Stock Exchange as the basis, referring to MSCI-ESG ratings, SASB (Sustainability Accounting Standard Board) and other standards related to sustainable development management of the real estate industry, through the review and evaluation of ESG material issues in 2021, we have decided to use the analysis results of material issues in 2021 as the basis for the preparation of this report, and made key disclosures herein.

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

## Issue Materiality Analysis Matrix of Midea Real Estate in 2022



## Corporate Governance

In 2022, the market downturn continued amid the profound changes unseen in a century and the lingering COVID-19 pandemic. In this extraordinary year, we adhered to the bottom line of safety, and endeavored to break through the old barriers, in the hope of embarking on the road of pursuing innovation and steady development. By constantly perfecting the corporate governance, and holding on to fair, open and compliant operations, we have improved the risk management and control system of the enterprise, and created a transparent and honest corporate atmosphere.

### Organizational Structure

The Board of the Company has set up three professional committees: the audit committee, the remuneration committee and the nomination committee, each performing their respective duties and cooperating with each other to ensure the rational allocation of internal resource and the efficiency of operational decision-making. The Company is highly concerned with the diversity of Board of directors and fully considers many factors, such as gender, age, cultural and educational background, professional experience, knowledge and skills and length of service when appointing board members.

As at 31 December 2022, the Board of directors comprises 9 directors, including 4 executive directors, 2 non-executive directors and 3 independent non-executive directors. They have rich experience in the real estate industry, outstanding operation and management capabilities, and professional knowledge and skills in the fields of finance, law and architecture respectively. The Directors have no financial, business, family or other material or related relationship with each other.

The Company maintains active communication with investors to fully protect investors' right to know and participate. In 2022, Midea Real Estate held 1 general meeting and 4 Board meetings in total.

## Compliant Operations

Midea Real Estate gives top priority to corporate governance, and scrupulously stick to the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix 10 of the *Listing Rules of the Hong Kong Stock Exchange* and the *Corporate Governance Code* in Appendix 14. We continuously perfect the governance mechanism, improve internal controls and ensure the Company's compliant operations, thereby enhancing transparency and accountability to the Company's shareholders. The Board of directors believes that good corporate governance will help the shareholders of the Company to maximize enterprise value.

Midea Real Estate proactively fulfills our obligations of information disclosure, and discloses relevant information to all shareholders, investors and the public in a timely, accurate and complete manner in accordance with the principles of fairness, impartiality and openness, so that investors can fully understand the Company's financial, operational, personnel and other significant matters. The Company also maintains good communication with investors and the public, establishes a variety of communication channels, standardizes investor relations management, and treats our investors with integrity, responsibility and respect. In 2022, the Company carried out 37 performance roadshows, 2 reverse roadshows, 60 daily exchanges, and participated in 24 industry summits.

### Information security and privacy protection

Midea Real Estate meticulously follows the requirements of laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Personal Data (Privacy) Ordinance*, formulates the *Information Security Management Specification* and other systems applicable to all the employees of Midea Real Estate based on the three basic principles of information security protection of "no transmission, no response, and no attack", and clarifies the compliance requirements for personal information in the stages of collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. In the meantime, the Company formulates strict measures in terms of terminal equipment, personnel management and network security, so as to protect the security of customers' personal information and privacy.

The Company classifies and defines information security incidents into seven major types, including harmful program incidents, cyberattack incidents, information destruction incidents, information content security incidents, equipment and facility failures, catastrophic events and other events, divides information security incidents into four levels: minor incidents, general incidents, significant incidents and serious incidents, from the dimensions of economic loss, impacts on operations and confidentiality, and takes corresponding resolutions and measures for different levels of incidents.

### Intellectual property protection

The Company prioritize the protection of intellectual property rights, and will not steal or infringe upon the intellectual property rights of others. We apply for protection of trademarks, copyrights, patents, etc. in a timely manner, and give professional guidance to business departments. We continue to improve intellectual property management, designate the main persons responsible for intellectual property protection, and at the same time, strictly supervise the intellectual property management work during the cooperation with external institutions in an effort to go all out to protect our intellectual property rights. In order to continuously raise our employees' awareness of intellectual property protection and standardize the intellectual property protection work, in 2022, we organized personnels from the branding and legal departments of the Group, regional companies and business units to carry out a total of 4 IP-related trainings, including *Basic Trademark Knowledge Training* and *Patent Application and Layout Training*, with 300 people trained and an average trained time of up to 2.5 hours.

### KPIs

As at 31 December 2022, the Group has obtained a total of **416** patents and **719** trademarks cumulatively.

## Risk Control

In strict accordance with relevant laws and regulations and the requirements of the Articles of Association, the Group has established a three-tier risk management structure, that is, leadership by the Board of directors and the audit committee, guidance and supervision by senior management, and implementation by each business units, and regularly organizes internal assessments and training to ensure that all employees fully understand the risk management policy and to effectively consolidate the Company's risk management foundation.



The Group is committed to continuously improving our risk management capabilities by further integrating risk management and internal control into our business processes in four steps: risk identification, risk assessment, diagnosis and response, and supervision and improvement.



In 2022, the Group updated our risk assessment criteria and risk database, analyzed and ranked the identified risks according to the possibility and degree of impact of risks, and determined significant risks in top priority, countermeasures and improvement plans based on risk tolerance.

## Business Ethics and Anti-corruption

### ◎ Business ethics and anti-corruption

Midea Real Estate puts a premium on the management of business ethics, carefully complies with the *Law of the People's Republic of China Against Unfair Competition* and the *Interim Provisions on Banning Commercial Bribery* of the State Administration for Industry and Commerce of the People's Republic of China and other relevant laws and regulations on business ethics, and specifies ten red lines in the *Measures for Accountability Management*. Employees who cross the red line may be subject to dismissal and penalties of up to 10 times of the amount of the violation.

### ◎ Integrity in practice

Midea Real Estate advocates the professional ethics of compliance, honesty, integrity and dedication, requires all employees to abide by national laws and regulations and the rules and regulations of the Group, operate in accordance with the law, work with integrity kept in mind, be honest and trustworthy, and be dedicated to their work, so as to effectively safeguard the legitimate rights and interests of the Group as well as the good reputation of individuals. To this end, we have laid down the *Code of Integrity* for all employees of the Group, requiring employees to strictly comply with the relevant rules and regulations in respect of business dealings, financial misappropriation, transfer of benefits, equity participation and use of funding for personal purpose. We also set up and release channels such as a whistleblowing hotline, QQ, email addresses, WeChat official account, etc., for complaints and tip-offs, and welcome internal and external monitoring on such matters.

In order to improve the awareness of integrity and self-discipline, prevent the occurrence of violations of discipline at source, and enable employees to understand and abide by the law, be self-respect and vigilant, Midea Real Estate requires all employees to sign the *Integrity Agreement (for Employees)*, which is organized and filed by human resources departments at all levels.

### ◎ Clean procurement

Midea Real Estate has taken a series of measures to prevent supplier corruption:

- Regularly review the *Measures for Bidding and Procurement Management*, improve the process assessment of bidding, and continuously standardize the bidding business;
- Improve and resolutely implement the *Operation Guidelines for the Distribution of Centralized Procurement Business*, sort out the process, clarify the responsibilities of the person in charge of each link, and further improve the standardization of business and the refinement of management;
- Follow up the implementation of each internal systems, such as the *Operation Guidance on Management of Engineering Contract Performance*, to ensure effective management of construction contracts;
- Continue to iterate and maintain system tools such as "bidding management system", "supplier management system" and "smart supply chain system" to ensure that the bidding and procurement process is digitized comprehensively, the process supervision is complete, and the bidding materials are complete and traceable, so as to prevent possible corruption. On top of that, we optimize the supply chain system and the core indicator database of each link to improve the efficiency of real-time data statistics and display analysis, and further optimize the level of digital management of the supply chain.

We always adhere to clean procurement in supplier management, and require all suppliers to sign the *Integrity Agreement (for Suppliers)* before admission and continuously monitor the integrity behaviour of suppliers following the admission. We release anti-corruption and integrity slogans to suppliers before holidays, continue to consolidate the corporate culture of transparent procurement, so as to maintain an honest and healthy business environment jointly with suppliers.

## Whistleblowing Management

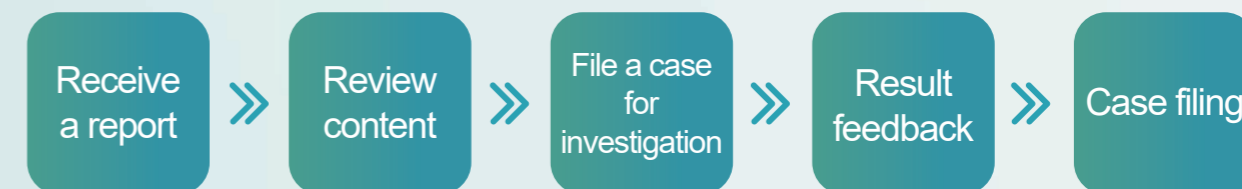
### ◎ Whistleblowing management

Reporting is an important measure to maintain the Company's business ethics. In order to strengthen the internal control of Midea Real Estate, prevent employees from violations of laws and disciplines, ensure the timely and effective transmission of reporting and complaint information and the effective establishment, management and maintenance of reporting channels, and protect the legitimate rights and interests of whistleblowers in accordance with the law, the Company has formulated the *Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violations*, which stipulates that, the audit and supervision function, as a specialized functional institution for receiving reports and complaints, independently accepts complaints about employees' illegal behaviour, and is responsible for following up on the handling of reported incidents.

### ◎ Whistleblower protection

The Company keeps confidential the information of the whistleblower, manages the whistleblowing materials as confidential information, and strictly prohibits any retaliation against the whistleblower. If anyone violates the relevant regulations, he or she will be dealt with seriously in accordance with the relevant provisions of the *Measures for Accountability Management*. If his/her behaviour constitutes a crime, the case shall be transferred to the judicial organ to investigate the criminal responsibility according to law.

In order to create an honest and healthy business environment, the Company has clarified the whistleblowing process and accept supervision from all walks of life.



## Reporting channels

Midea Real Estate has set up a variety of reporting channels, and whistleblowers can report by hotline, email, QQ, WeChat official account, posting, face-to-face report, etc., or entrust others to report on their behalf.

Channels for reporting include:

Whistleblowing hotline: 0757-26607621

Email of audit and supervision function: gcjc@midea.com.cn

Email of President: hhle@midea.com.cn

QQ: 2634332033

Wechat official account and QR code: Midea Real Estate with Integrity and Honesty (廉潔誠信美的置業)



Address: Audit and Supervision Function, 32/F, Midea Real Estate Plaza, Beijiao Town, Shunde District, Foshan City, Guangdong Province

## Creating a Sustainable Supply Chain

Suppliers are one of Midea Real Estate's partners during the course of sustainable development, and we are committed to implementing supplier management and going hand in hand with suppliers. We hope to establish long-term sustainable cooperative relationships with suppliers. By regularly monitoring suppliers' performance, communicating with suppliers on Midea Real Estate's requirements and bottom line, we hope to develop and grow together with suppliers.

### Supplier Management

We strictly abide by the *Law of the People's Republic of China on Bid Invitation and Bidding*, and have formulated and updated our internal management documents such as the *Measures for Supplier Management*, *Measures for Bidding and Procurement Management*, and the *Operation Guidance on Bidding and Procurement of Cooperation Projects* to form a supplier risk management system. At the same time, we have formed a three-level supplier management and control structure, namely, the Headquarter - Regional Companies - Project Companies, to comprehensively govern the supplier's performance capability and code of conduct.



Based on the supplier management structure, we carry out effective management and support for suppliers. We strictly implement the supplier review mechanism to ensure product quality and supplier performance. At the same time, we carry out strict, effective, and frequent supplier communication proactively, learn the operation and financial status of suppliers, and provide certain support, so as to work hand in hand with suppliers and lay the foundation for a stable and lasting cooperative relationship.

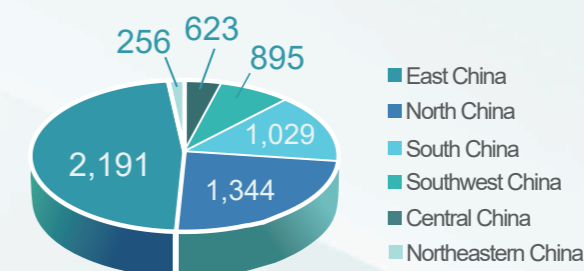
We have set down and continuously improved the *Measures for Bidding and Procurement Management* and *Measures for Supplier Management*. In 2022, the newly formulated *Operation Guidance on Supplier Evaluation* will integrate the evaluation of financial condition and fund position into the supplier evaluation process. We also revised the contract templates for various types of engineering and material and equipment, introduced requirements for signing supplementary agreements, and clarified the terms of various types of risk management.

In 2022, we identified and assessed the risks of suppliers based on their performance, operational and financial conditions, made corresponding response plans, and regularly organized supplier interviews and communication to determine the principles for handling risk matters. In view of the recurring issues, we developed unified preventive management measures and standard management actions in operations.

We have developed specific and feasible solutions to the various risks identified:

Supplier performance risks	Supplier operational risks	Supplier financial risks
<ul style="list-style-type: none"> <li>Conduct resource checking and planning of key specialized annual suppliers, continue to promote the business focus of strategic suppliers, and distribution of business incline to long-term stable strategic suppliers;</li> <li>Collect suppliers' on-site performance problems on a monthly and quarterly basis, determine corresponding solutions, and follow up on their implementation;</li> <li>Comprehensively raise the admission requirements of new suppliers, strengthen the pre-bid prequalification work, and implement the pre-bid and pre-admission business disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Carry out information research on the new key specialized suppliers when admission / admitted key specialized suppliers every six months, and comprehensively check the supplier's business status;</li> <li>The Group coordinates risk research on strategic suppliers, and proactively conducts high-frequency "headquarters to headquarters" interactive communication to understand the overall operation of strategic suppliers;</li> <li>Regional companies formulate daily communication and mutual visit plans with suppliers, and monitor suppliers' business risks in daily work communication.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate the evaluation of financial condition and fund position into the supplier evaluation process as a consideration in business allocation;</li> <li>Regularly check the supplier's fund position to ensure that the supplier's performance ability is sound and controllable.</li> </ul>

In order to highlight the function of supplier management system and improve supplier management efficiency, we established a smart supply chain (SSC) platform in 2022 to strengthen centralized procurement management and improve centralized procurement efficiency. We redefined the new procurement under the concept of material operation and pioneered the adaptable procurement model, which is, through the automatic matching of pure supply, supply and installation, and important subcontracting procurement modes, to promote multi-level and multi-party transaction strategies, and make the scene more accurate and procurement faster. We continue to promote the intelligent transformation of the supply chain and enable suppliers to share our results.



### Supplier Training

We provide a communication and training platform for suppliers to enhance their ability to synchronize with us. Through daily communication, face-to-face exchange, supplier meetings, etc., we have conducted all-round training for suppliers. In 2022, we invited 33 suppliers to take part in a themed meeting — "Walking a Long Way Together" with Midea Real Estate's Strategic Partners, and fully communicated with suppliers on the Group's business development and operation, future strategic planning and supply chain management direction.

#### Smart Supply Chain (SSC) System Training Session

In order to allow suppliers to enjoy the results of Midea Real Estate's intelligent management transformation and strengthen the implementation and management of centralized procurement, we carried out a training session on the newly-launched smart supply chain (SSC) platform, and introduced the concept and usage specifications of the platform in detail, to ensure suppliers to make better use of the SSC platform, and achieve intelligent cooperation with us in multiple scenarios more intelligently and efficiently.



Smart Supply Chain (SSC) System Training Session

# 05

## Intelligent Manufacturing and Innovation with Attentive Service

Providing High-quality Services  
Strict Control of Product Quality  
Consolidation of Safety Management

## Introduction

### Challenges

In 2022, the 20th National Congress of the Communist Party of China was held, marking China's new journey of building a modern socialist country in an all-round way. On the one hand, the real estate industry is exposed to great challenges under the influence of policies such as "stabilizing land prices, housing prices and expectations" and "city-specific policies", and the recurring epidemic. On the other hand, the Central Committee Economic Work Meeting released positive signals to accelerate the smooth transition of real estate to a new development model, and a series of favorable policies pointed out the direction for the sustainable development of the industry in the post-epidemic era. Real estate enterprises shall embrace challenges bravely, seize opportunities promptly, and follow the direction of high-quality development firmly.

### Main actions

- ◎ Build the "Company with Sincerity" service system, and launch high-quality services of seven levels
- ◎ Build solid community infrastructure and optimize the experience of seven home-returning streamlines
- ◎ Iterate the Midea Standards 2.0 for our products, innovate customer activities such as "Cloud Supervisor" and "Community Responsibility Officer", and pursue ingenuity
- ◎ Continue to improve the safety management system, promote safe construction, carry out safety training, and ensure safe production in an all-round way

### KPIs

Score of customer satisfaction: **87** points

Average safety training time per employee: **42** hours



# Providing High-quality Services

Midea Real Estate always holds fast to the customer-oriented concept to continuously improve service quality. In 2022, the Company built the "Company with Sincerity" service system, and launched high-quality services of seven levels. We insist on applying information technology to enhance service levels, improving Cloud Delivery Platform and Midea Real Estate Cloud and other platforms, rendering customers convenient and comfortable experience, and protecting customers' rights and interests.

## 6-cycle full-dimensional service system

Midea Real Estate believes that a beautiful life can't be separated from the emotion and warmth among people. "Company with Sincerity" hopes to leap out of the relationship of "serving" and "being served" with owners, and "think what owners want" with sincere goodwill and more active care, centering on the core demands of owners at different stages, to provide tender care in a full cycle.



# "Meiguanjia" with seven kinds of care and companion service

In order to provide high-quality customer services, Midea Real Estate Service, focusing on diversified needs of customers, launched high-quality services of seven levels through in-depth customer research according to classic Maslow's hierarchy of needs.



## Smart Service

In 2022, while deepening the full life cycle service, Midea Real Estate also vigorously promoted smart services. According to the guideline of "achieving the positive cycle by solving the problems of front-line businesses, upgrading customer services, and monitoring business data", Midea Real Estate constantly enhanced our quality of service and advanced the digital service leveraging on platforms such as "Midea Real Estate Cloud", "Midea Real Estate Cloud Delivery" and "Yunlin Community".

### ◎Midea Real Estate Cloud

Midea Real Estate integrated the platforms for recommendations for house purchase and customer services. The owners can enjoy exclusive one-stop online services through Midea Real Estate Cloud, including, request for repairs, file complaints, consult, and register to participate in events, so as to enhance customer satisfaction.

### ◎Cloud Delivery Platform

Functioning as the normalized channel of delivery business, part of the functions of Cloud Delivery Platform has been upgraded to improve customer experience. We have perfected several functions of the Cloud Delivery Platform, such as optimizing the clarity of the font of signed documents, supporting individual and batch delivery of parking spaces, and exporting signing documents with one click in the backstage; in the meantime, we have optimized the backstage function, so that staff can clearly grasp the situation of various indicators and better manage the delivery progress.

## KPIs

### In 2022, the Cloud Delivery Platform as an online delivery platform

- **Reduced resources consumption significantly**  
Each household saved **11** sheets of A4 paper, saving a total of **370,000** sheets of A4 paper throughout the year
- **Improved work efficiency**  
Saved an average of **20** minutes in each delivery

### ◎Yunlin Community

In addition to serving all customers with residences delivered by the Group, the Yunlin Community APP launched by Midea Real Estate Services also provides digital property management services for third-party customers. At present, it has covered about 300,000 owners, providing online repair requisition, consultation, complaints and suggestions, barrier release, online payment, housekeeping service appointments and other life services for nearly one million customers.

### ◎400 Call Center

The Group's customer relationship and Midea Real Estate Services have established a long-term joint mechanism to ensure the timeliness of problem tracking, rectification and optimization. Through the launch of the one-stop 400 Call Center, we realize the unified management of customer service, such as customers' problems acceptance, survey over the phone and call center operation. Meanwhile, the online mechanism of complaint escalation realizes the automatic upgrade warning triggered by sensitive words through the link between the 400 Call Center and the CRM system, so that customers' problems can be classified in time and settled efficiently.

### ◎One-on-one Customer Service Ambassador

Midea Real Estate Services implements Customer Service Ambassador in seven major regions, and each customer can enjoy troubleshooting and follow-up services regarding the signing process, service design and decoration, surrounding supporting facilities, etc.. In 2022, the service channels of Customer Service Ambassador were more standardized, and we have filed each household through WeChat account for enterprise, striving to solve customers' problems in a closed loop and create one-to-one customized services.



One-on-one Customer Service Ambassador

## Customers' Rights and Interests

Upholding the principle of "customer-oriented", Midea Real Estate constantly improves the customer information control mechanism to ensure customer information security, and promptly handles customers' complaints and listens to suggestions on the Company's products and services from all parties. We protect the rights and interests of customers, and keep improving our service, aiming to create satisfactory products and experience diligently.

### ◎Customer privacy protection

Midea Real Estate attaches great importance to the protection of customer privacy. The Group strictly abides by the *Personal Information Protection Law of the People's Republic of China* and has formulated the *Privacy Protection Policy of Midea Real Estate*. It scrupulously follows eight principles including consistency of authority and responsibility, clear purpose, etc. The *IT System Data Export Application Process* meticulously divides the management authority of customer information within the Company to effectively protect customer information. In 2022, Midea Real Estate issued the *Information Security Management Specification*, which clarifies and expounded the information security management rules that employees should comply with when handling corporate information obtained from various media in work, and further regulates the range of daily information used by employees.

In 2022, Midea Real Estate saw no disclosure of customer data and privacy.

### ◎Customer complaint handling

Midea Real Estate constantly upgrades the customer complaint handling mechanism, in a bid to respond to and solve customers' problems promptly. We have set up multiple interfaces for service demands, and customers can put forward their demands or complaints through multiple interfaces, including, WeChat official account "Midea Real Estate Cloud", Yunlin Community APP, customer service hotline, etc.

In 2022, we updated the *Operation Guidance for Management of Complaint Handling* to clarify the timeliness and satisfaction requirements for complaint handling, and optimize the online working mechanism for complaint handling supervision, complaint escalation and significant complaint handling. Also, a customer liaison officer was set up to deal with significant complaints exclusively. Since the launch of the online complaint escalation mechanism, the closed-loop management of hierarchical control of complaints has been realized, and customers' problems have been promptly responded to and dealt with efficiently.

## KPI

The close rate of complaints **99.42%**

### ◎Customer satisfaction

Customer satisfaction is an important driving force for us to continuously improve our services. We put a premium on customers' evaluation and feedback, and often carry out customer satisfaction surveys. In 2022, based on our own technical strength and insight into customer groups, Midea Real Estate independently developed a customer satisfaction survey system, and expanded the scope of survey to owners with residences at all stages of the whole life cycle; also, we listened to the voices of the owners, accepted their supervision and inspection, and persistently improved our service capabilities.

### KPI

Score of customer satisfaction **87** points

## Strict Control of Product Quality

### Upgrading Community Infrastructure

As the community serves as a platform for people's daily happiness, Midea Real Estate always takes daily life scenes as the origin, satisfies community's needs in the Internet era, reshapes the community infrastructure according to the scenes of people's daily routes, and upgrades the quality of seven high-frequency streamlines and twelve key space modules to comprehensively enhance the happiness of community life.



### ◎Returning home by walking

- Realize the diversion of people and vehicles from commercial facilities outside the community, and put pedestrian's experience and safety in the first place by setting up independent pressure-resistant lanes for vehicles and anti-slip floor tiles for pedestrian.
- To empower residences with technology, set up face recognition, doors with electric induction, and automatic calling for elevator to achieve intelligent and smooth traffic along the whole route.

### ◎Returning home by car

- Equipped with anti-glare lights at the ramp of entrance and radar sensor lights in the parking area, the lights are reasonably arranged to illuminate the way home.
- The garage sets a five-layer guidance system and zoned painted walls, and is equipped with a dedicated sidewalk to guide the separation of people and vehicles.

### ◎Returning home by non-motorized vehicles

- Parking sheds and charging equipments are set up around the community entrance, empty space and underground garage to meet the needs of safe charging, and monitoring equipments are also equipped to eliminate electric leakage and fire disaster.

### ◎Take-out/express

- Equipped with independent logistics channels and loading areas, standardized distribution routes to clear public areas for community.
- Adopt delivery robot to provide contactless delivery and take into account a variety of express station and logistics modes.
- Install 24-hour express monitoring and exclusive lane for express to prevent theft and loss, and protect the owner's properties.

### ◎Bulk cargo/emergency

- Set up temporary parking and loading areas for trucks outside the community, with ultra-wide entrances and barrier-free roads to ensure the smooth arrival of bulk cargo.
- Divert trucks to prevent the occupation of lanes or emergency lanes, facilitate the travel of owners, and protect the safety of the community.

### ◎Garbage collection and transfer

- Take into account the ground and underground garbage placement, and add air filtration equipment for underground placement to meet the placement needs in bad weather, while avoiding the spread of peculiar odors.
- Living and bulky garbage transfer points are arranged along the periphery, and garbage collection trucks are not allowed to enter the central part of community. In the meantime, transferring and cleaning of garbage shall be done at the periphery to ensure that the community is clean and beautiful.

### ◎Leisure and sports

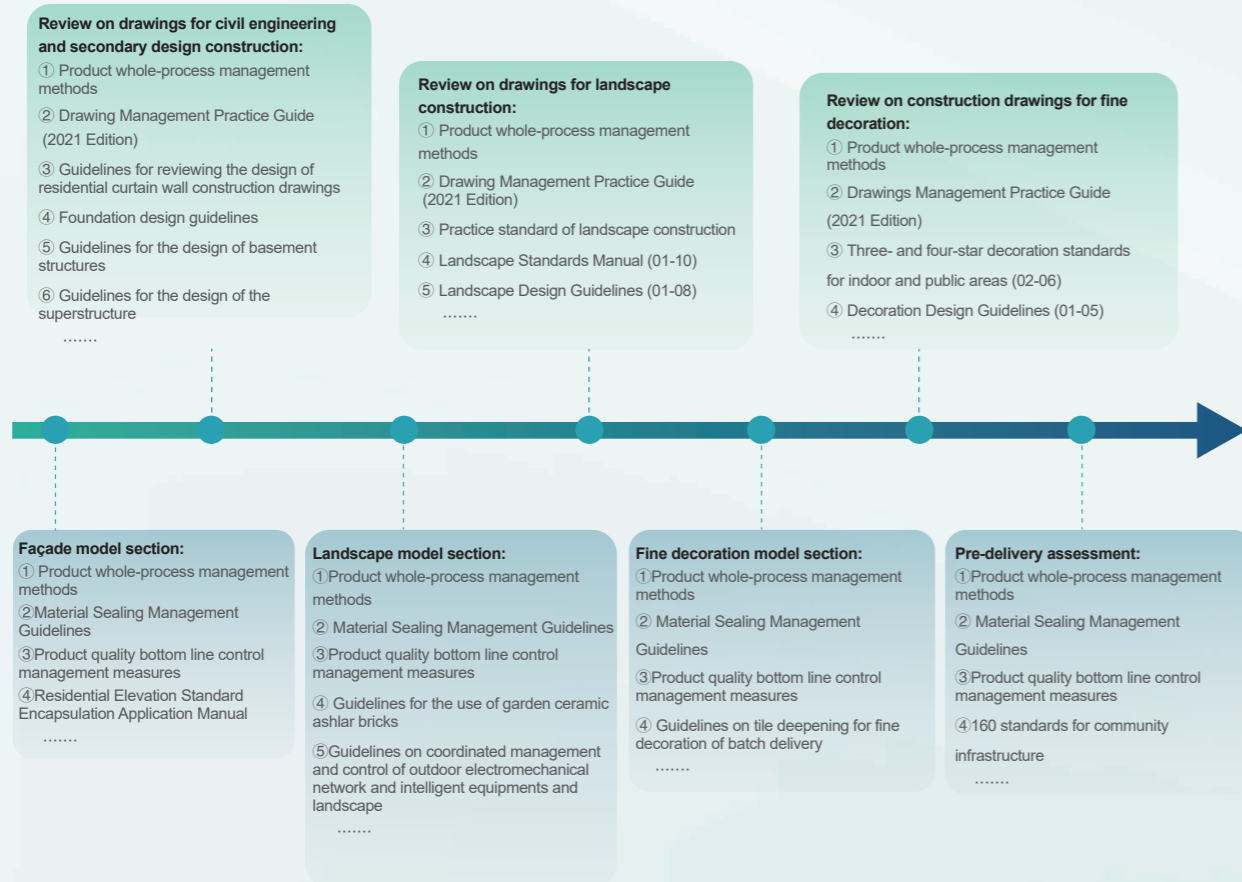
- Build a diabetes service center, and provide professional exercise guidance through Joyrun APP to encourage owners to live a healthy life.
- Make an appointment for the changeable empty space M-BOX to hold various community activities such as birthday parties and aerobic exercises.



## Midea Real Estate's Standards for Products

In 2022, based on the idea of "centralized management methods and clear professional segmentation", by drawing on successful experience from each other between the Group and the regional companies, Midea Real Estate has gradually developed more than 7 sets of management methods, 19 sets of product standards, and 33 sets of design guidelines, upgraded Midea Real Estate's Standards system 2.0 for products, and further improved the standardization of the whole life cycle of products. After the iteration and upgrade, we have established a product standardization system with project whole-process management as the main axis and different management scenarios corresponding to different operation guidelines primarily based on product standards and supplemented by technical guidelines.

In the meantime, we have developed an implementation inspection and feedback mechanism to track the standardization of project management on a monthly basis. In terms of product standards, we took a specific review on a monthly and quarterly basis. In terms of design guidelines, we carry out drawing review, on-site inspection, and timely feedback on relevant situations, unremittingly improve the standardization of our products, and strictly control the product quality.



Midea Real Estate's Product Standards System Flow Chart

## Safeguarding Quality Together

With visible high-quality residence, seeing is believing. In order to smooth communication channels for customers, we put online the "Cloud Supervisor" platform to make our product quality subject to the supervision of owners and the market, and kicked off the "Community Responsibility Officer" program to work with owners to control product quality.

In order to allow owners to learn the housing construction process directly and remove customers' doubts about product quality and delivery, Midea Real Estate launched the "Cloud Supervisor" system and put into place 24-hour panoramic monitoring with multi-camera displaying the construction scenes and real-time view showing indoor prototype rooms, so that owners could have an intuitive cognition of architectural details, process, methods and other details through the platform, and directly participate in the process control of high-quality building co-construction.

## Midea-Shimao Riverside No. One Launched 24H Cloud Supervision

Midea Real Estate focuses on the needs of our customers, and put into place the "24H construction site online monitoring" supported by cloud technology at Midea-Shimao Riverside No. One project on 10 October 2022, allowing customers to remotely observe the construction procedures and quality details of the construction site without leaving home, and follow up on the construction progress online, which means, customers can achieve "Cloud Supervision" anytime and anywhere and truly witness the growth of the building.



Midea Real Estate puts a premium on customer's experience of the product. In order to enhance communication and interaction with owners, in 2022, we rolled out the Community Responsibility Officer activity, inviting owners with relevant professional qualifications and broad influence to serve as Community Responsibility Officers, carry out quality inspections with customer relationship and property management personnel from six dimensions, and brainstorm ideas to build a better community as the protagonist. At present, Midea Real Estate has put into practice the Community Responsibility Officer program in a total of 35 projects in six major regions, including Hunan and Jiangxi, Shanghai-Jiangsu-Anhui, Central China, Zhejiang and Fujian, Southwest China, Guangdong and Guangxi.

## Community Responsibility Officer Activity

**Appointment ceremony:** On the day of the activity, the project staff issued a letter of appointment and ribbons to the owners to complete the appointment ceremony and formally set up an inspection team consisting of Community Responsibility Officer represented by owners, project customer service team and property management personnel.

**Quality inspection:** Carry out quality inspection from six dimensions, such as safety and order management, environmental hygiene, operation and maintenance of facility and equipment, customer service, community culture construction, and customer satisfaction, identify and analyze problems, and jointly discuss improvement plans.

**Closed-loop rectification:** The project customer service leader summarizes the detailed scoring results, problems identified and suggestions in an inspection report, develops special solutions and sets a rectification period; then the relevant regional company conducts assessment and tracking of the project to ensure that the rectification is fully put into place.

**Standards of compilation:** Compile guidelines for the activities of Community Responsibility Officers, integrate them into Midea Real Estate's Standards in terms of customer service, and continue to implement them in various regions as a regular project to improve the standardization of service.



Community Responsibility Officer Activity

## Ingenuity Concept

In order to create an engineering culture and make the concept of "quality craftsmanship" rooted in our hearts, Midea Real Estate hosted a Craftsman Culture Festival from September to October 2022. During the event, we kicked off special competitions and themed activities, such as vertical marathons, drawing contests, quality appraisal officer evaluation, specific empowerment and upgrade of ingenuity club, and "7+11" quality publicity, comprehensively upgrading the "Chengyijia" brand and optimizing the quality of project construction constantly.

### Craftsman Culture Festival

During the Craftsman Culture Festival, garden experts in Guangdong-Guangxi region performed 121 key inspections and analysis and comparison of 9,817 on-site pictures, focusing on problems such as deviations between real scenes and renderings, summarized the common problems into "four items and 22 points"; and proposed the four-lines and one-plan solution for gardens to improve gardening technology and perceived quality.

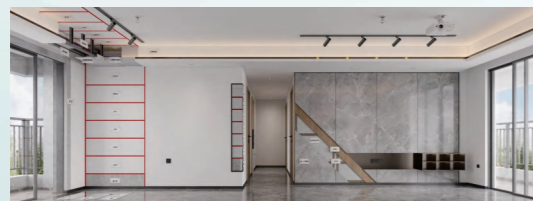


Rectification Results

Besides, we also control the product quality comprehensively by the new Chengyijia process demos, construction site opening day, online cloud supervision, Gong Jiang Jia APP and digital measurement process, and consistently practice the concept of taking ingenuity as the original intention to build premium quality projects for users to live with ease.

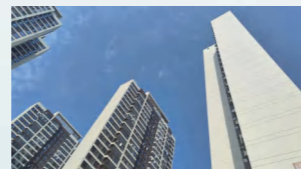
### Visible construction process and guaranteed delivery quality

Show the real delivery standards and display each construction detail by the new Chengyijia process demos.



### The internal quality represents the outer part. A good house places an equal emphasis on the internal and external quality.

From internal concrete structure precision control to the multi-process construction of the external coating surface, strict control is conducted layer by layer.



### Leading process, excellent quality experience, good reputation of customers

Through the promotion of advanced digital measurement process, and collection of the laser point cloud by three-dimensional laser scanners, the automatic measurement and data analysis is realized from the interior to the outer wall with full coverage. The millimeter-level construction accuracy is achieved to provide a better foundation for the decoration and facade quality presentation, ensuring that each corner of the house has passed scientific and objective quality detection.

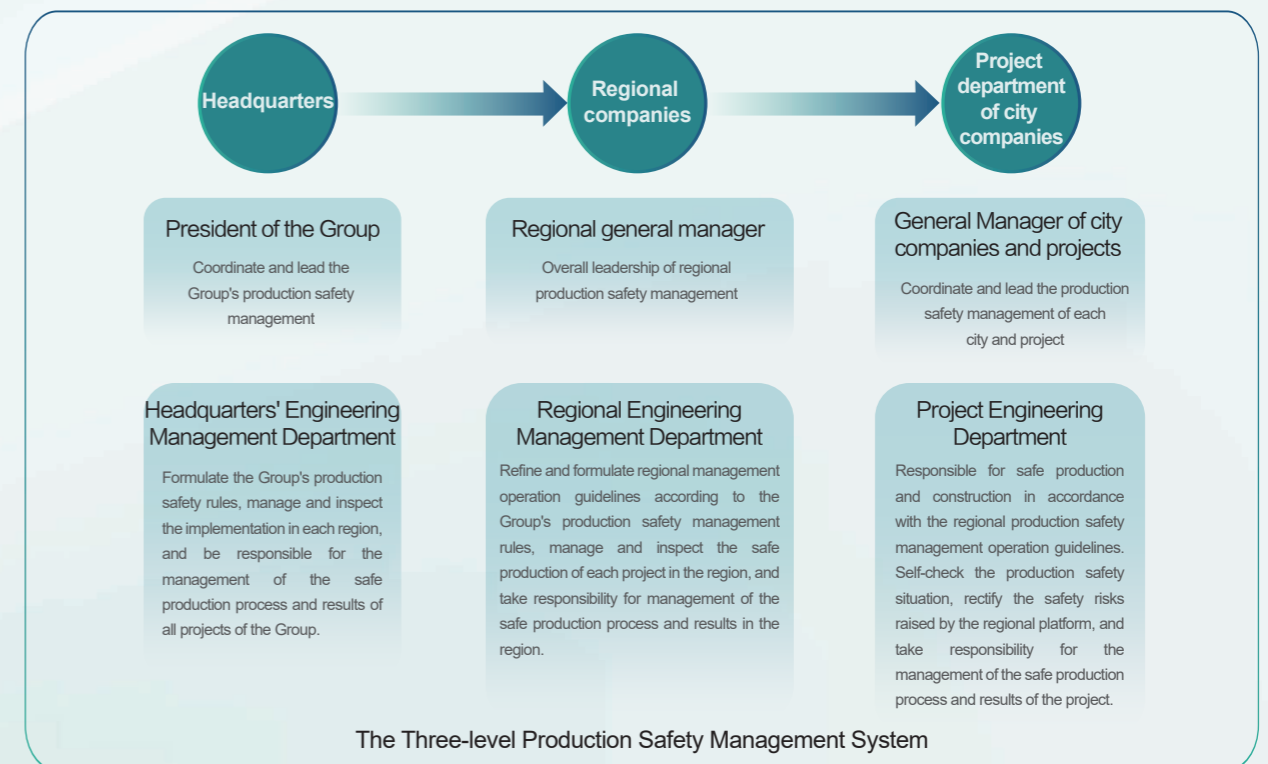


## Consolidation of Safety Management

Midea Real Estate observes the *Law of the People's Republic of China on Work Safety* and improves the production safety management system, implements safe construction through digital technology and safety inspection, and regularly arranges employees to receive safety training, so as to practice safe production management and ensure the life health and occupational safety of employees.

## Safety System

In 2022, we optimized the three-level production safety management system to sort out the safety production responsibilities of all parties, and improved the personnel management and scheduling of construction safety. The management system covers three levels of "the headquarters - regional companies - project department of city companies", and specified responsible persons coordinate the engineering management departments at all levels from the aspects of construction guidelines, safety inspection and rectification, assessment, rewards and punishments, etc., carry out work related to production safety, set down and refine production safety management rules and operation guidelines, to ensure that the system is evidence-based and put into action. In 2022, Midea Real Estate achieved the goal of 0 casualty and 0 accident in the production process.



## Safe Construction

### Safety assessment

The Company places a high value on safe production, and continuously improves the full life cycle safety assessment from construction to delivery. In 2022, we revised the *Measures for Civil Engineering Assessment and Management* and *Measures for Management of Project Quality and Safety Assessment*. By taking into account the business characteristics, we classified and identified production risks and implemented corresponding comprehensive management in this regard, so as to improve our own capabilities on risk identification and investigation to ensure construction quality. In order to enhance our construction quality of the projects and improve the work guidelines for quality assessment in the delivery and acceptance stage, we have also revised the *Guidelines for Delivery Assessment* and *Management Measures for Delivery Assessment*.

In accordance with the national standards, the Company carries out actual measurement of building materials in the civil construction and decoration stages, and makes a preliminary judgment on the qualified rate by comparing the designed value with the measured results. In addition, we conduct routine safety assessments for potential risk points, such as foundation pits, hanging towers, and construction elevators, and improve the operation specifications for construction scenarios such as fire management, electricity safety, and high-place operation, so as to ensure orderly and safe construction.

Based on the project inspection carried out by professional third parties for different categories of materials with different performance, we control the production safety from the selection of raw materials to ensure that the quality of materials in the civil construction and decoration stages meets the standards. In this year, Midea Real Estate conducted a total of 10 rounds of assessment at the headquarters and regional company levels to effectively investigate safety issues at source and enhance safe production.

### Safe production

Midea Real Estate strictly follows production safety measures during the construction process, and makes intensified efforts to build a "smart construction site" digital management and control system to ensure compliance, safety, high quality and efficiency throughout the construction process. Relying on AI, Internet of Things, big data and other technologies, we have established a "4 + 3 + X" system for smart construction sites of Midea Real Estate to implement strict control over production process of each project with four artificial intelligence IoT hardwares, three digital management systems, and "X" customized functions, with an aim to reduce safety risks in the construction process, protect the life health and safety of construction personnel, and comprehensively improve the overall safety management of the Group.

#### Smart Construction Sites

##### Intelligent construction measurement robots

using industrial-grade non-destructive testing to achieve accurate collection of on-site data and quickly file each household.

##### Intelligent scaffold technology

to avoid the leakage of the external wall caused by traditional scaffolding and scientifically shorten the construction cycle.

##### Big data control of Gong Jiang Jia

accurate data retention to achieve later traceability for maintenance.

##### Smart construction site command center

backed by AI technology management, to realize on-site effective processing, summary and early warning of key business data, and achieve remote, scientific and efficient decision-making.

## Safety Culture

We publicize safety production culture to employees and suppliers, provide various forms of safety training and safety knowledge publicity regarding different scenarios to enhance employees' awareness of safety production risks and emergency response capabilities, and continuously protect the occupational health and safety of relevant parties.

Within the Company, we organize targeted training such as key analysis of large-scale machinery management and control, "Production Safety Month", and Gong Jiang Jia modules for safety inspection to improve the operation skills of employees in key construction links and raise employees' safety awareness. Meanwhile, we invite professional third-party experts to analyze the content of safety assessment and review the results of regional monthly inspections to further consolidate key employees' ability in identifying and coping with production safety risks.

## KPIs

Average safety training hours completed per employee: **42** hours

The average number of emergency drills per project: **3.4**

The coverage rate of safety training for suppliers (contractors): **100%**

### Central China Region Kicked off Activities of "Production Safety Month"

In June 2022, on the occasion of the 21st Production Safety Month in China, Midea Real Estate launched a series of safe production activities in Central China Region. Through "online + offline" multi-carrier, multi-form and multi-channel publicity activities, we have created a strong atmosphere of safe production, raised employees' safety awareness, and guided all projects and construction units to assume the responsibility of "the first responsible person for safe production".



Inauguration of Production Safety Month



On-Site Training on Large Machinery



News of Production Safety Month

## KPIs

	Unit	2020	2021	2022
Number of work-related fatalities	person	0	1	0
Total lost days due to work-related injuries	day	1,546	2,125	3,331

# 06

## Energy Reservation and Consumption Reduction for "Dual Carbon" Goals

Green Design  
Green Construction  
Green Operation  
Climate Change

## Introduction

### Challenges

In 2022, The Intergovernmental Panel on Climate Change (IPCC) published Climate Change 2022: Mitigation of Climate Change, contributed by the Working Group III, of the Sixth Assessment Report (AR6), calling on countries and governments to further promote and implement effective measures, which are more widely and equitably applied by society, and achieve deep emission reduction and stimulate innovation. As major energy consumers, real estate enterprises will be exposed to a severe transformation situation and strict policy requirements, so it is imperative for Midea Real Estate to accelerate the green transformation.

### Main actions

- ◎ Carry out carbon accounting in 2022 and form Midea Real Estate's low-carbon and healthy living technology system 1.0.
- ◎ Based on our own advantages in intelligent manufacturing, collaborate with the industry peers in research on prefabricated building technology, and deepen the practice of green construction.
- ◎ Incorporate climate change into ESG management, issue the first report on carbon neutrality path, and actively respond to climate change.

### KPIs

Annual electricity generated from renewable sources: **2,149,500kW·h**

GFA of newly certificated green buildings: **1,968,600m<sup>2</sup>**

Annual production capacity of prefabricated components: **220,000m<sup>3</sup>**



# Green Design

We give top priority to the implementation of green design as well as research and development and innovation of technology. Focusing on net-zero buildings, smart operation and maintenance, healthy environment, renewable energy, etc., we deeply build Midea Real Estate's sustainable development system, promote low-carbon growth and create green and healthy products with innovative ideas and breakthrough achievements. In the future, we will strive to deliver a more sophisticated low-carbon healthy product solution relying on our own business.

## Low-carbon Residence

In 2022, in light of its insight into the comprehensive green transformation of social and economic development, considering the characteristics of its own carbon emissions and the strengths of manufacturing technologies, Midea Real Estate innovated and implemented a low-carbon healthy residence technology system, and guided its promotion and application on projects to achieve the scientific and effective emission reduction goals.

We conduct in-depth analysis of *Technical Standard For Nearly Zero Energy Buildings*, *Standard For Building Carbon Emission Calculation* and *BREEAM International New Construction Version 6 (INC V6)*, and combine the characteristics of each residential community as well as climatic characteristics, technical maturity, cost reduction and efficiency enhancement to form Midea Real Estate's low-carbon healthy residence technology system 1.0 to satisfy the customers' demands for low-carbon community and enhance the health and comfort of the living environment.

Energy Saving and Emission Reduction Technology Selection Table

For different stages, such as investment in land acquisition, design, engineering construction, operation and maintenance and post-renovation, we have applied low-carbon technology management throughout the life cycle of the projects.

Stages	Guidelines	Results
Investment phase	Guidelines on project site selection	Ensure the safety of plots, especially those sensitive lands. Make sure site selection and the early plan of projects are in line with the green and low-carbon concept.
Design phase	Guidelines on measures for reducing carbon emissions in indirect ways and enhancing the friendly living experience	Through measures such as passive and active ultra-low energy consumption building design and renewable energy utilization, we can achieve energy saving and carbon reduction goals in the design and operation stage of products.
Engineering construction phase	Guidelines on measures for construction site management and pollution prevention	Improve construction quality, effectively control carbon emissions during construction and reduce pollution to the surrounding environment.
Operation and maintenance phase	Measures for monitoring and management of community and equipment operation	Through pollution source control, garbage classification, water quality management, environmentally friendly product declaration, etc., implement low-carbon operation and management, and popularize the concept of green, low-carbon and healthy life.
Post-renovation phase	Guidelines on measures for existing building infrastructure and energy-saving renovation	Extend the service life of buildings and reduce average carbon emissions throughout their life cycle.

## Goals of Midea Real Estate's low-carbon healthy residence technology system 1.0

- ① Basic products: the average designed energy consumption is reduced by  $\geq 30\%$ ; Carbon emission intensity reduced by  $\geq 40\%$  on average, and reduced by  $> 7\text{kgCO}_2/(\text{m}^2 \cdot \text{a})$
- ② Near-zero energy consumption products: the average designed energy consumption is reduced by  $\geq 60\%$ ; Carbon emission intensity reduced by  $\geq 60\%$  on average, and reduced by  $> 12\text{kgCO}_2/(\text{m}^2 \cdot \text{a})$

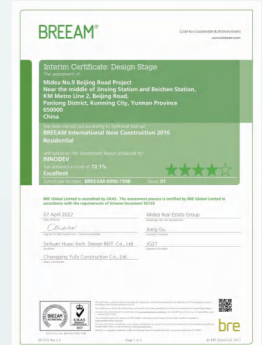
## Green Building

Developing green buildings is an urgent need for the real estate industry to reduce energy consumption, and it is an inevitable choice for building environment-friendly and resource-saving real estate enterprises. We put more efforts on developing green buildings, following national and industry policies such as *Assessment Standard for Green Building* and *General Specification for Energy Conservation and the Use of Renewable Resources in Buildings*, by integrating green concepts from design to operation, we reduced the negative impact of carbon emissions on climate change and the environment, and achieved harmonious coexistence between buildings and nature.

We have applied for and obtained a series of green building certificates, and continue to accumulate green building development results. The GFA of newly certified green buildings of 2022 reached 1,968.6 thousand  $\text{m}^2$ , including 1,600.4 thousand  $\text{m}^2$  with two-star rating and 368.2 thousand  $\text{m}^2$  with BREEAM certification.

## Kunming Beijing Road No. 9, Creating a Beautiful Living Environment

The Kunming Beijing Road No. 9 project is a high-quality green residential project built by us in line with BREEAM Excellent four-star standards. We perfectly integrate Midea Real Estate's 5M Smart and Healthy Community Product System with BREEAM standards, and bring technological life to owners from multiple dimensions, such as smart community, water health housekeeper, intelligent security housekeeper, intelligent control housekeeper, air housekeeper, and smart property housekeeper.



## Sponge City

With the increasingly harsh situation of global warming and climate change, extreme weather events in our operation locations occur from time to time, which casts a certain impact on project operations and customers' lives. We take the initiative to respond to the national call for building sponge cities, and have promoted the construction of sponge city communities in more than 50 projects across the country. We delve into sponge city facilities such as rain gardens and pavement with ideal drainage performance, expand the green area of the community, and use advanced garden design to store rainwater, so that the community can avoid waterlogging in extreme weather such as typhoons, heavy rainfall, and floods, maintain the orderly operation, and ensure the normal life of customers.

## Sponge City Construction of Xuzhou Tianyu Project

The Xuzhou Tianyu project in Shanghai-Jiangsu-Anhui Region advanced sponge city design in accordance with the *Landscape Design Standard Module: Sponge Design Module*. Through the layered garden design and vegetation planting technology that meets the requirement of water permeability, Xuzhou Tianyu project has completed the basic construction of sponge city, which can not only meet the requirement of water permeability, better cope with the extreme precipitation that often occurs in Shanghai-Jiangsu-Anhui Region, but also provide customers with good experience for new scenarios.



Rain Garden of Xuzhou Tianyu Project

# Green Construction

The construction process is the main stage of greenhouse gas emissions and various environmental pollution from the real estate industry. Midea Real Estate, as a responsible real estate enterprise, pushes green construction through technical first-mover advantages in multiple processes. We actively put in place the prefabricated building manufacturing, promote the use of green materials, save energy in construction, and lead a smart and healthy life with green living.

## Prefabricated Buildings

Midea Real Estate's subsidiary, Remac Building Technology opines that only carrying out the construction of the prefabricated buildings can't bring a complete carbon peaking and carbon neutrality of construction industry. Only the green control of the whole process and link of the prefabricated production, the advantages of green environmental protection of the prefabricated buildings can change the current status of greenhouse gas emissions in the industry and significantly reduce the negative impact on the environment, so as to successfully complete the green transformation of the Midea Real Estate and better adapt to the transformation risks brought by policy changes.

The prefabricated technology is the main way to reduce carbon of construction industry. Remac Building Technology develops systems such as *Control and Management of Concrete Quality* and *Control and Management of PC Production Process* in succession, actively implements the manufacturing of prefabricated buildings and strictly controls the production process of the prefabricated parts. Currently, Foshan Factory and Huizhou Factory have obtained **Concrete QSPSC certification from Hong Kong Quality Assurance Agency as well as ISO 9001, ISO 14001, ISO 45001** management system certifications, achieving all the process management of green materials, production and assembly.



QSPSC Certification from Hong Kong Quality Assurance Agency    ISO 45001 Certification    ISO 14001 Certification    ISO 9001 Certification

### Green process

In 2022, with a focus on "Concrete Modular Integrated Construction" (MiC) product technology, Remac Building Technology integrates concrete MiC structure, piping module, structure module, interior decoration module, peripheral protection and decoration module to form an integrated product solution for the integrated space of green and low-carbon buildings with 8 core advantages.



MiC Product of Remac Building Technology

### Green production

We actively implement energy-saving equipment transformation and water resource management.

In terms of energy-saving equipment transformation, Remac Building Technology initiated electrification of equipment to reduce energy consumption and gradually applied new energy electric forklifts instead of forklifts powered by internal combustion engine to reduce greenhouse gas emissions. In the meantime, the mold table lamination insulation stacking technology rather than the curing kiln equipment with hot water heated with natural gas is designed for the laminated slabs production line in Huizhou factory, in order to reduce the energy use during the maintenance process.

As for water management, we reuse the production wastewater. In the manufacturing site, the cleaning water is returned to the multi-stage sedimentation area with the water collection system. In addition, through the filtration and recycle equipment, the wastewater is transformed into reclaimed water for concrete production and component maintenance. At present, the plant has basically realized the full recycling of wastewater, with an annual wastewater reduction of about 46,000 tons.

### Use of renewable energy

Remac Building Technology vigorously explores its potential on renewable energy and positively promotes the green development of the construction industry. Decentralized photovoltaic power plants have been set up in factories of green prefabricated production base. In addition to satisfying the electricity demand for production in factories, we also put green energy on the power grid to benefit other enterprises. In 2022, we generated 2,149,500 kW·h of electricity in total, of which 679,000 kW·h of electricity was self-generated and self-used, and 1,470,500 kW·h of electricity was exported to the power grid. Green power exports account for 68% of total annual power generation, contributing to the local energy conservation and emission reduction.



Foshan Photovoltaic Plant

## © Technical standard and innovation

Remac Building Technology is committed to boosting product quality and technical standards for green environmental friendly products by joining hands with peers to promote the development of prefabricated building, continuously increasing the coverage of the prefabricated building in residential and commercial products. The industrial and local standards which we have edited or co-edited are as follows:

Standard name	Participants	Participating way	Standard level
Pricing Methods and Tender Specifications for Prefabricated Decoration (Contract)	Remac Industrialisation	Co-editing	Group standard
Technical Guidelines for Foshan Prefabricated Interior Decoration Solutions	Remac Building Technology	Editing	Technical guideline
Carbon Neutral Evaluation Guidelines for Real Estate Enterprises	Remac TY	Co-editing (in co-editing)	Industrial standard
Technical Regulations for Assembled Integrated Steel Frame Cast-in-place Concrete Structures	Remac TY	Co-editing	Group standard
Design and Evaluation Criteria for Smart Building	Remac TY	Co-editing (in co-editing)	Group standard
Design Instructions for Prefabricated Concrete Buildings in Foshan City	Remac TY	Co-editing	Local standard
Atlas of Prefabricated Concrete High-rise Residential Buildings in Foshan City (2022 revision)	Remac TY	Co-editing	Local standard
Assembled Rate Calculation Book for Prefabricated Building Projects in Foshan City (Reference Template)	Remac TY	Co-editing	Local standard
TC10WG3 Smart Communities Based on the Internet of Things	Remac TY	Co-editing (in co-editing)	Group standard

In 2022, the Prefabricated Institute of Remac Building Technology developed an innovation and R&D mechanism, integrating university theories, market demands and enterprise practices as well as conducting innovations around the four aspects of prefabricated materials, processes, work methods and products to improve the efficiency and production capacity of factories, and thus export greener and safer prefabricated buildings to the society and help the country achieve the dual carbon goals.

### Joint research and development projects of Remac Building Technology

- Establish the Integrated Modular Building Space Research Institute with CIMC Modular Building Systems;
- Collaborate with the State Key Laboratory of Subtropical Building Science of South China University of Technology to set up the Joint Laboratory of Low-carbon Technologies for Future Communities.



## Green Materials

We dedicate ourselves to promoting the green transformation and upgrade of the whole industry chain in the construction industry. In 2022, Remac Building Technology actively increased the proportion of replacing natural sand and river sand with manufactured sand by technological improvement, reused industrial solid wastes and solid wastes from building by concrete formula improvement, and reduced the concrete usage when optimizing the product performance, so as to achieve the purpose of protecting natural resources and effectively using building wastes, reduce the environmental pollution and carbon emissions.

For prefabricated building aggregate, Remac Building Technology requires factories to improve the coverage of renewable materials usage. A waste concrete crushing and recycling application system has been built in Foshan Factory, which can collectively crush concrete, recycle waste concrete into recycled aggregate and use it in fresh concrete, with a crushing and recycling rate of over 90%, reducing construction waste by about 1,000 tons per year.

Also, through design and R&D of variable molds of prefabricated components, Remac Building Technology reduces the usage of steel and aluminum in molds and increases the recycling rate of molds in different projects, also makes it convenient to disassemble and recycle molds for manual remodeling to raise the usage frequency of molds. About 30 tons of molds can be reused every year.

## Green Construction

Since the process of construction is a main process for the real estate development to lead to the high energy consumption and severe pollution, we strive to control the negative externalities on the surrounding environment to achieve the goal of green construction by innovating the process to decrease the pollution to the environment caused by the production link and controlling strictly the noise, flying dust and wastes.

### © Wastes management

We have established *Measures for Management of Flying Dust on Construction Site* in order to promote our environmental management, and gradually implement the measures for improving air quality and other wastes management.

Working content	Specific measures	Purpose
Spray on site	Set spray pipes all around the wall	Use spilling water mist to absorb the flying dust
	Equip with fog gun to prevent flying dust from effusing when conducting earthwork	
Covered with dense mesh	Cover all the bare soil with dense mesh	Prevent flying dust from effusing by physical isolation
	Adopt dense mesh to cover the outer window holes for some projects	
Rinse with spraying water	Set a car washing pool to rinse the transport vehicles	Prevent flying dust from escaping as a result of vehicle movement
	Spray water to the construction roads regularly	

In regard to on-site construction management, we promote the use of new processes and continuous iterative innovation. With the help of refined management tools, we continuously reduce waste generation in the construction process.

- **For new processes:** We adopt the process of plaster-free tiling, aluminum mold, thin lining and thin coating, HDFE coil without a protective layer, to decrease the intermediate materials used in the construction process, thus avoiding unnecessary waste;
- **For construction process:** We have centralized and standardized the process, thereby improving the efficiency of material utilization and further reducing waste through masonry tile layout and centralized tile processing;
- **For refined management:** To ensure the quality of materials and effective management to reduce unnecessary material waste, all of our materials are accepted online by using the Gong Jiang Jia App developed by Midea Real Estate when approaching, and are strictly registered to ledger offline. We recycle materials such as wooden templates and contact recyclers for professional processing and secondary use of steel fragments and scraped wooden templates.

### Adopt a Plaster-Free Technology to Reduce the Use of Cement

Midea Real Estate widely applies the plaster-free technology to the tiling wall in public area and kitchen and bathroom. With the process, workers can lay wall tiles directly without the cement mortar plaster layer after brushing the bonding agent, significantly reducing the use of cement mortar and avoiding waste generation in the cement production process.



Plaster-Free Schematic Diagram

## ◎Water resources management

Water resources management is one of the priorities of Midea Real Estate. As at the end of the reporting period, the Company's projects under construction and properties under management were not located in water resources protection areas. With respect to water intake, all of the communities under management of Midea Real Estate are supplied by the municipalities; with respect to drainage, all of the domestic sewage in the communities under management of Midea Real Estate is discharged in accordance with the requirements of the municipalities, thus there is no pressure on water resources for the time being and no negative impact on local water sources.

Based on the concept of lean operation, Midea Real Estate has advocated the implementation of various management measures for each project to save water resources through the three-level control of headquarters-regions-projects. For example, the rainwater recycling system was strengthened, and the dewatering of foundation pits in the project was deposited into the construction site reservoir to rinse construction vehicles and sprinkle roads.

## Green Operation

While reducing the environmental impact of construction, we are also committed to involving energy conservation, emission reduction and green development in more business scenarios of Midea Real Estate. We have taken a series of energy saving and consumption reduction measures in our property management and commercial operations to promote low-carbon operation. In the meanwhile, we also set an example by actively practicing green concepts in the course of daily office work to help Midea Real Estate achieve green development in all aspects.

## Green Property

In the pursuit of long-termism, we persist in promoting green benefits of products and providing sustainable property service after delivering green housing products to owners. As an advocate and leader of smart and healthy life, we hope to offer owners the best green service experience, continuously strengthen the green awareness of owners and tenants and create a green community atmosphere through management of energy consumption, water resources and wastes.

## ◎Creating a sustainable low-carbon community

In 2022, Midea Real Estate service is in strict compliance with *Low-carbon Community Pilot Construction Guidelines* and *Green Community Creation Action Plan* promulgated by the nation. Based on the service products of "royalty, enjoyment, joy and pleasure" launched in 2021, we continue to iterate and upgrade to integrate the dual-carbon service system, and implement the concept of low-carbon sustainable development in an all-round and multi-angle way with digital, lean and refined green management measures.

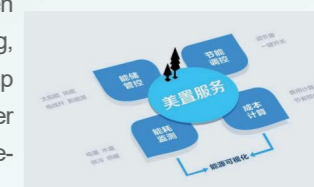
We have established and continuously improved the dual-carbon management system of Midea Real Estate Service, collaborated with the Environmental Sanitation Office of Urban Management Bureau, Low-carbon Management Committee and the Community Neighborhood Committee to conduct in-depth green management and low-carbon operation in such five major dimensions as community environment, digital operation, engineering module, community module and community culture, so as to establish a positive, green and healthy lifestyle between city and human, as well as between human and nature.

• **Full-factor participation, constructing co-governance of low-carbon issues:** We have constructed a full-factor participation mechanism to extensively collect suggestions from owners and neighborhood committees, implement the policies of relevant government departments, and actively obtain service support from third parties to form a situation where all elements support low-carbon construction, promote low-carbon development and share low-carbon achievements.

• **Digital empowerment, ensuring the viability of low-carbon operations in the community:** In 2022, Midea Real Estate Service introduced an energy management system into community operations, covering modules like electricity consumption, water consumption, new energy, and clean energy, which not only provided first-hand knowledge and real-time monitoring of community energy consumption, but also enabled dynamic adjustment of energy consumption management strategies and coordinated management of facilities, equipment and personnel to promote low-carbon operation in communities. We have introduced a series of energy-saving measures in smart lighting and elevator control to avoid unnecessary energy consumption, while actively cooperating with third-parties to provide more standardized and refined management for low-carbon community construction.

## Create a Smart Visualized Water and Electricity Management System

Based on the low-carbon management system, Midea Real Estate Service has created a smart water and electricity management system to carry out intelligent green property operation and maintenance. In 2022, smart water and electricity management system has been piloted in projects of such cities as Guiyang and Handan to realize remote meter reading, automatic early warning, energy consumption analysis and other functions, which can help quickly know and effectively control the water and electricity usage of each project under management, and improve the efficiency of energy saving and water resources management.



In the meanwhile, Midea Real Estate independently developed the community energy visualization management system, and formulated the *Construction and Operation Guidelines for Community Energy Visualization Management System* for it, forming a complete community energy management system. We also carried out fine measurement, real-time monitoring, intelligent processing and dynamic control of various energy consumption in the community through intelligent means, realizing visualized, refined and low-carbon management of residential community energy to improve management efficiency, and leading a green and healthy lifestyle of "recycling and waste-free".



• **Innovative micro-transformation, promoting the enjoyment of high-quality and low-carbon services in the community:** We launched micro-transformation projects to achieve low-carbon service functions, introduced the concept of the sponge city into community management, formed ecological self-circulation within the community, realized "sponge green island" and "sponge community". It can absorb, store, infiltrate and purify water when raining and "release" the stored water when need, so as to cope with weather changes and avoid waterlogging problems. We have also independently developed a lightweight drainage gutter improvement device, adding leaky nets and anti-mosquito plugs to the manhole covers to effectively prevent drainage gutter blockage and mosquito infestation, effectively maintaining the green ecology of the community.

## Water Quality Improvement in Zhuzhou Blue Valley Artificial Lake

To address the problem of turbidity in the artificial lake of Zhuzhou Blue Valley caused by the lack of circulating water, a panel of environmental experts from Midea Real Estate Service conducted a special study to find out the root cause of insufficient circulating water. Through three-dimensional planting and maintenance of green plants in the water bodies, a microcycle ecology of water bodies was formed to thoroughly improve the water quality and ecology of the artificial lake and the lake water turned clean as previous, which captured the hearts of the owners.



• **Sustainable concept, leading the construction of low-carbon civilization:** Midea Real Estate Service continues to build a low-carbon and waste-free community atmosphere. We can turn 147,000 tons of green waste into treasure every year by making compost from shred green waste such as fallen leaves and dead branches. We have teamed up with owners to form an environmental protection volunteer team to participate in the greening of the community and raise the owners' awareness of low-carbon environmental protection.

## Put forward Community Low-carbon Convention Innovatively

Midea Real Estate Service vigorously advocates the new concept of ecological environmental protection and focuses on owners' demands for green lives and low-carbon living experience. We cohesively created a green and low-carbon new fashion with owners by our professional green operation and maintenance capacity. In 2022, we newly proposed the *Community Low-carbon Convention* and called on our owners to abide together.





### Widely launch "Harmonious Environmental Protection Season" Action

In 2022, Midea Real Estate Service has held over 120 "Harmonious Environmental Protection Season" activities in communities across the country and led owners in various communities to practice green lives. In addition, green low-carbon living habits are cultivated through colorful activities such as parent-child planting, low-carbon games and spring outing. Owners of all ages contribute to the low-carbon community with their actions to build a comfortable and clean living environment and green community culture.



### Take "Green Bank" into Actions

Midea Real Estate Service launches "Green Bank" actions in various projects under management across the country. By integrating nursery resources and selecting seedling reserves, we "deposit" garden seedlings in advance for each community and use them for community greening when they are mature, so that they can grow together with the community. Owners can also participate in environmental protection and low-carbon practices by raising seedlings. In 2022, the first phase of the "Green Bank" has provided a seedling reserve of about 17,112.9m<sup>2</sup> and 218,878 seedlings nationwide, with a coverage rate of 55%.

## Low-carbon Commerce

The commercial project is an important part of the urban public space. We will be mindful of building a green and low-carbon commercial operational system while providing green property service in order to offer green public space to consumers and cities.

We developed *Guidelines for Energy Saving and Consumption Reduction of Midea's Commercial Projects in Operation*, sorted out energy consumption risks of commercial projects in operation and optimized the energy consumption management system of Midea Commercial to form a special working process for energy saving and consumption reduction, thereby promoting the energy management level of each project in operation.

In 2022, we set about the special actions of energy saving and consumption reduction twice in terms of commercial projects in operation. By specifically analyzing the energy and electricity consumption process of each electric equipment for projects in operation and confirming the operating time of each equipment, we can carry out effective daily control so as to further decrease the unnecessary energy waste of equipments and promote the energy conservation and consumption reduction of shopping malls and other commercial projects. Meanwhile, we monitor the operation of each electric equipment with an efficient and smart modular monitoring platform. Moreover, we set functions such as overheat, low temperature and humidity overrun alarm for equipments to ensure the normal and energy-saving operation of electric equipments all the time, preventing the increased consumption and broken equipments due to overpower.

### Adjust Operation Time of Oil Isolation Treatment Equipment to Reduce the Energy Consumption

Since Foshan Wonderful Square is fitted with plenty of oil isolation treatment equipments, we adjust their operation time according to the operational characteristics of catering shops. The operation time is reduced by 2.5 hours per day, which reduces the clogging of oil isolation treatment equipment and significantly reduces energy consumption while satisfying tenants' business needs. There are 20 oil isolation treatment equipments in the mall, saving over 5,000kW·h of electricity in a year.



The Worker is Adjusting the Operation Time of the Oil Isolation Treatment Equipment

## Green Office

We actively push forward green operation such as diminishing energy consumption and saving resources during daily office work as much as possible, fulfilling management responsibility of public areas as well as publicly reporting waste behaviours every day to consolidate the autonomous saving awareness of employees and strive to create a green low-carbon office environment. Our goal is to achieve reduction of 5% of comprehensive energy consumption intensity in administrative office work, reduction of 5% of greenhouse gas emission intensity, and reduction of 5% of water consumption intensity by 2024 (Taking 2021 as the base year).

In 2022, the administration department of the headquarters has unveiled a series of measures in green and sustainable operation.

- **Office rental:** Dynamically adjust the office rental according to the business demands together with each region and business unit, and continue to optimize the rental plan on the basis of satisfying demands for business development, as well as control relevant energy consumption such as water and electricity by integrating offices;
- **Anti-waste inspection:** We post anti-waste tips on the public terminal of office areas and conduct anti-waste inspections twice every night. We check the devices such as lighting, air-conditioner in public areas one by one to ensure they are closed to reduce waste of resources;
- **Save paper:** Advocate double-sided and black and white printing. Set card printing and organize a regular spot check to reduce paper waste caused by the printing mistakes;
- **Recycle waste paper:** Set a waste paper recycling box for the non-confidential files to recycle for other employees to use.

### Optimize Use of Office Printer Ink Cartridge

For the frequently used office printer ink cartridge, the Group has clarified the way to change office printer ink cartridges after information study and communication with suppliers, that is, adding carbon powder to the original cartridge, other than buying a new cartridge to replace the old one. It can save the cost by 61% effectively, and significantly decrease the consumption of office supplies and the negative impact on the environment.

## Climate Change

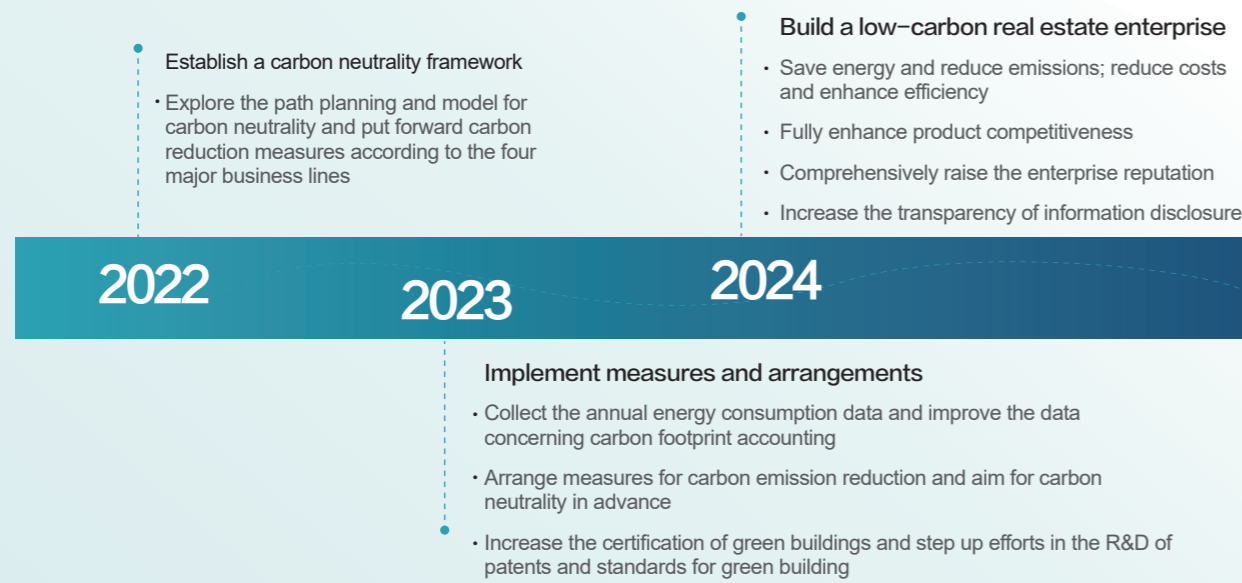
Climate change is the most significant and urgent topic in the contemporary world. As a real estate enterprise holding the philosophy of long-termism, Midea Real Estate is keenly aware that future development will come with a variety of climate change risks, including global warming and extreme weather. Therefore, we have established an ESG Working Committee, which is responsible for identifying climate change-related risks and is dedicated to tackling issues related to environmental governance, energy conservation, and emission reduction.

## Carbon Neutrality Actions

In 2022, we officially released the *Report on Carbon Neutrality Action Plan of Midea Real Estate*, aiming to assist the enterprise in building a bicirculating value chain of internal and external and establishing a benchmark for low-carbon enterprises from such dimensions as the background of carbon neutrality, comparison with peers, action plan, and implementation measures.

We formulated the carbon neutrality strategy of Midea Real Estate, raised targeted carbon reduction measures according to the four major business lines of residential property development, property management services, commercial operations and real estate technologies, to carry out carbon emission reduction and carbon offset across the board, and adhere to the principle that "carbon emission reduction is superior to carbon offset". By means of increasing the percentage of green buildings, R&D of low-carbon technology, creating future communities/low-carbon communities, and strengthening green supply chain management, Midea Real Estate will contribute to realizing China's "carbon peaking and carbon neutrality" goals and providing a greener and better life for people.

## ◎ Overall plan



## Response to Climate Change

This year, we furthered the research and application of the framework of the Task-Force on Climate-Related Financial Disclosures (TCFD), with a view to comprehensively sorting out the potential risks brought by climate change and deeply integrating climate change risks into the risk management framework. Later, we will continue to deepen our research and carry out the management of climate change risks in a more comprehensive and effective manner.

### ◎ Governance

In 2021, Midea Real Estate set up the ESG Working Committee and the ESG Working Office to continuously implement ESG governance. Please refer to the Chapter "ESG Governance Structure" for details on the management structure, personnel composition, and responsibilities. This year, the ESG Working Committee continuously enhanced the strategy formulation, supervision, plan review, and results evaluation related to ESG, and took charge of supervising the identification and assessment of transition risks and physical risks related to climate change. The ESG Working Office, based on the strategies formulated by the ESG Working Committee, carried out the specific identification of climate risks, and assessed and responded to climate change risks. Regional companies and business units implemented specific work related to energy saving and consumption reduction and pollution prevention in accordance with the guidelines and policies formulated by the ESG Working Committee, so as to effectively control and reduce the transition risks and physical risks related to climate change.

### ◎ Strategy

Midea Real Estate has kept a close watch on and actively responded to the risks and opportunities brought by climate change. We uphold the Company's core values of "result orientation, efficient execution, customer centricity, transformation and innovation", identify, assess, and respond to climate change-related risks based on the perspective of long-termism, strive to effectively and earnestly implement our ESG management measures, and contribute to improving the climate status and reducing climate change risks. Meanwhile, based on the first-mover advantage of prefabricated buildings and smart communities, Midea Real Estate has developed the capacity to build low-carbon buildings and operate green communities, and formulated and implemented scientific and effective countermeasures for the climate risks in specific regions. In the future, we will continue to establish a sound response system for climate change risks, and improve the management mechanisms for climate change, so as to seize more opportunities and gain greater advantage in the context of global climate change.

This year, through industry research and field research, we identified the climate change-related risks of Midea Real Estate in 2022. The list of relevant risks is as follows:

Category of risks or opportunities	Potential risks/opportunities brought by climate change	Coping measures
Policy and legal risks	China has completed the establishment of the "1+N" policy system for carbon peaking and carbon neutrality with a focus on low-carbon energy transformation, green industry development, and green and low-carbon economy; China released a green whitepaper of climate change, that is, <i>Report on Actions to Address Climate Change (2022): Policies and Practices for Implementing "Carbon Peaking and Carbon Neutrality" Goals</i> .	Closely follow China's "1+N" policies for "Carbon peaking and carbon neutrality", develop the roadmap for carbon emission reduction, vigorously develop the prefabricated building industry, and promote green production and green construction; conduct 2022 carbon footprint accounting and form the low-carbon healthy living technology system 1.0 of Midea Real Estate
Market and technology risk	The restriction on carbon emissions of the "Carbon peaking and carbon neutrality" policy may lead to an increase in the cost of construction, building material production, transportation and other links of the building industry;	Encourage internal innovation and reinforce technical cooperation to reduce costs and enhance efficiency.
	By 2025, China will need to complete energy-saving renovation of existing buildings of over 350 million square meters and build ultra-low and near-zero energy-consuming buildings covering an area of more than 50 million square meters;	Please refer to the subsections headed "Green Design" and "Low-carbon Living" in the report.
	In 2025, the newly built BIPV installed capacity of China will be over 50 million kilowatts; the application area of geothermal energy in buildings will be over 100 million square meters; the substitution rate of renewable energy used in buildings in urban areas will reach 8%; the proportion of electricity consumption to overall building energy consumption will exceed 55%.	Please refer to the "Green Operation" section of the report.
Extreme weather risks	The Pearl River Delta: Drought, flood, typhoon, extreme precipitation, and high temperature	Regional companies shall effectively identify the extreme weather of the regions where they operate, develop relevant contingency plans, and purchase protective material to actively deal with the extreme weather.
	The Midstream of Yangtze River: Drought, flood, and high temperature	
	North China: Heavy snowfall, dust storms, and drought	
	Shanghai, Jiangsu, and Anhui: Flood, typhoon, extreme precipitation, and high temperature	Please refer to the subsections headed "Green Design" and "Sponge City" in the report.
	Zhejiang and Fujian: Flood, typhoon, extreme precipitation, and high temperature	
Southwest China: Mudslide and extreme precipitation		
Green prefabricated building development opportunities	In 2025, all newly built buildings in China's urban areas will be green buildings and a green, low-carbon, and recyclable construction development model will be basically established.	Please refer to the subsections headed "Green Design" and "Green Building" in the report.
	By 2025, prefabricated buildings in China will account for 30% of all newly built buildings in urban areas of the year.	Please refer to the subsections headed "Green Construction" and "Prefabricated Buildings".

### ◎ Risk management

Midea Real Estate gives top priority to the identification and control of climate risks, and has established a risk management structure composed of the ESG Working Committee, the ESG Working Office, and all business units to comprehensively review and manage relevant risks including climate change. The Company implements risk management procedures in accordance with the four steps of risk identification, risk assessment, diagnosis and respond, and monitor & improvement to continuously reduce the adverse effects of climate change risks on our business, finance and operations. We respond to the complicated and changeable climate change situation based on sound plans and effective guarantee measures.

### ◎ Indicators and targets

We have established targets for energy use and greenhouse gas emissions in terms of administration. Please refer to the "Green Office" section for details. In the future, we will take the initiative to respond to climate change by expanding the scope of relevant targets, continuously optimizing energy consumption management and reducing greenhouse gas emissions.

# 07

## Step Forward with Midea

Protection of Employees' Rights and Interests

Talent Occupational Development

Occupational Health of Employees

Employee Care

## Introduction

### Challenges

In June 2022, Xi Jinping, General Secretary of the Communist Party of China (CPC), pointed out at the 26th meeting of the Central Committee for Comprehensively Deepening Reform that we shall abide by technical and innovative rules and talents growth rules, and regard stimulating the innovation of scientific and technological talents as a goal. By building a system for evaluating scientific and technological talents based on their innovative values, abilities and contributions, so as to guide people to make the best use of their talents and achieve great success. Midea Real Estate considers employees as our most significant partners. Thus, we spare no effort to protect their basic rights, promote the development of talents, and ensure their safety.

### Our actions

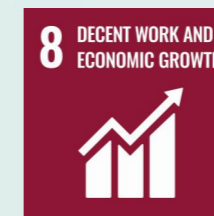
- ◎ Set up many kinds of communication channels for employees to communicate occupational information to fully understand employees' demands and better serve and support employees for success.
- ◎ Establish a multi-level training and development system and continuously promote High-potential Seed Plan to provide a platform for staff to make progress quickly.
- ◎ Organize staff care activities. Build a staff care system of Midea Real Estate through the routine festive care campaigns and featured care actions.

### KPIs

Total number of employees **11,159**

Proportion of female employees **39.73%**

Average training hours per employee **72 hours**



# Protection of Employees' Rights and Interests

## Equal Employment

Talents is the foundation for corporate development. Midea Real Estate spares no effort to create a safe, healthy, equal and tolerant working environment for employees. Midea Real Estate scrupulously observes the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labor* and other laws and regulations, continues to improve and thoroughly implement internal systems and recruitment management systems like *Recruitment Management Measures*, and recruits talents through social recruitment, campus recruitment, internal recommendations and other channels.



### Compliant employment

We deem the work performance of our employees as a main standard when recruiting and selecting employees and are committed to eliminating all forms of prejudice, harassment and discrimination due to race, religion, health status, gender, marital status, age, social status, nationality or sexual orientation, and all other factors prohibited by local laws and regulations. We respect the unique characteristics of each employee and strive to create an inclusive, fair and transparent work environment. In the meantime, we organize a "Flowing Scheme", to make arrangements for job transfer based on the Company's situation and talent skills, make special arrangements for some employees based on their localities, and organize employees to move between associate organizations, such as commercial operations, property management, Tianyuan Design Institute, etc..

During the reporting period, Midea Real Estate has entered into labor contracts with all employees and no illegal employment, child labor use or forced labor events occurred.



### Diversity of employees

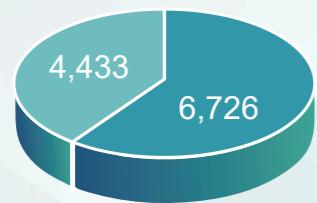
We accept the disabled and give privileged treatment to veterans by providing them with equal opportunities, promote diverse recruitment and create enriched culture atmosphere. The headquarters and each regional company proactively liaise with local social security bureaus to support the employment of local people with disabilities; for veterans, we provide an additional subsidy of RMB200-600, and if they are recalled by the state, the basic salary will continue to be paid normally. In terms of recruitment for local employment improvement, we have formed our property and sales teams with a large number of local employees and fully respect their willingness to work locally.



### College-enterprise cooperation

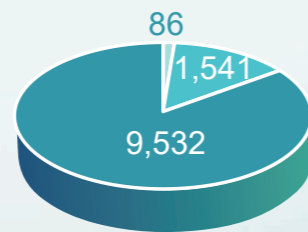
We actively cooperate with universities and vocational schools to provide internship opportunities for youths who are about to enter the society to accumulate experience.

Classified by gender



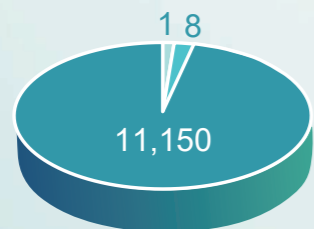
Female employees Male employees

Classified by employee category



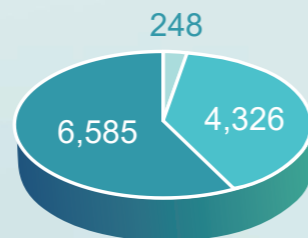
Senior management Middle management  
Grassroots employees

Classified by geographical region



Overseas Chinese mainland  
China's Hong Kong, Macau and Taiwan regions

Classified by age group



Aged 50 and above Aged 29 and below  
Aged 30-49

## KPIs

By the end of 2022

The female account for **8.1%** of the Midea Real Estate's senior management

During the reporting period

Over **5,500** employees were employed and female employees account for more than **40%**

## Salary and Welfare

Based on the principles of fairness and competitiveness, Midea Real Estate continuously improves the salary distribution and performance appraisal mechanism, establishes a multi-level benefit system and effectively inspires and raises employees' work enthusiasm and sense of belonging in order to attract and retain outstanding talents.

### Employee remuneration

We have renewed the *Remuneration Management Measures* and *Performance Management Measures*, and continuously perfected the employee salary structure and talents evaluation and development system of Midea Real Estate so as to promote employees' sense of happiness and contentment. The remuneration we provide to employees includes basic salary, monthly incentives, annual bonus, equity incentives and diverse subsidies, among which, the equity incentives was officially initiated in 2021. We carry out overall performance evaluation through many ways such as cadre evaluation, personnel review, position adjustment, promotion and salary adjustment, to fully inspire the enthusiasm and passion of our employees. We fully consider employees' demands and objections and provide channels for communication with supervisors or appeals to department heads and the Human Resources Department. HR will provide feedback within one week after investigation if such case occurs.

## KPIs

By the end of 2022

Compensation ratio between the male and female employees **1:1**

The number of employees participating in equity incentive scheme increased from 31 to **423**

### Employee benefits

The Company is highly concerned with the management of non-compensation welfare, and always pays close attention to the changes of relevant national policies, laws and regulations. In 2022, the Company determined the implementation rules of parental leave in accordance with the management regulations on parental leave issued by the state and in combination with the Company's internal management requirements, stipulating that employees who have become regular employees and have children under the age of three in compliance with the national family planning regulations can enjoy no more than 10 days of parental leave in each calendar year.

### Multi-level welfare security



## Democratic Management

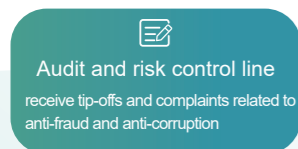
Positive and equal internal communication is a prerequisite for efficient management of the enterprise. Midea Real Estate founded Labor Union Committee by law and elected 6 committee members (including chairman of the labour union as well as audit committee member, female committee member, organization committee member etc.) to be responsible for regular matters and solve employees' demands through democratic election by employees. In 2022, the Labor Union held one staff congress with 47 participants to discuss the election of the members of the first committee, the audit committee and the female committee, as well as other matters.

We actively give ear to the voice of employees, pay attention to the issues that employees care about, and strive to create smooth communication channels to fully protect employees' right to know, participate, express and supervise.

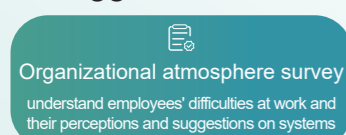
## Regular communication channels



## Complaining and reporting channels



## Suggestion and feedback channels



Midea Real Estate Labor Union wholeheartedly serves our employees. It was awarded the title of "Advanced Enterprise for Caring about Employees in Shunde District in 2022", and the employee representatives were awarded the title of "Excellent Employee for Dedication in Shunde District in 2022".



Advanced Enterprise for Caring about Employees in Shunde District in 2022



Award Ceremony of Excellent Employee for Dedication in Shunde District in 2022

We always keep in mind that Midea Real Estate's success is attributed to employees. Therefore, we try hard to improve employees' sense of satisfaction and fulfillment when working in Midea Real Estate. In 2022, we conducted an employee satisfaction survey in 8 dimensions such as the enterprise's strategic ability, management and authority division, talent maturity, leadership traction, core values, organizational atmosphere, salary and incentive satisfaction, and willingness to stay to provide important reference basis for efficient implementation of each department's management. In 2022, the overall score of employee satisfaction was 86.6, higher than those of previous years.

## Privacy Protection

Midea Real Estate holds the opinion that a responsible enterprise should and must respect and protect the personal information and privacy of its employees. Midea Real Estate clearly stipulates that only the employees in the Human Resources Department have the right to inquire about information of the employees, and in the meanwhile, strictly distinguishes and authorizes the query scope of the employees in the Human Resources Department. Generally, the employees in the Human Resources Department can only view information of employees who are within the scope of their responsibility; when they need to extend the authorization on information of employees due to work, they need to pass the relevant examination and obtain the approval of the superior leader to obtain the relevant permission. We effectively protect employees' information and privacy in terms of system construction.

# Talent Occupational Development

Midea Real Estate is committed to providing smooth career development channels for all employees. In accordance with the law of talent growth, upholding the concept of "Achieve Success with Talents, Accomplish Talents with Careers", we actively respond to the call of the country on talent cultivation. We continue to deepen and improve the talent training system in combination with online and offline training methods, broaden career development channels for employees, and strive to achieve the common growth of employees and the enterprise.

## Employee Training

Based on the full understanding of growth needs of different employees, we have developed employee training systems covering middle and high-level talents, front-line high-potential talents and new employees to promote different employees to grow. In 2022, based on *Midea Real Estate Measures for Training Management*, we further improved the training system, strengthened the management of trainers and courses, and continuously lifted the quality of training.

### Diverse training contents

Training plan	Target group	Training positioning	Training courses (form)
Growth Plan	Comprehensive graduates	Improve the adaptability of new employees, and improve the executive ability of employees	Growth Training Camp (face-to-face lectures and interactions)
Enhancement Plan	Marketing graduates	Cultivate front-line marketing elites, and improve marketing capabilities of employees	Enhancement Onboarding Training Camp
High-Potential Seed Plan	Selected top 30% of outstanding past graduates	Create the backbone force that redefines the future of Midea Real Estate according to the trainees' development stages and the management quality model	High-potential Seed Training Camp: advance in a two-year cycle; focus on the four directions of cross-border thinking, management logic, sense of business and professional promotion; invite excellent internal and external think tanks to give lectures.
Marketing Blue Force Plan	Marketing operator	Cover all the operators of the Group (the persons in charge of project marketing), and improve the marketing strategy, innovative marketing and marketing management ability of the operators as a whole.	Operator Camp: In 2022, a total of three sessions were held, including "three forces", "new media operation" and other special trainings.

### High-potential Seed Plan in 2022

In March 2022, we launched the High-potential Seed Plan, organized 7 MBA courses training, and assisted the High-potential Seed Plan students to broaden their horizons and improve their business management capabilities through the combination of online live classes and offline centralized training. We continued to provide targeted high-quality training, open and fair workplace competition opportunities and a broader development platform to young high-potential outstanding graduates with passion and dreams.



High-potential Seed Plan Training Site

## Growth Plan and Enhancement Plan in 2022

In July 2022, Midea Real Estate organized a seven-day large-scale centralized training for all the comprehensive and marketing graduates of 2022, with the training theme of "Advance towards a Beautiful Future with Midea". By setting up systematic training courses such as team integration, industry insights, enterprise cognition and professional skills, we can cultivate core back-up forces that highly identify with the corporate culture of Midea Real Estate, have potential for long-term career planning and development, and can accompany the Company for common development, so as to build new forces that grow together with Midea Real Estate and make contributions heart and soul.



Growth Plan and Enhancement Plan Training Site

## Marketing Blue Force Plan in 2022

In 2022, we have organized three types of training for different types of employees in order to improve professional capabilities of our marketing staff and ensure the effective implementation of marketing activities:

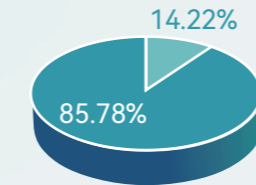
- ① **Marketing operators:** We have conducted 3 training camps for all the marketing executives of our projects, aiming to enhance their capacities in marketing strategies, innovative marketing and marketing management;
- ② **Marketing system employees:** We organized a special training on "Good Products Speak" three forces (marketing, product and service), and conducted systematic training on the latest research and development achievements, professional technology, management system and service system of products, engineering, customer service and property management. Besides, we focus on the construction of core values system and the upgrading and maintenance of future system capabilities, and take customers as the root, products as the basis, services as the foundation, and marketing as the wing, to build a customer-oriented development value chain management system driven by lean management.
- ③ **Front-line employees of marketing planning:** We carry out the special training on "New Media Operation" of "Smart Creation Camp for Traffic", systematically train new media marketing general knowledge and professional skills through 21 courses, support for innovative marketing, and encourage the construction of diversified online channels.



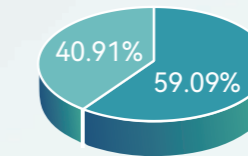
Marketing Blue Force Plan Training Site

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

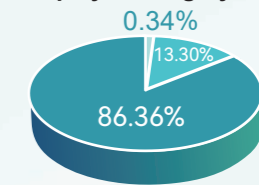
Percentage of employees trained in 2022



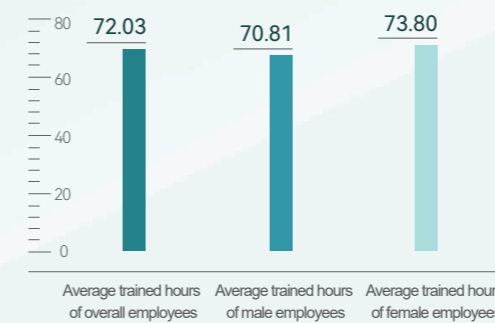
Percentage of employees trained by gender in 2022



Percentage of employees trained and employee category in 2022



Average trained hours of employees in 2022 (by gender) (in hours)



Average trained hours of employees in 2022 (by employee category) (in hours)



## Development and Promotion

Ensuring the fairness of employee promotion is an important factor for the stable development of an enterprise. In 2022, we continued to push forward the G-grade development channels, simultaneously matched and improved the personnel and post settings, performance incentives and talent development mechanisms, and clarified the bottom line, professional and ability requirements for positions at all levels, promoted high-performance professionals, and advocated unremitting business improvement. Meanwhile, we formed a promotion mechanism with more specific requirements and a clearer bottom line to select the best and ensure a smoother development path for employees with achievements and abilities.

## Occupational Health of Employees

We strictly comply with the *Law of People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, and carry out occupational health and safety work at all functions, levels and links. We invite external professional institutes to provide employees with a variety of consultation services, and purchase additional commercial insurance for all employees to ensure their personal and property safety.

We invited Heyou Meihe Hospital to carry out "Heyou public service" activities. A total of five doctors and experts were invited to carry out two exclusive consultation activities, which covered cardiovascularology, gynecology, general practice, and traditional Chinese medicine. They mainly provided free consultation for the common symptoms of employees during work, so that employees could effectively understand their physical conditions and rehabilitation methods to promote their health. The activities were warmly received and widely recognized by employees.



Poster of Exclusive Free Consultation for Midea Real Estate

To protect employees' health, we purchase group commercial insurance for all employees every year. Employees' family members can also enjoy the Company's group purchase discount. We provide employees and their families with more adequate medical and health protection, intending to reduce the employees' economic pressure caused by health problems. At the same time, we arrange a physical examination for all employees every year to ensure that health problems can be found as early as possible and be treated in time.

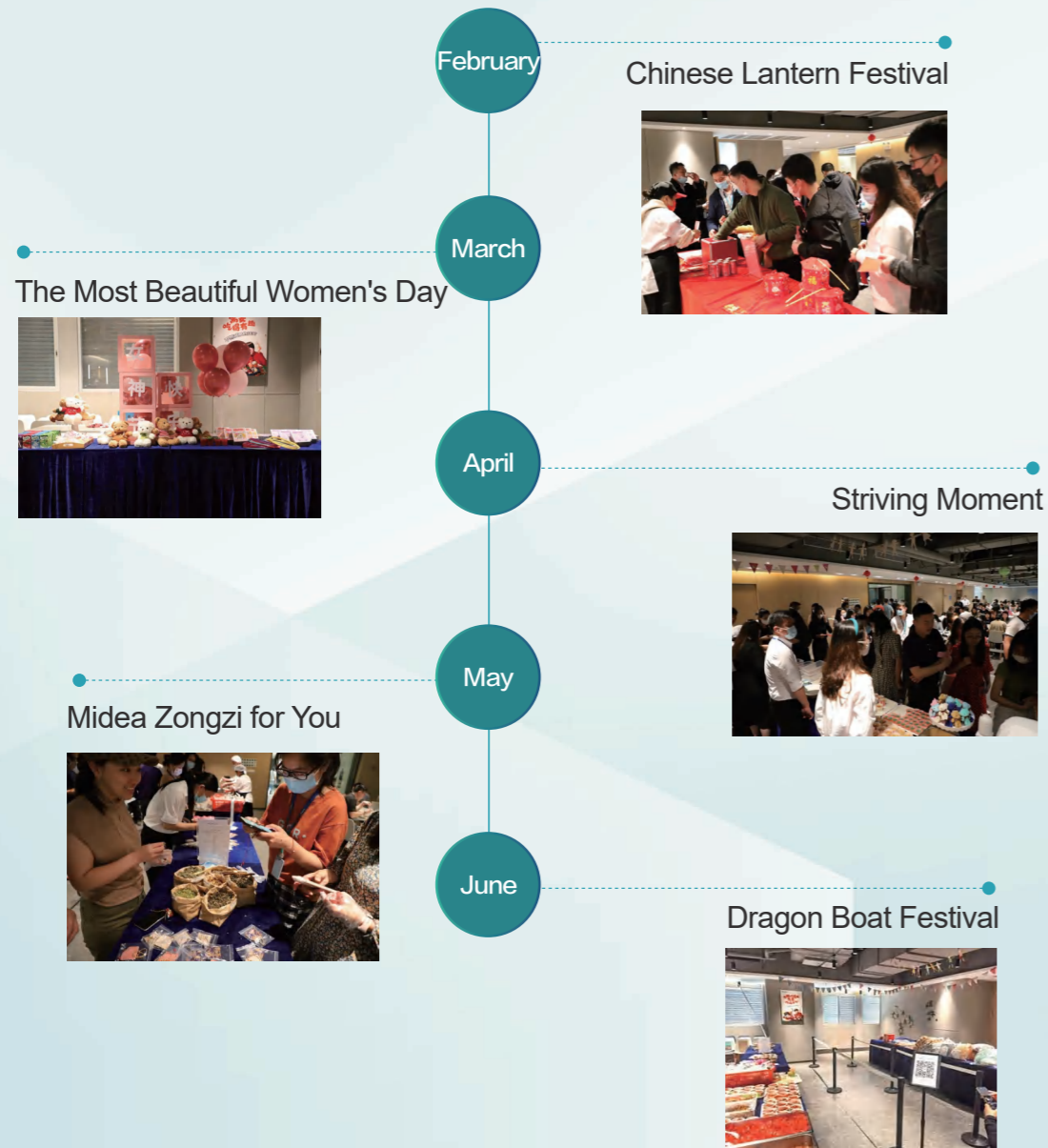
## Employee Care

Midea Real Estate sincerely and earnestly cares about our employees, and firmly shares the rewards of long-termism development with our employees. In 2022, we provided employees with a variety of employee care activities to let them feel the homelike warmth in Midea Real Estate.

### Daily Care Activities

We organize corresponding festival activities at the staff canteen every month. By gathering the employees regularly to jointly enjoy pleasant and satisfying festival hours, a positive and happy working atmosphere is created for the employees so that they feel happy and satisfied in Midea Real Estate and thus can work more positively and achieve their own values.

#### Festival Care Activities for Employees



We founded many sports clubs such as soccer, basketball, badminton club. The training and contests are regularly organized to enrich the daily leisure life of our employees and encourage employees to exercise, making them get more contact with like-minded colleagues and extend their social circles.

#### Special Care Actions for Strivers

In terms of expatriate employees, we have a sufficient understanding of the expatriate employees' inconvenience and difficulties due to their instable work places, so we meet their urgent needs like housing, moving and express, solving the problem of increasing living costs arising from expatriation to show Midea Real Estate's support and care for their job, career and lives.



Special Care Actions for Strivers

## Special Care Activities

We irregularly carry out special care activities to help employees maintain a full balance between work and life.

### Let's Watch a Movie on Women's Day

On 8 March 2022, we organized a film-watching activity for female employees. On that day, Midea Real Estate gave female employees flowers and small gifts, arranged them to watch the film called Nice View to spend a fulfilling and special Women's Day together.



Activity for Women's Day

### Spring Outing on Tomb Sweeping Day

China has had a custom of the spring outing on Tomb Sweeping Day down the ages. On Tomb Sweeping Day, we organized an outdoor hiking activity on Shun-feng Mountain, enabling employees to feel the spring while exercising and to work and live better with a refreshed mind. We played a knowledge quiz and group competition game during hiking to enhance the cohesion of the employees.



Spring Outing

### Make Friends with Outsiders to Expand Social Circle

We arranged activities for employees to learn from the fellows of Bank of China Shunde branch and draw on work experience mutually. Meanwhile, we conducted a variety of friendship activities, such as outdoor cosplay of Counter Strike, immersive patriotic murder mystery game, and topics discussion, to integrate education with leisure and widen the knowledge and social circles of our employees.



Fellowship Activity

### Jointly Learn the Essence of the 20th National Congress of the Communist Party of China

We organized the employees to watch a patriotic film, *The End of the Sea is a Prairie* on the eve of the 20th National Congress of the Communist Party of China. The movie shows the great love of human in the world at that era through depicting strong and unyielding wills and strong passion for the land at hard times so as to inspire the employees' love for China and the Communist Party of China.



Film Watching Activity for CPC Founding Anniversary



## Community Engagement

Dedication to Social Service of the Community

Boosting Education Development

Consolidating Rural Revitalization



# Introduction

## Challenges

The renovation of old urban residential areas has been included in the Government Work Report for five consecutive years since 2018 as China speeds up urban construction, but weak spots in public health, community services and infrastructure, have to be settled urgently. Real estate industry plays a significant role in the comprehensive renovation of old residential areas, and often faces challenges such as limited space for operation and great difficulties in innovation in the process of vigorously advancing the renovation. As a responsible real estate enterprise, Midea Real Estate continues to participate in community co-construction and contribute to the improvement of people's livelihoods and cities' images.

## Main actions

- © Conduct the "Midea Revitalisation Action" to revitalize old residential communities
- © Reach strategic cooperation and focus on the all-round development of children living in the communities
- © Adhere to the normalized pandemic prevention and control, and strive to safeguard the safety and health of the communities
- © Consolidate the results of rural revitalization and explore mutual aid models for the elderly in rural communities

## KPIs

Total amount of public service and charity: **RMB 26,315.2 thousand**

Participants of public service and charity: **855 people**



# Dedication to Social Service of the Community

In 2022, we actively advanced the co-creation program of public service for the community "Midea Revitalisation Action" to make the community more comfortable for residents from all aspects. By introducing automated external defibrillators ("AED") and professional first aiders into communities for health and public service activities and cooperating with local governments to ensure protection against the pandemic, we protected residents' health on all fronts.

## © Midea Revitalisation Action

### Community Renovation

Midea Real Estate attaches great importance to the life experience of owners. We believe that communities are vibrant because of the wonderful life, and a good community should not only keep growing and maintain vitality but also be able to constantly upgrade itself. With our imagination and reflections on pleasant lifestyles, we carried out smart transformation and upgrading with a focus on community entry, public green space, underground garages, and activity space based on the fundamentals of community services and launched the co-creation program of public service for the community "Midea Revitalisation Action". Through seminars featuring tea party, brainstorming meetings and other diversified activities, we invited owners to become the new protagonists of community renovation, participate in the product design stage, and work together to grasp the details of a pleasant life, so as to improve the comfort of owners in the community.

We also invited owners to be "Community Responsible Officers" and investigate their communities and pay field visits to improvement areas such as the amusement park, basketball field, corridors, and parking lots. We carefully give ear to owners' opinions and suggestions and put forward accurate and focused upgrading measures and improvement plans.



In 2022, the Midea Revitalisation Action has covered over 130 communities in 42 cities. We held a total of 9 on-site brainstorming meetings, collected 3,850 pieces of opinions from owners, implemented more than 550 items, and input public service funds totaling RMB25,544 thousand. We effectively improved a large number of sidewalks and vehicle routing, renovated multiple risk points, and added entertainment facilities.

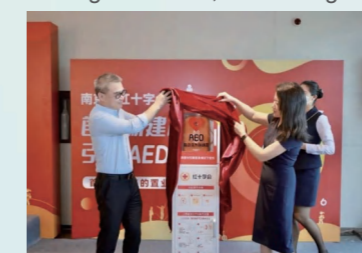


## © Safeguarding community health

### The First Real Estate Enterprise to Introduce AED into Community

According to a report released by the National Centre for Cardiovascular Diseases, it is estimated that 544 thousand sudden cardiac deaths occur annually in China and 90% of them happen outside the hospital. In the event of cardiac arrest, defibrillation with an AED within the "golden four minutes" can significantly increase patients' chance of survival. As the living space, the community should also consider people's health and safety demands.

In June 2022, Nanjing Midea-Jinmao Greenfields project held an initiation ceremony for the project of AED introduction and first aid training for everyone. As the first real estate enterprise to introduce AED into communities, Midea Real Estate allocated AEDs to communities in 11 cities successively such as Wuxi and Xuzhou, and under the guidance of the local red cross societies, provided public service training for property management staff on emergency rescue, with a focus on teaching common emergency rescue methods such as cardiopulmonary resuscitation, use of AED, and Heimlich Maneuver. Midea Real Estate is dedicated to building safe communities that integrate first-aid equipment, licensed rescuers, and popularization of knowledge of first aid, and making "safe" another label of Midea Real Estate.



## Community Health and Public Service Activities

In July 2022, the community health and public service activity themed "Guard Your Health with Heyou", jointly launched by Midea Real Estate and Heyou International Hospital, was kicked off at Junlan community in Shunde, Foshan. This activity was conducted in relays among ten projects in Guangzhou and Foshan, in which we conducted a series of activities, such as introducing high-end medical resources into communities, organizing free medical consultations by famous doctors, and conducting public service training of first aid, implemented the first line of defense for disease prevention and chronic disease management, and strengthened health culture construction and service support for communities.



## © Sustaining support for pandemic prevention and control

### Sustaining Support for Pandemic Prevention and Control

In the face of the recurrence of the pandemic, Midea Real Estate has been constantly improving our services. Under the circumstance of closed community management, we took pandemic prevention measures such as disinfection within communities and organizing nucleic acid tests, distributed vegetables, and assisted owners in purchasing supplies. With these efforts, we helped to guarantee the basic living demands of the residents in the communities and effectively solve the "vegetable basket" problem for owners.



## Boosting Education Development

A nation will be strong only when its young people are strong and a nation will make progress only when its younger generations make progress. In 2022, Midea Real Estate signed a strategic cooperation agreement with New Oriental and rolled out a wide range of community activities to promote the prosperous development of educational and cultural undertakings.

## Midea Real Estate Signed a Strategic Cooperation Agreement with New Oriental and Actively Responds to the "Strategy for Invigorating China through Science and Education"

The quality of children and adolescents is an important foundation for a country's competitiveness. Meanwhile, scientific literacy is an important part of the comprehensive quality of children and adolescents. In order to respond to the national "Strategy for Invigorating China through Science and Education" and "Making China Strong in Science and Technology", in June 2022, the Regional Company of Shanghai, Jiangsu and Anhui of Midea Real Estate signed a strategic cooperation agreement with New Oriental to carry out in-depth cooperation with New Oriental in respect of the popularization of science among children and adolescents, development of smart technology courses, and co-creation of smart communities, advance the introduction of science and technology learning into the communities, and improve the scientific literacy of children and adolescents.



At the teaching site of the Phase 1 course of Smart Home -- Little Scientists, the New Oriental team, based on the rich intelligent scenarios of communities of Midea Real Estate, popularized such technologies as the IoT and AI to children and adolescents in the communities, to fuel their curiosity. In the future, while providing owners with smart and high-quality services, Midea Real Estate will work with the New Oriental to improve the scientific literacy of children and adolescents and further widen their horizons.

## Education through Entertainment and Various Rich Activities

- **Traditional culture:** During the Spring Festival, Chinese Lantern Festival, Mid-Autumn Festival, and other traditional festivals, we conducted traditional calligraphy and painting, cuisine, Chinese folk art, and folklore activities for children and adolescents, so that they could appreciate the traditional culture through perceptual learning and hands-on activities.
- **Safety education:** Centering on emergency safety education, we organized professional third parties to carry out professional training activities in the communities, such as firefighting learning, cardiopulmonary resuscitation, drowning prevention, and protection against lightning and electrical shocks, so as to raise their safety awareness from an early age and help them understand and master accident prevention and emergency self-rescue measures.
- **Outdoor sports:** Our basketball, swimming, table tennis, rope jumping, and other sports events have been booming in the communities all over the country, motivating young participants to enjoy sports, life and health.
- **Art creation:** We carried out amazing graffiti activities in a number of communities. Our employees and these little owners jointly decorated the communities with arts that favored by children, to inspire the little owners.

**Environmental awareness:** Earth is the common homeland of humanity. We guided our little owners to find the answer to zero-carbon communities with practical actions. Led by their family members, children in the communities participated in our green and environmental protection activities such as waste sorting, Arbor Day, and spring outings. Based on these activities, we help children raise their awareness of environmental protection and protecting the earth.

## Consolidating Rural Revitalization

Early in 2018, Midea Real Estate established a public service foundation with the theme of "rural revitalization" -- Shaoguan Rural Revitalization Foundation. Since its inception, the foundation has been engaged in the three modules of rural construction, charity, and community & industry. At present, the foundation has accumulatively rolled out five rural revitalization projects for whole-village development and fostered three rural self-organizations. In the meanwhile, it has held five big meetings and exchange activities, conducted nearly 70 community activities, and accumulatively advanced the construction of 77 rural projects that have benefited over 30 thousand people. Different villages in these projects have been successively awarded "Top Ten Villages with Precious Ancient Trees in Guangdong Province" and shortlisted in the "Ten Most Beautiful Villages in Guangdong".

## KPIs

Rural revitalization projects for whole-village development **5**  
 People benefiting from rural engineering construction projects **30 thousand**

### Awakening the Rural Power to Jointly Create a Beautiful Xinlong Village

Through Shaoguan Rural Revitalization Foundation, Midea Real Estate proactively participated in targeted poverty alleviation in Shaoguan, Guangdong. Xinlong Village, situated nearby to Mount Danxia in Shaoguan, is one of the examples of the Company's in-depth engagement in rural revitalization. In the modernization progress of Xinlong Village, the foundation assisted in the village renovation and resources integration, caring about the growth of the children in the village, living environment optimization, and improvement of the villagers' sense of recognition, belonging, and pride for the land.

#### • Renovating the village

Midea Real Estate believes that the local culture is an indispensable spiritual essence and a sense of identity for rural lives. In the design stage, our team systematically investigated and sorted out the rural resources and culture of Xinlong Village and optimized the existing space according to the local conditions through a series of methods like building rural courtyards with shorter walls and ideal simple structure, integrating the philosophy of friendly neighborhood with spatial aesthetics, and bringing people closer together.



#### • Awakening cultural identity

Villagers are protagonists of rural revitalization. With respect and an open mind, the foundation has been constantly motivating the enthusiasm of villagers to participate in rural construction. In the courtyard renovation of Xinlong Village, villagers gradually participated in and took the initiative to learn from and discuss with the design team, and drew up plans jointly with the design team. Finally, they transformed the traditional mud-brick houses into beautiful courtyards that could protect the natural environment and local culture, and successfully built a group of beautiful courtyards such as "fat man's feast", "green date courtyard", and "family with an ancient well".



#### • Caring for children's growth

Educational resources for rural children have always been a concern of people from all walks of life. The foundation actively recruits warm-hearted literate and artist volunteers to join the rural art ensemble of Xinlong Village, so as to provide diversified educational support for the children. Volunteers present a variety of cultural and art lessons to the children in the village every week, to improve their aesthetic quality, and boost their self-awareness.



### Pooling the Wisdom of All Parties to Explore Mutual-Aid Care for the Elderly in Rural Communities

In response to the campaign "Targeted Assistance of Enterprises for Towns and Villages" proposed on the Guangdong Poverty Alleviation Day, social organizations, led by the Tencent Charity Foundation, the People's Government of Shaoguan, and Shaoguan Rural Revitalization Foundation, initiated the "Tencent Love and Support for Village and Town Development" project, which gave full play to the charity resources and function of public service platforms, explored integrated solutions to rural revitalization from multiple dimensions such as technology-based care for the elderly, mutual-aid care of the elderly, and insurance protection, and aimed to create a base for social innovation practice of the third distribution in Shaoguan.



The "Sustainable Development Project of Mutual-aid Care for the Elderly in Rural Communities" is a vital part of the "Tencent Love and Support for Village and Town Development" project. The Shaoguan Rural Revitalization Foundation provides local coordination services and relevant service transformation for the elderly. The project plans to take three years to explore a sustainable care model featuring independent rural production and mutual aid in life that connects government guidance, social engagement, neighborhood support, and linkage of social organizations. Meanwhile, we will explore a rural revitalization model that can integrate the advantages of all social organizations and develop greater collective influence.



## Appendix

List of ESG Policies  
 ESG KPIs  
 ESG Index

# List of ESG Policies

ESG Index	Applicable Laws and Regulations	Internal Policy of 2022
<b>A1 Emissions</b>	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	Waste Management Measures
	Law of the People's Republic of China on Prevention and Control of Water Pollution	Measures for Management of Flying Dust on Construction Site
	Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste	
<b>A2 Use of Resources</b>	Law of the People's Republic of China on Energy Conservation	Energy Management Measures
<b>A3 Environment and Natural Resources</b>	Environmental Protection Law of the People's Republic of China	Energy Management Measures
	Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution	
	Green Community Initiative Program (City Construction [2020] No. 68)	
<b>A4 Climate change</b>	Low-carbon Community Pilot Construction Guidelines (Development and Reform Office for Climate [2015] No. 362)	Energy Management Measures
		Community Low-carbon Convention
		Guidelines for Energy Saving and Consumption Reduction of Midea's Commercial Projects in Operation
		Control and Management of Concrete Quality
		Control and Management of PC Production Process
<b>B1 Employment</b>	Civil Code of the People's Republic of China	Measures for Personnel Management
	Labour Law of the People's Republic of China	Measures for Recruitment Management
	Labor Contract Law of the People's Republic of China	Measures for Management of Internal Competition for Posts
	Law of the People's Republic of China on Promotion of Employment	Notice on Standardizing the Public Competitive Recruitment and Selection of Cadres of Midea Real Estate Group
	Social Insurance Law of the People's Republic of China	
	Provisions on Minimum Wages	Measures for Benefit Management
		Measures for Performance Management
		Measures for Management of Cadres
		Measures for Management of Interns
		Measures for Management of Graduates
<b>B2 Health and Safety</b>	Labour Law of the People's Republic of China	Measures for Safety System Establishment and Implementation(Trial)
	Law of the People's Republic of China on Prevention and Control of Occupational Diseases	Management Measures for Work Safety Responsibility System (Trial)
	Law of the People's Republic of China on Work Safety	Measures for Work Safety Risk Classification and Control
	Fire Protection Law of the People's Republic of China	Measures for Hidden Danger Identification and Control
	Emergency Response Law of the People's Republic of China	Unified Standard Practices of Safety Civilisation
	Regulations on the Safety Management of Hazardous Chemicals	Measures for Work Safety Accident and Work-related Injury Management (Trial)
	Regulation on the Reporting, Investigation and Handling of Work Safety Accidents	Measures for Electricity Safety Management (Trial)

ESG Index	Applicable Laws and Regulations	Internal Policy of 2022
<b>B2 Health and Safety</b>	Interim Provisions on the Troubleshooting and Governance of Work Safety Accidents	Measures for Hazardous Operation Management (Trial)
	Work-related Injury Insurance Regulations	Measures for Confined Work Space Management (Trial)
	Provisions on Management of Occupational Health in Workplace	Measures for Special Operation Personnel Management (Trial)
	Classification and Catalogue of Occupational Diseases	Measures for the Safety Management of Hazardous Chemicals (Trial)
		Measures for Project Quality and Safety Switch-out
		Measures for Fire Safety Management
		Measures for Security Management (Trial)
		Management Measures for Occupational Disease Prevention and Control
		Guidance for Employee Information Security
		Management Measures for Civil Engineering Assessment
		Management Measures for Engineering Quality and Safety Assessment of Projects
		Guidelines for Delivery Assessment
		Management Measures for Delivery Assessment
<b>B3 Development and Training</b>	---	Midea Real Estate Measures for Training Management
<b>B4 Labour Standards</b>	Labour Law of the People's Republic of China	Measures for Recruitment Management
	Provisions on Prohibition of Child Labour	Anti-Corruption Practices
	Law of the People's Republic of China on the Protection of Minors	
<b>B5 Supply Chain Management</b>	Construction Law of the People's Republic of China (Amended in 2019)	Measures for Bidding Management
	Law of the People's Republic of China on Bid Invitation and Bidding	Measures for Supplier Management
	Regulation on the Implementation of the Law of the People's Republic of China on Bid Invitation and Bidding (Amended in 2019)	Measures for Blacklist Management
	Government Procurement Law of the People's Republic of China	Integrity Agreement (for Suppliers)
	Civil Code of the People's Republic of China	Management Measures for Materials Company
		Management Measures for Centralized Procurement
		Operation Guidance on Management of Engineering Contract Performance
	Operation Guidance on Distribution of Centralised Procurement	
		Guidelines for Supplier Investigation
		Guidelines for Development of New Regional Suppliers
		Management Rules on Cooperation with Civil Engineering General Contractors
		Management Rules on Decoration Suppliers
		Rules on Implementation of Supplier Information Research
		Management Measures for Bidding and Procurement
		Guidelines for Bidding and Procurement of Cooperative

**ESG Index**

**Applicable Laws and Regulations**

**Internal Policy of 2022**

**B6 Product Responsibility**

Law of the People's Republic of China on Product Quality  
 Urban Real Estate Administration Law of the People's Republic of China  
 The Measures for the Management of Advance Sale of Urban Commercial Houses  
 Regulatory Measures on the Sale of Commercial Houses  
 Regulations on Quality Management of Construction Projects  
 Regulations on the Administration of Development and Operation of Urban Real Estate  
 Regulations on the Administration of Property  
 Advertisement Law of the People's Republic of China  
 Patent Law of the People's Republic of China  
 Copyright Law of the People's Republic of China  
 Trademark Law of the People's Republic of China  
 Law of the People's Republic of China on the Protection of Consumers' Rights and Interests  
 Cybersecurity Law of the People's Republic of China  
 Civil Code of the People's Republic of China  
 Personal Information Protection Law of the People's Republic of China  
 Provisions on the Administration of Mobile Internet Application Information Services  
 Provisions on Protecting the Personal Information of Telecommunications and Internet Users  
 Provisions on the Cyber Protection of Children's Personal Information  
 Standards for Planning and Design of Urban Residential Areas GB 50180-2018  
 Standards for Design of Intelligent Buildings GB 50314-2015  
 Standards for Evaluation of Green Buildings GB/T 50378-2019  
 Code for Design of Civil Buildings Thermal Engineering GB 50176-2016  
 Standards for Design of Energy Efficiency of Public Buildings GB 50189-2015  
 Standard for Evaluation of Green Renovation of Existing Buildings GB/T 51141-2015  
 Technical Specification for Waterproofing of Underground Construction GB 50108-2008  
 Standards for Basic Design of Building Foundation GB 50007-2011  
 Standards of Fire Prevention for Building Design GB 50016-2014 (2018)  
 Standards for Basic Design of Building Foundation (Standards of Guangdong Province) DBJ 15-31-2016  
 Standards for Design of Automatic Fire Alarm System GB 50116  
 Engineering Technical Standards for Safety Protection GB 50348  
 Unified Standards for Design of Engineering Structure Reliability GB 50153-2008  
 General Standards for Seismic Safety for Buildings and Municipal Projects GB 55002-2021  
 General Standards for Engineering Structure GB 55001-2021

Management System of Products Quality  
 Guideline System of Standardized Management  
 Management System of Quality Control on Design  
 Midea Real Estate Management System of Standardized Research and Development  
 Management Measures for Civil Engineering Assessment  
 Measures for Management of Project Quality and Safety Assessment  
 Management Measures for Delivery Assessment (2021)  
 Management System of Quality Control on Engineering Construction  
 Manual for Prevention and Control of Common Quality Problems in Construction Engineering  
 Management Measures for Construction Drawing Review of Midea Real Estate  
 Remac Intelligent Measures for Management of Project Standard Actions  
 Remac Intelligent Standards for Smart Community Construction Technology  
 Remac Intelligent Standards for Smart Home Construction Technology  
 Midea Real Estate Manual for Management of Energy Conservation Design of Residential Buildings  
 Midea Smart Home Batch Construction Manual  
 Meijia Smart Home Construction Process and Installation Standards  
 Midea Real Estate Guidelines for Green Building Design  
 Guidelines for Fine Decoration Engineering Management  
 Guidelines for Engineering Quality Enhancement  
 Guidelines for Post-evaluation of Engineering Quality  
 Operation Guidelines for Acceptance of Construction Procedure  
 Operation Guidelines for Actual Measurement of New Process  
 Guidelines for Delivery Assessment  
 Operations Management Manual  
 Measures for Management of Key Processes  
 Midea Property Management Group Guidelines for Service Operations  
 Guidelines for the Operation Management of Midea Commercial  
 Measures for Pre-investment Management and Control of Projects by Product Function  
 Midea Real Estate Group Guidance on Management of Product Inventory  
 Midea Real Estate Group Guidance on Drawing Management

**ESG Index**

**Applicable Laws and Regulations**

**Internal Policy of 2022**

**B6 Product Responsibility**

Standards for Classification of Seismic Fortification of Building Engineering GB 50223-2008  
 Unified Standards for Design of Building Structure Reliability GB 50068-2018  
 Code for Seismic Design of Buildings (2016) GB 50011-2010  
 Code for Load of Building Structures GB 50009-2012  
 Standards for Design of Concrete Structures (2015) GB 50010-2010  
 Technical Specification for Concrete Structures of Tall Buildings JGJ 3-2010  
 Standards for Engineering Construction of Concrete Structures GB 50666-2011

Guideline for Refined Design of Basement Structure  
 Midea Real Estate Guidance on Value Exploration of Underground Garages  
 Guidelines for Track Management Platform Management  
 Review Points of Demonstration Areas  
 Bottom Lines of Project Quality Control  
 Assessment Policy of Product Function in Delivery Area of Residential Projects  
 45 Bottom Lines of Commerce of Residential Complex  
 Operation Guidelines for Management of Approved Sample Material of Midea Real Estate  
 Guidelines for Customer Risk Pre-Control during Project Planning and Design  
 Guidelines for Customer Risk Pre-Control during Project Sales  
 Guidelines for Customer Risk Pre-Control during Project Construction  
 Guidelines for Customer Risk Pre-Control during Project Delivery  
 Guidance on Management of Project Sites Opening and Delivering  
 Operation Guidance on Management of Simulation of Acceptance  
 Operation Guidance on Management of Engineering Maintenance  
 Operation Guidance on Management of Complaint Handling  
 Operation Guidance on Management of Three-level Customer Relationship System  
 Operation Guidance on Customer Service System Management  
 Operation Guidance on Management of Customer Service Quality Enhancement  
 Operation Guidance on Management of Customer Experience Day  
 Operation Guidance on Management of 400 Call Center  
 Operation Guidance on Digital Management of Customer Relations  
 Customer Service Management Procedures  
 Research and Development of Space Greening Standardized Module  
 Manual for Design of Kindergartens  
 Research and Development of Low-Density Residential Business  
 Landscape Exploration of Super Oxygen Community  
 Manual of Intelligent Community Design  
 Measures for Copyright Management  
 Measures for Patent Management  
 Measures for Management of R&D Projects  
 Rules on the Implementation of Measures for Patent Management  
 Operation Guidance on the Intellectual Property System

## ESG Index

## Applicable Laws and Regulations

## Internal Policy of 2022

### B6 Product Responsibility

Guidance on Application for Copyrights  
 Reward and Punishment Measures for Information Security  
 Operation Guidance on Employees Information Safety  
 Overall Policy on Information Security Management  
 Information Security Management Specification  
 Midea Real Estate Privacy Protection Policy  
 IT System Data Export Application Process  
 Information Security Management Specification

### B7 Anti-corruption

Company Law of the People's Republic of China  
 Anti-Money Laundering Law of the People's Republic of China  
 Law of the People's Republic of China Against Unfair Competition (2019 Amendment)  
 Interim Provisions on Banning Commercial Bribery  
 Anti-Monopoly Law of the People's Republic of China  
 Law of the People's Republic of China on Bid Invitation and Bidding  
 Civil Code of the People's Republic of China

Measures for Management of Auditing and Supervision  
 Measures for Management of Reporting and Complaints  
 Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violation Information  
 Measures for Management of Submission of Major Lawsuits  
 Measures for Accountability Management  
 Anti-Corruption Practices  
 Integrity Agreement (for Suppliers)  
 Supervision Workflow and Guidance  
 Legal Risk Tips and Guidelines for Preventing Unfair Competition in Marketing Operations  
 Integrity Agreement (for Employees)  
 Operation Guidelines for Complaint Handling Management

### B8 Community Investment

Charity Law of the People's Republic of China

Guidelines for Responsible Branding  
 Volunteer Management Manual

# ESG KPIs<sup>1</sup>

ESG KPIs	Unit	Data of 2020	Data of 2021	Data of 2022
----------	------	--------------	--------------	--------------

## A Environmental

### A1 The types of emissions and respective emissions data

#### A1.1 The types of emissions and respective emissions data

Sulphur oxide emissions	Ton	/	/	/
Nitrogen oxide emissions	Ton	/	/	/
PM emissions	Ton	/	/	/

#### A1.2 Greenhouse gas emissions and density<sup>2</sup>

Greenhouse gas emissions	tCO <sub>2</sub> e	5,149.42	9,039.28	4,563.08
Scope 1 Greenhouse gas emissions	tCO <sub>2</sub> e	227.99	69.47	/
Scope 2 Greenhouse gas emissions	tCO <sub>2</sub> e	4,921.43	8,969.81	4,563.08
Greenhouse gas emission density <sup>3</sup>	tCO <sub>2</sub> e / revenue in RMB (million)	0.10	0.12	0.06

#### A1.3 Total amount and density of hazardous waste produced

Hazardous waste produced	kg	599.19	1,861.29	2,028.41
Mercury containing fluorescent lamp or energy-saving lamp tube	kg	/	/	71.21
Waste toner cartridges and cartridges	kg	/	/	594.63
Waste electronic and electrical equipment	kg	/	/	1,275.00
Battery	kg	/	/	87.57
Density of hazardous waste	kg / revenue in RMB (million)	0.01	0.03	0.03

#### A1.4 Total amount and density of non-hazardous waste produced

Non-hazardous waste produced	Ton	847.71	1,434,480.06	1,029,425.83
Density of non-hazardous waste	Ton / revenue in RMB (million)	0.016	19.46	13.98

1. The performance data of 2020 and 2021 are extracted from the Environmental, Social and Governance Report released for the corresponding years. Among them, the environmental data for 2020 covers the administrative data of 55 units, that for 2021 covers the administrative data of 155 units and partial operational data, and that for 2022 covers the administrative data of 136 units and partial operational data.

2. The range of greenhouse gas statistics is carbon dioxide. For the calculation of greenhouse gas emissions, we refer to the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises* prepared by the National Development and Reform Commission. In 2022, Midea Real Estate did not produce any emissions of greenhouse gases in Scope 1 generated by natural gas, gasoline and diesel combustion, and the emissions of greenhouse gases in Scope 2 are the emissions generated by purchased power and heat. The emission factor of purchased electricity refers to 0.5703 tCO<sub>2</sub>/MW·h in the *Notice on the Management of Greenhouse Gas Emission Report of Power Generation Enterprises from 2023 to 2025* issued by the Ministry of Ecology and Environment on 7 February 2023. The emission factor of purchased heat refers to the default value of 0.11tCO<sub>2</sub>/GJ listed in the *Greenhouse Gas Accounting Guidelines for Public Building Operation* prepared by the National Development and Reform Commission.

3. The density and intensity indicators involved in this report are calculated with the revenue in RMB (million) as the denominator, and the following table adopts the same calculating method.

ESG KPIs	Unit	Data of 2020	Data of 2021	Data of 2022
----------	------	--------------	--------------	--------------

## A2 Use of Resources

### A2.1 Total direct and indirect energy consumption and density classified by type

Direct consumption <sup>4</sup>	kW·h in '000s	1,041.84	317.46	/
Gasoline	Liter	/	/	/
Diesel oil	Liter	/	/	/
Natural gas	m <sup>3</sup>	105,445.32	32,130.00	/
Indirect consumption	kW·h in '000s	5,694.59	15,481.64	8,008.46
Purchased power	kW·h in '000s	5,694.59	15,346.21	7,984.69
Purchased heat <sup>5</sup>	GJ	/	487.84	85.58
Energy consumption in total	kW·h in '000s	6,736.43	15,799.10	8,008.46
Density of energy consumption	kW·h in'000s / revenue in RMB (million)	0.13	0.21	0.11

### A2.2 Water consumption in total and density

Water consumption in total	m <sup>3</sup>	49,117.00	13,726,696.25	9,727,545.56
Density of water consumption	m <sup>3</sup> / revenue in RMB(million)	0.94	186.24	132.11

4. Refer to the *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020) for the conversion coefficient between various energies.

5. The source of purchased heat was central heating, and the energy consumption was calculated according to CJJ/T 34-2022 *Standard for Design of Urban Heating Network* (since the average temperature of the heating period in 2022 can not be calculated, it was estimated to be the same as the calculated outdoor temperature)

ESG KPIs	Unit	Data of 2020	Data of 2021	Data of 2022
----------	------	--------------	--------------	--------------

## B Social

### B1 Employment

#### B1.1 Total workforce by gender, employment type, age group and geographical region

Total number of employees	Person	15,252	14,908	11,159	
Gender	Male	Person	9,340	8,909	6,726
	Female	Person	5,912	5,999	4,433
Employment type	Full-time	Person	/	14,908	11,159
	Part-time	Person	/	0	0
Age group	Aged 29 and below	Person	6,737	6,242	4,326
	Aged 30-49	Person	8,299	8,398	6,585
	Aged 50 and above	Person	216	268	248
Geographical region	Chinese Mainland	Person	15,243	14,896	11,150
	China's Hong Kong, Macao and Taiwan regions and overseas	Person	9	12	9

#### B1.2 Employee turnover by gender, age group and geographical region<sup>6</sup>

Employee turnover	%	/	32.00	34.6	
Gender	Male	%	/	33.1	34.4
	Female	%	/	30.3	34.9
Age group	Aged 29 and below	%	/	30.4	38.8
	Aged 30-49	%	/	33.9	32.1
	Aged 50 and above	%	/	7.1	25.8
Geographical region	Chinese Mainland	%	/	32.0	34.6
	China's Hong Kong, Macao and Taiwan regions and overseas	%	/	16.7	33.3

6. Employee turnover = Number of employees leaving during the reporting period / Total workforce as at the end of the reporting period \*100%, Employee turnover rate of a category = Number of employees leaving of the category during the reporting period / Total workforce of the category as at the end of the reporting period \*100%.

ESG KPIs	Unit	Data of 2020	Data of 2021	Data of 2022
----------	------	--------------	--------------	--------------

## B2 Health and Safety

### B2.1 Number and rate of work-related fatalities occurred in each of the past three years

Number of work-related fatalities <sup>7</sup>	Person	0	1	0
Rate of work-related fatalities <sup>8</sup>	%	0	0.007	0

### B2.2 Lost days due to work injury

Total lost days due to work injury <sup>9</sup>	Day	1,546	2,125	3,331
---	-----	-------	-------	-------

## B3 Development and Training

### B3.1 Percentage of trained employees by gender and employee category<sup>10</sup>

Total employees trained	Person	/	9,167	9,572
Percentage of employees trained	%	/	61.49	85.78
Gender				
Male	%	63.05	59.25	59.09
Female	%	36.95	40.75	40.91
Employee category				
Senior management	%	0.08	1.59	0.34
Middle management	%	7.96	15.86	13.30
Grassroots	%	91.96	82.55	86.36

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

8. Ratio of work-related fatalities = number of work-related deaths during the reporting period / total number of employees as at the end of the reporting period \*100%.

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

10. Percentage of trained employees = total number of trained employees / total number of employees \* 100%; Percentage of trained employees in a certain category = total number of trained employees in this category during the reporting period / total number of employees trained \*100%.

ESG KPIs	Unit	Data of 2020	Data of 2021	Data of 2022
----------	------	--------------	--------------	--------------

### B3.2 Average trained hours of each employee by gender and employee category<sup>11</sup>

Average trained hours of total workforce	Hour	59.84	59.44	72.03
Gender				
Male	Hour	66.53	61.80	70.81
Female	Hour	49.28	55.93	73.80
Employee category				
Senior management	Hour	22.48	28.72	41.92
Middle management	Hour	64.14	56.32	68.08
Grassroots	Hour	59.30	60.39	72.76
Total investment in training	RMB (ten thousand) /		1,163.00	853.14

## B5 Supply chain management

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

Total number of suppliers	Unit	8,849	6,410	6,338
Geographical region				
South China	Unit	1,257	947	1,029
East China	Unit	3,111	2,178	2,191
North China	Unit	1,900	1,376	1,344
Central China	Unit	705	568	623
Northeastern China	Unit	304	250	256
Southwest China	Unit	1,572	1,091	895

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



## B6 Product Responsibility

### B6.2 Number of products and service-related complaints received and coping methods<sup>12</sup>

Number of complaints	Unit	22,420	24,490	23,947
Complaint closed rate	%	/	99.44	99.42
Satisfaction rate of complaint handling	%	/	55.10	63.37
Overall satisfaction of customers	Score	/	86	87

## B7 Anti-corruption

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

Number of brought and concluded legal cases regarding corrupt practices	Case	3	4	0
---	------	---	---	---

### B7.3 Describe the anti-corruption training provided for directors and employees

Number of directors and employees participating in anti-corruption training	Person	/	/	1,580
Average anti-corruption training hours for directors and employees	Hour	/	/	1.53

## B8 Community Investment

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

Total public service investment	RMB(ten thousand)	417.39	1,760.58	2,631.52
Targeted poverty alleviation / Rural revitalization <sup>13</sup>	RMB(ten thousand)	260.24	19.24	12.00
Education	RMB(ten thousand)	/	1,633.38	10.00
Community	RMB(ten thousand)	33.85	33.33	2,593.04
Environmental protection	RMB(ten thousand)	2.30	0.75	9.03
Other volunteer activities	RMB(ten thousand)	121.00	65.18	7.45
Anti-pandemic	RMB(ten thousand)	/	8.7	/
Donation	RMB(ten thousand)	/	/	/
Number of employees participating in public service/volunteer activities	People	237	255	855

12. The number of complaints, complaint closed rate, complaint handling satisfaction rate and customer satisfaction data here are all data from the residential development sector.

13. Targeted poverty alleviation / Rural revitalization: Investment was used for targeted poverty alleviation in 2020 and rural revitalization in 2021 and 2022.

# ESG Index

## A. Environmental

Aspect A1: Emissions	General Disclosure	List of ESG Policies
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.  <i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i>	
A1.1	The types of emissions and respective emissions data.	ESG KPIs
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Office
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Construction
Aspect A2: Use of Resources	General Disclosure	List of ESG Policies
	Policies on the efficient use of resources, including energy, water and other raw materials.  <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc</i>	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Office
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Office
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources	General Disclosure	List of ESG Policies
	Policies on minimising the issuer's significant impacts on the environment and natural resources.  Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
A3.1		Energy Reservation and Consumption Reduction for "Dual Carbon" Goals
Aspect A4: Climate change	General Disclosure	Climate Change
	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.  Description of the significant climate-related issues which have impacted, and may impact, the issuer, and the actions taken to manage them.	
A4.1		Climate Change

## B. Social

<b>Aspect B1: Employment</b>	<b>General Disclosure</b>	Protection of Employees' Rights and Interests
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	ESG KPIs
B1.2 Employee turnover by gender, age group and geographical region	ESG KPIs	
<b>Aspect B2: Health and Safety</b>	<b>General Disclosure</b>	Occupational Health of Employees
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	
	B2.1 Number and rate of work-related fatalities in each of the past three years including the reporting year.	ESG KPIs
	B2.2 Lost days due to work injury.	ESG KPIs
B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health of Employees	
<b>Aspect B3: Development and Training</b>	<b>General Disclosure</b>	Talent Occupational Development
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG KPIs
B3.2 The average training hours completed per employee by gender and employee category.	ESG KPIs	
<b>Aspect B4: Labour Standards</b>	<b>General Disclosure</b>	Protection of Employees' Rights and Interests
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer  relating to preventing child and forced labour.	
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protection of Employees' Rights and Interests
B4.2 Description of steps taken to eliminate such practices when discovered.	Protection of Employees' Rights and Interests	
<b>Aspect B5: Supply Chain Management</b>	<b>General Disclosure</b>	List of ESG Policies
	Policies on managing environmental and social risks of the supply chain.	
	B5.1 Number of suppliers by geographical region.	ESG KPIs
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Corporate Governance Creating a Sustainable Supply Chain
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are operated and monitored.	Corporate Governance Creating a Sustainable Supply Chain
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Creating a Sustainable Supply Chain	

<b>Aspect B6: Product Responsibility</b>	<b>General Disclosure</b>	Strict Control of Product Quality
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2 Number of products and service related complaints received and how they are dealt with.	ESG KPIs
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance
B6.4 Description of quality assurance process and recall procedures.	Strict Control of Product Quality	
B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Providing High-quality Services	
<b>Aspect B7: Anti-corruption</b>	<b>General Disclosure</b>	Corporate Governance
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance ESG KPIs
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance
B7.3 Description of anti-corruption training provided to directors and staff.	Corporate Governance	
<b>Aspect B8: Community Investment</b>	<b>General Disclosure</b>	List of ESG Policies
	Policies on community engagement to understand the needs of the community where the issuer operates and to ensure its activities take into consideration the community's interests.	
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Dedication to Social Service of the Community
B8.2 Resources contributed (e.g. money or time) to the focus area.	ESG KPIs	