



# LOGAN

龙光集团

## LOGAN GROUP Company Limited

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3380)

## Environmental, Social and Governance Report 2022



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## ABOUT THE REPORT

Logan Group Company Limited (the “Company”, together with its subsidiaries, “Logan”, the “Group” and “We”, “Us”) is a leading town services operator in China who supports the national strategy in building an ecological civilization in Chinese society. The Group has spared no effort to fulfill corporate social responsibility in the past 27 years with a view to carving out the future and kindling hope. We are pleased to present the 7th Environmental, Social and Governance (“ESG”) Report (the “Report”) of Logan Group to illustrate our progress and achievements in sustainable development throughout 2022 and share our journey towards a more sustainable future with you.

### REPORTING SCOPE

This Report covers the ESG performance of the Group from 1 January 2022 to 31 December 2022 (the “Reporting Period”, or the “Year”). The Board has determined to report our core real estate business in Mainland China based on the revenue significance and geographical presence of our principal businesses.

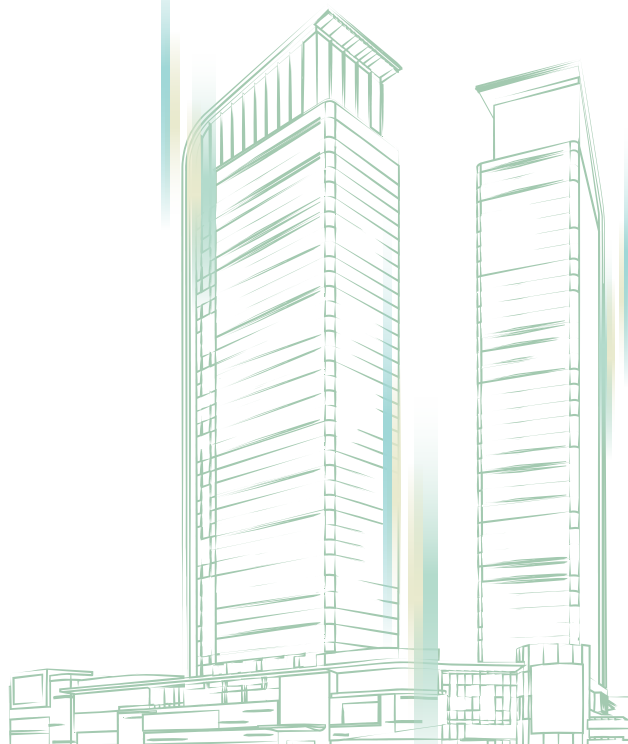
In order to better demonstrate the Group’s commitments and achievements in sustainable development, the reporting scope for the Year will continue to cover our businesses such as property development, development management, urban renewal, property operation, and related administrative work.

This Report includes information from the headquarters of the Group, its subsidiaries and other core operating units in China. For the full list of our major subsidiaries, please refer to the section headed “CORPORATE AND GROUP INFORMATION” of the 2022 annual report. Unless otherwise stated, the environmental data of our operations in the Hong Kong Special Administrative Region and overseas regions are not included in this Report, as they are considered immaterial to the Group as a whole.

### REPORTING STANDARDS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

We also disclosed measures and processes related to the goals in accordance with the United Nations Sustainability Development Goals.



## REPORTING PRINCIPLES

We have prepared and compiled this Report under the following four reporting principles:



### MATERIALITY

Based on our stakeholder engagement and materiality assessment, we have identified, prioritized and reported the issues that potentially have material impacts on Logan Group, or issues which Logan Group would directly or indirectly cause material impacts on the environment, society and stakeholders across all sectors. This Report, the preparation of which is based on the results of the materiality assessment, aims to provide meaningful and valuable information so that readers can better understand our commitments to the ESG performance.



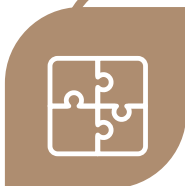
### QUANTITATIVE

In addition to measuring key performance indicators set out in the Environmental, Social and Governance Reporting Guide, we seek to present information about other aspects in a quantitative manner with accompanying explanations, which presents easily understood information and improves the readability of the Report. The standards adopted for data calculation, assumption or calculation tools used, and emission factors are all clearly explained in the section headed "STATISTICS SUMMARY".



### BALANCE

We strive to ensure an accurate and objective presentation of major ESG issues, and take into consideration the short-term and long-term impacts of related issues. As such, we outline the full impact of Logan Group in important aspects to enhance operating transparency and build trust.



### CONSISTENCY

We continue to ensure the reporting scope, reporting principles, data collection and calculation methods are consistent with those adopted in previous years, and disclose changes in the above standards to assist readers in making meaningful comparisons.

## APPROVAL BY THE BOARD

The information contained in this Report has been provided and reviewed by the senior management of the relevant departments and reviewed and approved by the Board of the Group in March 2023 so as to ensure that the contents of the Report accurately, timely and truly reflect the ESG performance of the Group.

## FEEDBACK

If readers have any questions or comments on this Report, please send us your feedback to [i.r@logan.com.cn](mailto:i.r@logan.com.cn).

# MESSAGE FROM THE BOARD

## MESSAGE FROM THE BOARD

In 2022, Logan Group adhered to its development philosophy of “Shaping Cities and Homes with Responsibility and Sincerity” by actively participating in the pandemic fight and disaster relief, and resolved to fulfill its corporate social responsibility, with the well-being of the public as its priority. By tapping into its corporate strength, the Company continued to improve its sustainability strategy by making progress in five areas, namely, the “business principles of sustainable development”, “employee care and growth”, “urban renewal and harmonization between human habitation and nature”, “environment protection and harmony”, and “community development and public welfare”. Logan Group is committed to achieving a new milestone in its sustainable development and fulfilling its sustainability commitment to “building a better life and an Evergreen Logan”.

As a promoter for Logan Group’s sustainability strategy, the Board of Directors attaches great importance to the implementation of sustainable development within the Group. The future ESG development direction includes:

- concentrating on reducing the overall carbon emissions of the business to address climate change
- investing in and supporting green finance and green bonds
- strengthening regulation, audit, and promotion of environmental protection, safety, and quality performance in the supply chain
- innovative, smart, and environmental buildings planning and designing

We continued to improve the level of sustainability governance within the Group, by demonstrating our determination to build a pleasing residential environment and take into consideration the requirements of the environment and stakeholders in every decision. Logan Group’s sustainability development earned high praise from the communities, which is evidenced by its receipt of numerous awards and certifications, and has effectively substantiated the Group’s stellar performance in philanthropy, environmental protection, construction quality, and corporate development. In 2022, Logan Group’s ESG rating was upgraded by MSCI from “BBB” to “A”, marking the third consecutive rating upgrade and putting the Group at the forefront of the real estate industry.

In terms of green building, despite facing industrial challenges in 2022, Logan Group continued to add a gross floor area of over 1.14 million square meters in green building development projects. Confronted by fierce market competition and uncertainties, Logan Group continued to focus on improving product competitiveness by understanding customer requirements, conducting extensive product research effort, and enhancing innovation capabilities. In 2022, the projects of Logan Group won a total of 25 international design awards, including the Gold Award by NDA Landscape Design, the Landscape Design Gold Award under TITAN Real Estate Awards, the Platinum Award under the MUSE Interior Design Awards, the London Design Awards Shortlist, the Best International Residential Projects by the Gold Nugget Award in the United States, the Golden Award for Complex Design by MUSE Design Awards, the GBE Real Estate Design Award, the Platinum Award under the MUSE Landscape Design Awards, and more.

In terms of service quality, we incorporated a wide range of technological applications, including the internet, big data, and smart technology, into our smart construction solutions and property management, and further upgraded the Monolith Cloud Engineering Quality Management System, attracting a total of 12,043 users. In addition, we promoted the Logan Treasury (龍光寶) online sales platform, Loganhui (龍光薈) APP, property information platform, and IoT cloud platform to ensure facilities for daily life of the property owners. Our Logan Construction 2.0 was implemented to achieve a comprehensive application of smart construction solutions and other technologies. In 2022, Logan Group completed the national classified protection of cybersecurity, including the national classified protection of cybersecurity level 2 obtained by our official website system and internal office system, and the national classified protection of cybersecurity level 3 obtained by Logan Treasury. We plan to start the application for the ISO27001 certification in 2023, so that information assets in our custody are more secure.

In terms of employee care and development, the head office of the Group conducted a total of 120 safety risk assessments to strengthen occupational health and safety in 2022. In addition, we provided safety insurance policies and free physical examinations for all employees at construction sites and offices. At the same time, we focused on community renewal and integration by organizing 3,740 diverse community cultural and recreational activities in 2022. Our community effort enriched over 2.22 million property owners' leisure activities and created a friendly living atmosphere.

Despite the challenging business environment of the real estate industry in 2022, Logan Group remained committed to giving back to society by actively and persistently participating in welfare undertakings, including poverty alleviation, education, voluntary services, and community development. In 2022, the Group continued certain public welfare projects from 2021, with voluntary services accumulating over 45,830 hours and involving a total of 20,128 voluntary services by our volunteers. Accompanied by warmhearted actions, we strove to build a happy homeland featuring mutual assistance in pleasant residences.

In 2022, the COVID-19 pandemic persisted with sporadic outbreaks in various places, and pandemic control measures were intensified. Logan Group fully aligned with such pandemic control measures, by taking responsibility for communities, employees, customers, and business partners, and conducting community-specific pandemic control in strict compliance with the relevant regulations. Our "keyless home" smart travel model simplified the community verification process to improve pandemic prevention efficiency and outcomes. The Anti-pandemic Treasure APP under our Monolith Cloud Engineering System was used to manage pandemic prevention registration, and keep a record of pandemic prevention and disinfection procedures. Logan Smart Services strictly complied with the "Logan Community Pandemic Prevention Convention", and formulated an action plan for communities under our management nationwide, conducting public area disinfection and closed-off community management, while actively cooperating with government departments at all levels on five effective pandemic measures to wage a pandemic warfare.

Looking into the future, we wish to continue improving our performances in environmental, social, and governance aspects, and resolutely shoulder more environmental and social responsibilities on top of maintaining the comprehensive strength of Logan Group. Furthermore, we will further integrate our sustainability philosophy into various areas across our governance and operation activities, while joining forces with our business partners, customers, investors and other stakeholders to promote the sustainable development and build a brighter future.

## MESSAGE FROM THE BOARD



## ABOUT LOGAN GROUP

Logan Group Company Limited (Stock Code: 3380.HK) is a comprehensive urban service provider dedicated to building a better life.

In pursuit of the development strategy of “regional focus + city penetration” since its establishment in 1996, Logan Group continues to strategically consolidate its national market presence by introducing four business engines, namely, property development, urban renewal, property operations, and industry chain services, while developing the urban service ecosystem to boost urban development. Besides striving to build a commercial civilization driven by development concepts such as innovation, coordination, greenness, openness and sharing, Logan Group continues its commitments to a better urban life by integrating social values.

Currently, to facilitate management, the Group has divided its business segments based on their products and services, the four reportable operating segments of which are as follows:





## ABOUT LOGAN GROUP

### BUSINESS LAYOUT

Logan synchronizes its own development with city development by focusing on the most valuable core areas in China, such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Region metropolitan area, and the southwest and central city clusters. During the year, Logan Group further optimized the project development schedule and land reserve structure in key cities, especially in Shanghai, Shenzhen, Guangzhou, Foshan, Dongguan, Nanjing, Wenzhou, Ningbo, Suzhou, Chengdu, Changsha, Nanning, and Shantou.



## CORPORATE EVENTS

<b>2022</b>	<p>ESG rating upgraded to “A” by MSCI</p> <p>2022 Super Product Competitiveness of Chinese Real Estate Companies: Product Competitiveness Top 14 (中國房企超級產品力TOP14)</p>
<b>2021</b>	<p>ESG rating upgraded to “BBB” by MSCI</p> <p>Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 19th consecutive year)</p> <p>Ranked 161st in the list of Top 500 Enterprises in China (中國500強企業排行榜)</p> <p>Ranked 748th in the list of Forbes Global 1,000</p>
<b>2020</b>	<p>Included in Hang Seng Composite Index Large Cap</p> <p>ESG rating upgraded to “BB” by MSCI</p> <p>2020 Top 18 China Real Estate Enterprises by comprehensive strength, and 2020 Top 15 China Real Estate Brand Value</p> <p>Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 18th consecutive year)</p> <p>Ranked 22nd in Top 100 Chinese Real Estate Enterprises (for 10th consecutive year)</p> <p>Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 9th consecutive year, ranked 3rd)</p> <p>“Logan Property Holdings Company Limited” officially changed its name to “Logan Group Company Limited”</p>
<b>2019</b>	<p>Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value</p> <p>Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 17th consecutive year)</p> <p>Ranked 23rd in Top 100 Chinese Real Estate Enterprises (for 9th consecutive year)</p> <p>Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 8th consecutive year)</p>
<b>2018</b>	<p>Ranked 26th in Top 100 Chinese Real Estate Enterprises (for 8th consecutive years)</p> <p>Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 7th consecutive year)</p> <p>Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value</p> <p>Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 16th consecutive year)</p> <p>Ranked 266th in the list of Top 500 Enterprises in China (中國 500強企業排行榜)</p> <p>Entering the Yangtze River Delta market by establishing strategic footprints in a one-hour living circle around Shanghai</p> <p>Logan • Acesite Park was awarded 2018 Typical Projects of China Real Estate Developers</p>

## ABOUT LOGAN GROUP

<b>2017</b>	<p>Entering the Hong Kong real estate market for the first time by acquiring the Ap Lei Chau land lot in Hong Kong through a joint venture</p> <p>Ranked 29th in Top 100 Chinese Real Estate Enterprises (for 7th consecutive years)</p> <p>Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 6th consecutive year)</p>
<b>2016</b>	<p>Eligible Hong Kong stocks available for investment under Shenzhen-Hong Kong Stock Connect (深港通)</p> <p>Ranked 32nd in Top 100 Chinese Real Estate Enterprises</p>
<b>2015</b>	<p>The Hong Kong headquarters was relocated to International Commerce Centre in Kowloon</p> <p>Ranked 38th in Top 100 Chinese Real Estate Enterprises</p>
<b>2014</b>	<p>Included in the Hang Seng Composite LargeCap Index/the Hang Seng Composite MidCap Index and the MSCI China Small Cap Index Series</p> <p>Eligible Hong Kong stocks available for investment under Shanghai-Hong Kong Stock Connect (滬港通)</p> <p>Ranked 40th in Top 100 Chinese Real Estate Enterprises</p>
<b>2013</b>	<p>Logan Property was listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3380.HK)</p> <p>Ranked 46th in Top 100 Chinese Real Estate Enterprises</p>
<b>2012</b>	<p>Established Hong Kong headquarters and increased capital investment</p> <p>Sales exceeding RMB10 billion, and included in Top 100 Chinese Real Estate Enterprises</p>
<b>2011</b>	<p>Logan Property's headquarters settled in Shenzhen Logan Century Building</p> <p>Included in Top 100 Chinese Real Estate Enterprises</p>
<b>2010</b>	<p>Logan expanded its footprint in the Chengdu and Hainan markets</p>
<b>2009</b>	<p>Logan began its foray into the Dongguan market</p>
<b>2007</b>	<p>Logan began its foray into Guangzhou, Huizhou, Zhuhai, Zhongshan, and other markets, initially implementing its strategic footprint in the Pearl River Delta region</p>
<b>2006</b>	<p>Logan expanded its footprint to the Nanning market from the Guangdong market</p>
<b>2004</b>	<p>Logan entered the Foshan market</p>
<b>2003</b>	<p>Logan entered the Shenzhen market, opening up a new chapter for establishing footprints in other regions</p>
<b>2001</b>	<p>Logan became a leading enterprise in the real estate industry in Shantou after securing one-third real estate market share in Shantou</p>
<b>1996</b>	<p>Logan was established</p>

## REVIEW FOR 2022

Total revenue for the year	RMB41.62 billion
Total assets	RMB278.3 billion
Core net profits attributable to the parent company	RMB253 million
Saleable floor area	2.752 million square meters
Sales amount	RMB44.11 billion
Total GFA of short and medium term land reserve	28.616 million square meters
City coverage	36 cities

## SUSTAINABILITY PERFORMANCE FOR 2022

New certified green building area	1,147,279 square meters
New green building certification	6
Customer satisfaction	80.9 points
Charity donation	Over RMB0.97 million
ESG rating	MSCI A
Publicly available sustainability policies	18



## ABOUT LOGAN GROUP

### INDUSTRY AWARDS AND RECOGNITION

Industry awards	Awarding bodies
2022 Collaboration between Advanced Private Enterprises in Guangdong and Guangxi on the Development of Thousands of Enterprises and Villages (2022年粵桂協作萬企興萬村先進民營企業)	The United Front Work Department of the CPC Guangxi Committee, Guangdong Federation of Industry & Commerce, Guangxi Federation of Industry & Commerce (廣西壯族自治區工商業聯合會), Rural Revitalization Bureau of Guangxi Zhuang Autonomous Region, and Guangdong-Guangxi Cooperation Working Group (粵桂協作工作隊)
2022 Annual Delivery Reputed Brands (2022年度交付美譽品牌企業)	China National Radio
2022 Annual Delivery Satisfaction Benchmark Enterprises (2022年度交付滿意度標竿企業)	China Times
2022 Top 10 Delivery Brand Benchmark Projects of Chinese Real Estate Companies (2022中國房企交付品牌標竿項目十強)	EH Consulting
2022 China Real Estate Quality Products Award (2022年度中國房地產優質產品獎)	Times Media Group
2022 Outstanding Cases of ESG Practices by Chinese Enterprises (2022年度中國企業ESG實踐優秀案例)	China Internet Finance Information Center
Ranked 11th among the 2022 China Top 100 Property Service Enterprises	China Index Academy
The 52nd place for Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry	Sina Fiance and the Growing of the Great Brand by CCTV-1
2021 ESG Pioneers (2021年度ESG先鋒企業)	International Finance News of the People's Daily
2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)	Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies, Tsinghua University China Index Academy

Industry awards	Awarding bodies
The 4th place in 2020 Top 10 Chinese Real Estate Listed Companies by Governance	Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies (Tsinghua University) China Index Academy
Hong Kong Corporate Governance Excellence Awards	The Chamber of Hong Kong Listed Companies The Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University
2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021中國地產年度鄉村振興樣本企業)	Hosted by Leju Finance, and co-hosted by Sina Finance, China Entrepreneur, Fangchan. com, and China Property Management Research Institution
“Outstanding Charity Project Award” for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021中國地產時代百強榜“優秀公益項目獎”)	Time Media Group, China Real Estate Association, Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies (Tsinghua University), China Index Academy
2021 Socially Responsible Property Developers (2021 年度社會責任地產企業)	21st Century Business Herald
2021 Socially Responsible Real Estate Enterprises (2021年度社會責任房地產企業)	Guandian Index Academy (觀點指數研究院)
2021 Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award (廣東省扶貧濟困紅棉杯金杯)	Rural Work Leading Group of Guangdong Province Party Committee



## ABOUT LOGAN GROUP

### SUSTAINABILITY DEVELOPMENT HIGHLIGHTS

#### Further improvement in ESG rating

Adhering to the brand philosophy of “Shaping Cities and Homes with Responsibility and Sincerity”, Logan has long been committed to implementing ESG development strategies. The Company was among the first in the industry to establish the Sustainability Committee, comprehensively enhancing its corporate governance capabilities. By incorporating green and healthy concepts into its business development strategies, Logan continues to build green and low-carbon buildings and healthy ecosystem communities, becoming one of the first real estate companies in response to the national “3060” dual-carbon goals. The Company continues to enhance its “3+6” full-cycle risk control system, systematically strengthening quality assurance procedures for its products to make quality deliveries. We have been repeatedly acclaimed by the society for our active performance of corporate social responsibility as an effort to build a harmonious society.

On 3 February 2023, Morgan Stanley Capital International (MSCI), the largest index company, released its latest ESG rating report, where Logan Group (3380.HK) was upgraded from “BBB” to “A”. This is the third consecutive rating upgrade for Logan, placing it among the top in the real estate industry.

#### Multiple international awards in recognition of our products

Over the past year, Logan Group has been committed to researching products, enhancing innovation capabilities, and achieving product competitiveness by taking into consideration customers’ requirements, and therefore has repeatedly been acclaimed by authoritative international institutions. In 2022, Logan Group won a total of 25 international design awards for its projects. Among them, Shenzhen Logan • One Splendid Park won the Gold Award by NDA Landscape Design, the Landscape Design Gold Award under TITAN Real Estate Awards, the Platinum Award under the MUSE Interior Design Awards, and the London Design Awards Shortlist. Logan • Acesite Park in Shenzhen won the Best International Residential Projects by the Gold Nugget Award and the Golden Award for Complex Design by MUSE Design Awards. Qianhai Fairyland Garden (天境花園) in Shenzhen won the GBE Real Estate Design Award, Shanghai Logan • Sirius won the Platinum Award under the MUSE Landscape Design Awards, and Shanghai Blue Whale World won the GBE Best HOPSCA Award.



International Space Design Award  
— Idea-Tops

International  
Design Awards

### Service ranking upgraded

In April 2022, China Index Academy and the China Real Estate TOP 100 Research Team released the Latest Research Results for 2022 China Top 100 Property Service Enterprises. With its industry-leading comprehensive strength and service standards, as well as based on its comprehensive performances in management scale, operating performance, service quality, development potential, and social responsibility, Logan Smart Services was ranked as the 11th among 2022 China Top 100 Property Service Enterprises, further improving its ranking, and received other honors, including “2022 China Top 100 Property Service Enterprises with Leading Growth”, “2022 China’s Top 100 Leading Enterprises in Terms of Property Service Satisfaction”, “2022 China High-end Property Service Leading Company”, and “2022 Leading Smart City Service Enterprise in China”.





# TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

## TOGETHER FIGHTING THE PANDEMIC TO BUILD A PREVENTION AND CONTROL CIRCLE FOR SAFETY

In 2022, the COVID-19 pandemic continued to impact the world, with the risks escalating in certain regions and cities. This poses great challenges to society and the economy. In response to the pandemic, Logan Group discharged its corporate social responsibility, actively deploying and implementing relevant pandemic prevention and control work. As early as 2020, the Group established a pandemic prevention and control working group, working together with its various business segments to mobilize resources and make efforts to participate in pandemic prevention and control. In 2022, we continued to persevere in taking responsibility for the community, employees, customers, and business partners. Due to the impact of the COVID-19 pandemic in 2022, the Group further strengthened its close-range pandemic prevention measures, by proactively coordinating with the subdistrict office in the community to set up a mobile nucleic acid testing site in Logan Century Center, which handled the highest daily number of more than 2,000 people, with an average daily number exceeding 700 people. This not only provided our officers with the convenience of receiving nucleic acid test results in a timely manner in the middle of their busy work schedules, but also strove to reduce the risk of viral infections.

### Anti-pandemic Treasure APP under Monolith Cloud Engineering System (磐石雲工程系統防疫寶APP)

In February 2020, Logan Group’s Monolith Cloud Engineering System (磐石雲工程系統) included the Anti-pandemic Treasure APP (防疫寶APP) to digitalize our pandemic prevention work, which assisted the pandemic prevention and control taskforce in supervising the implementation of pandemic measures for various projects on the real-time basis. A full understanding of pandemic data of various places facilitated the orderly implementation of pandemic prevention and control measures of our projects.

In 2022, the Group further improved the Anti-pandemic Treasure APP (防疫寶APP):

The Anti-pandemic Treasure APP (防疫寶APP) covered over 200 projects under construction across the Group.

Cumulatively registered and managed 64,232 site pandemic prevention visits.

Recorded 15,409 times of pandemic prevention and disinfection process.

The following information is recorded in the Anti-pandemic Treasure APP (防疫寶APP):

<b>Return of personnel</b>	The company, work location, return information and contact method of the employee for work resumption
<b>Pandemic supplies distribution</b>	The quantity, inventory level, shortage, stock-taking officers and time record of pandemic supplies required for various projects
<b>Daily temperature taking</b>	Our employees must complete their reading result on the APP after taking their own temperature every day, the data of which will be inspected by the person in charge of the construction site each day
<b>Disinfection at construction sites</b>	The persons in charge of construction sites upload disinfection and cleaning records and photos for inspection by the Group each day

The person in charge of the construction site must summarize the above statements on the Anti-pandemic Treasure APP every day before submitting a report to the Group.

## DELIVERING CUSTOMERS SAFE EXPERIENCES

Since the end of 2019, the pandemic has lasted more than three years. As early as 2020, to protect the safety and well-being of our customers, we have established safety lines of defense in all aspects including sales, delivery, maintenance and property management. In 2022, we accumulated experience and further improved the customer experiences under the pandemic.

	From 2021	To 2022
<p><b>Sales</b></p>  <p>The property teams of our sales offices regularly disinfect the entrance halls, meeting rooms, bathrooms, showcase rooms and office areas every day, with our employees taking their temperature at least 4 times a day. When visitors leave, our employees immediately disinfect contact surfaces such as desktops and door handles. Customers also make an appointment using the Logan Treasury (龍光寶), and then the Group will arrange one-to-one reception to create a safe and worry-free environment for home purchasers.</p>	<p>In 2022, under the recurring COVID-19 pandemic in various regions, Logan Smart Services strictly complied with the “Logan Community Pandemic Prevention Convention”, and formulated an action plan for communities under our management nationwide, conducting public area disinfection and closed-off community management, while actively cooperating with government departments at all levels on five effective pandemic measures to wage a pandemic warfare.</p>	



## TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

From 2021	To 2022
<p><b>Delivery</b></p>  <p>Prior to the date of delivery, property owners can make an online appointment for the delivery time slot, and the Group will send a message in advance to inform the property owners of the pandemic protection measures. The venue will be strictly disinfected, and stanchions will be used to divert traffic to reduce crowd gathering. Before entering the venue, the Group will register the property owners, verify the health code, take their temperature, and provide pandemic supplies such as mask and disinfectants to ensure the safety of the property owners. During the acceptance process, the house inspector carries a disinfectant spray around. The house inspector will disinfect the door handle prior to entry and then accompany the owner to inspect the details of their new home. Before entering the property owners' new home, the maintenance personnel, equipped with pandemic supplies, must also pass the temperature check, and disinfect and clean the maintenance sites after service is rendered.</p>	<p>Logan Smart Services was the first to introduce the “keyless home” smart travel in the industry, which has played an important role in this pandemic fight. Logan property owners can enjoy the convenience of the whole community with only one face, one mobile phone and one license plate, as well as a safe and worry-free smart life. At the same time, installed with the online “Sky Eye” CCTV monitoring system and the property information management system platform, the Logan communities have significantly improved their efficiency and results of the pandemic prevention.</p>



	From 2021	To 2022
<p><b>Residential property management</b></p> 	<p>Logan Group has centrally deployed the pandemic prevention for residential projects across the country, including strict disinfection, and body temperature measurement.</p> <p>In the fight against the pandemic, Logan Group teams insisted on daily disinfection of the community and daily temperature measurement, actively cooperated with the implementation of the government's various pandemic prevention policies, and provided the property owners with pandemic supplies. These measures, which provides reassuring residential conditions, are highly appreciated by the property owners.</p>	<p>When property owners were subject to quarantine, the property service center took the initiative to run errands, including grocery shopping, food delivery, package delivery, door-to-door garbage collection, and launched various novel "online" activities. Based on past online activities such as the 5th Community Photography Competition, innovative online activities, which include novel forms of "cloud activities" such as "Honour of Kings Online Championship: Fight for Honor", "Cute Pet Championship (萌寵爭霸賽)", "World Cup Theme Activity (世界杯主題活動)", "Logan King of Singers (龍光K歌之王)", and "Excellent Neighborhood Carnival (優里家年華)", were planned and launched to enrich the living of property owners during the pandemic.</p> <p>In 2022, Logan Smart Services vigorously installed intelligent electric bicycle charging stations for small communities under our management. Currently, 9,838 electric bicycle charging stations are built to simultaneously service 21,224 electric bicycles, basically achieving full coverage in residential areas under our management.</p>

## OVERCOMING DIFFICULTIES WITH OUR BUSINESS PARTNERS

Logan Group's business segments, including commercial shopping centers, office buildings and hotel projects, have all initiated emergency measures, upgraded resource allocation, strengthened health and safety management in various districts, and strictly controlled the flow of external personnel and vehicles. Furthermore, we clean and disinfect public areas, and engage in campaigning for pandemic prevention and control.

In order to mitigate the impact of the pandemic on the operations of the commercial tenants, with effect from 26 January 2020, we introduced commercial rent reduction and exemption assistance measures, and preferential rent reductions and exemptions were offered to commercial tenants of various commercial projects throughout the country during the pandemic period. Our actual actions helped alleviate the business pressure of the merchants, allowing the merchants to weather through the predicament, while overcoming difficulties with our business partners.

# ESG



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

**Loyalty and incorruptibility  
play a fundamental role in  
our development.**

**Upholding sincerity, perseverance  
and courage, we achieve  
extraordinary value through action.**

### ESG issues

- 1 Prevention of bribery, fraud and money laundering
- 2 Compliance and business ethics management
- 3 Personal privacy and information protection
- 4 Prevention of child and forced labour
- 5 Intellectual property rights





# BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

ESG issues	Logan's responses
<p><b>1 Prevention of bribery, fraud and money laundering</b></p> 	<p>Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and has shared anti-corruption consulting and blacklists with various branded enterprises. In the meantime, our audit inspection office carries out inspections through the applications of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies. We have established a complete reporting and whistleblowing mechanism, and set up whistleblowing rewards.</p> <p>In addition, we regularly organize incorruptibility training sessions for our employees. In 2022, the Group held over 100 incorruptibility and anti-corruption training sessions, accommodating 3,080 attendees. At the same time, we strengthened third-party incorruptibility management, and conducted 500 incorruptibility culture campaigns for suppliers in 2022.</p>
<p><b>2 Compliance and business ethics management</b></p> 	<p>The Group assesses the overall compliance risk of the Group each year, so as to comb and optimize the legal, risk, compliance and internal audit management structures adopted in the past. We also set out rules and regulations on the intranet, requiring the senior management of the Group to sign the Management Responsibility Letter (管理責任書) to hold them accountable for unethical conducts of our employees and subordinates. In addition, we disseminate incorruptibility information on the Group's public account, and circulate the Company's latest policies by internal emails.</p>
<p><b>3 Personal privacy and information protection</b></p> 	<p>The Group observes various laws and regulations in Mainland China, and complies with the principles of data protection in the following six aspects: 1. the purpose and method of personal data collection; 2. the accuracy and retention time of personal data; 3. the use of personal data; 4. security of personal data; 5. information to be generally available; and 6. access to personal data.</p>



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

ESG issues	Logan's responses
<p><b>4 Prevention of child and forced labour</b></p> 	<p>The Group's Human Rights Policy ensures that recruitment of child labour and forced labour is prohibited, and stringent identity verification and background checks are carried out during recruitment. For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), pursuant to which the labour wage management commissioner checks whether employees are legal labourers and ensures that wages are paid accurately and payment records can be traced, while random inspections are conducted at sites of our subsidiaries and penalties are imposed on negligent managers.</p>
<p><b>5 Intellectual property rights</b></p> 	<p>The Group has applied for more than 100 trademarks for its brands, and its employees are required to refrain from sharing the Company's resources externally, and prohibited from all forms of personal use, and avoid use of unauthorized tangible and intangible assets. At the same time, we have set up an internal audit system to prevent our employees from infringing on the patent rights of others.</p>

Logan Group has always been dedicated to making social contributions as well as creating economic benefits, aiming to bring success to our community. We pursue transparent, healthy and impartial corporate values to attain sustainable and quality growth.

We take on responsibility for all stakeholders including our customers, investors, staff and others in the community by devoting ourselves to satisfying the true needs of stakeholders. While creating mutual values between the Company, shareholders and business partners, we strive for a rapid, steady and sustainable growth of the enterprise itself, so as to better assume the responsibility to all stakeholders. It is also the corporate citizen responsibility we faithfully undertake all the time.

## GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

Our excellent corporate governance has established a solid foundation for sustainability of Logan Group. The Board diversity, including gender, age, culture, professional experience and skills, provides high-standard, innovative and balanced perspectives for governance decisions, and allows the Board to develop a better understanding of various stakeholder requirements. The Board highly appreciates the ESG issues and integrates sustainability governance into the governance structure of the Group.

Our Sustainability Committee is chaired by Mr. Kei Hoi Pang, the chairman of the Board, and the principals from the business centers participate in the coordinated management of sustainability affairs. The sustainability governance structure is as follows:





### The Board

**As a promoter for Logan Group's sustainability strategy, the Board of Directors attaches great importance to the implementation of sustainable development within the Group. The future ESG development direction includes:**

- concentrating on reducing the overall carbon emissions of the business to address climate change
- investing in and supporting green finance and green bonds
- strengthening regulation, audit, and promotion of environmental protection, safety, and quality performance in the supply chain
- innovative, smart, and environmental buildings planning and designing

The Board is committed to taking full responsibility for our ESG matters and reporting, formulating overall ESG management policies, and procuring the senior management of different departments to handle related ESG matters.



### Sustainability Committee

**The main responsibilities of the Sustainability Committee are:**

- overseeing opportunities and risks, including climate related risks, to ensure that the Group's operations are aligned with its sustainability strategy;
- reviewing the sustainable development of the Group, responding to the expectations from our stakeholders, as well as formulating feasible mid-term and long-term sustainable development policies, action plans, and specific targets;
- supervising the sustainability performance and progress of the Group based on the action plan and predetermined indicators over the course of maintaining effective ESG risk management and internal control system; and
- reviewing information related to the ESG report.

The Sustainability Committee will report to the Board at least once a year regarding the Group's sustainability strategy and its latest status, providing sufficient information for the Board to evaluate the Group's ESG strategy and performance.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



### Sustainability Working Group

It is composed of dedicated personnel from the Group's operation center and external professional consultants, which are responsible for proposing sustainable development goals to assist the Sustainability Committee in dealing with related matters, including implementing and promoting the sustainable development goals established by the committee, managing daily work, and reporting to the committee, as well as connecting to various business departments.



### Business Departments

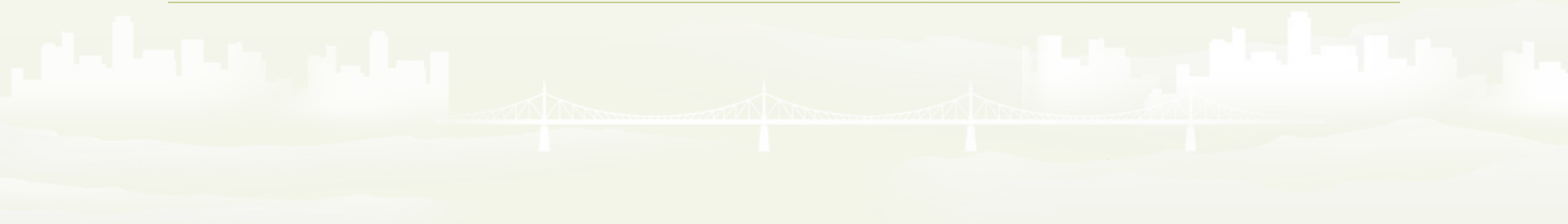
Departments shall cooperate with the Group's ESG policies to encourage employees to pursue ESG practices. Departments shall also assess risks and opportunities arising from ESG issues involved in their operations, and report the same to the Sustainability Committee.

## SUSTAINABILITY STRATEGY

Logan Group regards becoming a widely respected group as its mission by operating as a comprehensive urban service provider that shapes cities and homes with responsibility and sincerity so as to realize mutual benefits for customers, employees, shareholders and society. As the core development principle of Logan Group, sustainability is implemented in each of our operational decisions. We attach great importance to fulfilling corporate social responsibilities and contribute to stakeholders from all walks of life with care, prudence and a positive attitude. Our sustainable development strategy is reflected in five aspects, including corporate compliance, labour relations, quality projects, green environmental protection and community investment. The formulation of the following strategies also refers to the United Nations' Sustainable Development Goals ("SDGs") to help improve people's lives and achieve a better future.



Sustainability topics	Development strategy	United Nations' SDGs	
<p><b>Corporate compliance</b></p>	<p>We are committed to maintaining excellent and efficient corporate governance practices, and creating long-term and valuable growth for the stakeholders of Logan Group by upholding the principles of integrity, openness, transparency and accountability. We will ensure:</p> <ul style="list-style-type: none"> <li>to set up a robust corporate governance structure, including a high-level management team and control system;</li> <li>to strictly comply with all applicable laws and regulations;</li> <li>to adhere to high-standard business ethics and maintain professional codes.</li> </ul>		<p>16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>
<p><b>Labour relations</b></p>	<p>We respect and care for every employee, and strive to build a sustainable elite team, so that employees can work together to achieve leapfrog growth with Logan Group. We will ensure:</p> <ul style="list-style-type: none"> <li>to implement human resources policies to effectively promote the practice of our core values of “Pragmatic, Innovative, Sunshine, Efficient”;</li> <li>to create a healthy, safe, inclusive and equal working environment with enthusiasm and care;</li> <li>to provide various training resources to develop potential for employees.</li> </ul>		<p>3. Ensure healthy lives and promote well-being for all at all ages</p>
			<p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>
			<p>5. Achieve gender equality and empower all women and girls</p>
			<p>8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
			<p>10. Reduce inequality within and among countries</p>



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
<p><b>Quality project</b></p>	<p>Adhering to quality, we strictly control the quality of the projects for the purpose of providing comfortable, innovative and exquisite products and services, forming a model of a pleasing residential environment, and meeting customer needs in all directions. We will ensure:</p> <ul style="list-style-type: none"> <li>the quality, design and safety standards of the project keep pace with the times and outperform the market;</li> <li>customer satisfaction is paid attention, and the operation process could be continuously optimized to provide better products and services;</li> <li>sustainable supply chain will be established.</li> </ul>	<div data-bbox="959 461 1082 577">  <p>9. Reduce inequality within and among countries</p> </div> <div data-bbox="959 676 1082 793">  <p>12. Ensure sustainable consumption and production patterns</p> </div>



Sustainability topics	Development strategy	United Nations' SDGs	
<p><b>Green environmental protection</b></p>	<p>In order to empower green and environmentally friendly lifestyle, we incorporate environmental protection elements into our daily operations and project planning, and strive to reduce carbon emissions, save energy and reduce waste emissions, so as to build a civilized environment, and live in harmony with nature. We will ensure:</p> <ul style="list-style-type: none"> <li>to adopt the latest green measures and technologies in construction, operation, management and purchase, and continuously evaluate and promote environmental performance;</li> <li>to actively respond to and adapt to climate change;</li> <li>to deliver environmental awareness to the public, communities and business partners.</li> </ul>	<div data-bbox="959 461 1082 577">  <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p> </div> <div data-bbox="959 605 1082 739">  <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> </div> <div data-bbox="959 767 1082 901">  <p>13. Take urgent action to combat climate change and its impacts</p> </div> <div data-bbox="959 929 1082 1062">  <p>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> </div>	
<p><b>Community investment</b></p>	<p>We are committed to the communities and the social groups. By actively giving play to our advantages, we make contribution to the society, and have always been enthusiastic in public welfare affairs and dedicated warmth to those in need. We will ensure:</p> <ul style="list-style-type: none"> <li>to develop an effective community investment strategy so that resources could be used properly;</li> <li>to participate in community affairs in many ways and expand the scope of community investment;</li> <li>to improve employees' civic awareness to participate in public welfare affairs together.</li> </ul>	<div data-bbox="959 1265 1082 1399">  <p>1. End poverty in all its forms everywhere</p> </div> <div data-bbox="959 1427 1082 1560">  <p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> </div>	



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

## ESG Corporate Honor Ranking

- 2022 Collaboration between Advanced Private Enterprises in Guangdong and Guangxi on the Development of Thousands of Enterprises and Villages (2022年粵桂協作萬企興萬村先進民營企業)
- The 52nd place for Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry
- 2021 ESG Pioneers (2021年度ESG先鋒企業)
- 2021 China ESG Responsible Real Estate Enterprises (2021年中國ESG責任地產企業)
- 2021 ESG Leading Model Enterprises in Real Estate Industry (2021年度房地產行業ESG領先樣本企業)
- 2021 ESG Green Company Star (2021 ESG綠色公司之星)
- Best ESG Award
- Most Valued Property Developers
- 2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)

## STAKEHOLDER ENGAGEMENT

We recognize the importance of stakeholder engagement to the sustainable development of Logan Group. Therefore, we maintain active communications with the internal and external stakeholders to understand the impact of Logan Group's operations and the expectations of various stakeholders with regard to the ESG performance of Logan Group.

We analyze the dependency and impact of stakeholders on the Group with our operations and management departments so as to identify our key internal and external stakeholders. Over the usual course of our business, we respond to our stakeholders' concerns by understanding their demands through communication channels as follows:

<p><b>Customers and Consumers</b></p>  <p>Group website Customer service hotline Customer survey Interviews with customers</p>	<p><b>Media and the Public</b></p>  <p>Group website Press release Community development Public welfare activities</p>
<p><b>Government and regulatory authorities</b></p>  <p>Government regulation website Public consultations Publicity and notice Project partnership</p>	<p><b>Investors and Shareholders</b></p>  <p>Annual general meetings Annual reports and interim reports Press release and announcements Enquiry hotline</p>
<p><b>Suppliers and Business Partners</b></p>  <p>Business meetings Performance evaluation On-site investigation Training and seminars</p>	<p><b>Employees</b></p>  <p>Internal emails and publications Training and seminars Employee activities Performance assessment Satisfaction survey</p>



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Since 2020, the Group has published 18 sustainable development policies on its official website, presenting stakeholders with the Group's commitment and management methods to sustainable development. We conduct an annual review on our sustainable development policy and a revision on the same every three years. Our press release also provides an English version on the official website, further broadening information coverage.

### Official WeChat Account

Logan Group proactively builds a communication platform with stakeholders through its official WeChat account to deliver to our stakeholders the rich and valuable corporate development information in a timely manner. According to the ranking released by the third-party institution Leju Finance, the Company's official WeChat account "Logan Group" maintained a stable position in the industry's TOP 11 for monthly influence and TOP 3 for monthly vitality from January to December 2022. Such a ranking was granted in terms of influence, vitality and communication of its official WeChat account based on eight indicators including "readings and likes", showing its strong objectivity and impartiality, as well as industrial recognition and affirmation.

### Capital market communications

In 2022, the Company continued to strengthen its management of capital market communications, by actively communicating with investors through various platforms on a regular basis, and arranging tours for our investors and analysts to Logan's boutique projects in Shenzhen, Shanghai, Suzhou, Nanjing, Foshan and other cities. In addition, the Company proactively introduced the latest development of corporate governance and ESG practice, so that the capital market were better informed of the sustainability of Logan.

Throughout the Year, Logan arranged 1 "Shareholders' Meeting", over 20 teleconferences, and 64 "announcements", so that more comprehensive business and financial information was provided to our investors for their analysis and decision-making.



## Stakeholders' Concerns

The concerns of our stakeholders during the Year are basically the same as last year, including:

### Novel Coronavirus

- Due to the impact of the novel coronavirus pandemic on our operations, the stakeholders paid attention to the Group's relevant measures under the new normal of fighting against the pandemic, and the management of the safety of our employees and customers.
- As early as 2020, the Group established a pandemic prevention and control taskforce, which coordinates and mobilizes resources across our business segments to fully participate in pandemic prevention and control. In 2022, we unwaveringly continued to demonstrate our responsibility for communities, employees, customers and business partners.

### Green Building

- Stakeholders generally recommend that Logan Group should develop more green buildings to save energy, reduce carbon dioxide emissions in cities and minimize the impact of human habitation on the environment.
- We are committed to delivering eco-friendly buildings, and incorporating various environmental and energy-saving elements to building planning and designs to create healthy and comfortable human habitation. During the year, the Group obtained the green building design certification for 6 projects.

### Supply Chain Management

- Stakeholders concerned about expansion and synchronization of the supply chain of Logan Group during its rapid business growth, and propose to strengthen the management and review of the ESG issues of suppliers to promote sustainable supply chains.
- We are constantly identifying business partners that share the same sustainability philosophy as Logan Group to join us. As at 31 December 2022, we had 4,289 suppliers across the country, representing an increase of 23% from the previous year. In the future, we will further expand the review scope of the ESG issues of the supply chain and implement stringent control.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Talent Training

- Our management and employees pay attention to talent training to support the long-term business development and individual development at Logan Group, which will in return develop core competitive strengths of the Group.
- We recognize the importance of employee training and development, and continue to invest resources in training activities. Throughout the year, our talent training programs were available for all employees of the Group, providing training on management skills, business awareness, strategic planning and other training to more than 500 employees with leadership potential, which help them advance to the management level. We also provided training on professional knowledge, business expertise, team building and other training to more than 1,000 employees with outstanding business ability, which help mold them into professionals. Throughout the year, a total of 24,378 trainees spent a total of 84,996 training hours in attending a total of 573 training sessions.

### Promotions of Sustainable Development Cases

- Stakeholders believe that we could strengthen the publicity of Logan Group's achievements, performances and cases regarding sustainable development, the sustainability concept of which can be shared with a wider spectrum of stakeholders to enhance their understanding and awareness.
- We constantly expand the disclosure scope of the ESG report, and improve its transparency. For instance, we started to provide the stakeholders with explanations as to the climate-related financial impacts and our commensurate responses from the perspective of "Governance", "Strategy", "Risk Management", and "Metrics and Targets" by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures ("TCFD") in 2021. We also continue to publish numerous updates of our sustainable development on the website and official WeChat account of the Group. Stakeholders are welcome to follow our official WeChat account for the latest information.

## MATERIALITY ASSESSMENT

In order to identify our major ESG issues and their priorities, we have performed the following three steps to determine and prioritize the major issues of Logan Group from multiple dimensions. As compared to last year, the stakeholders heightened the level of concern on the ESG issues for the Year.

### Identify Material Issues and Stakeholders

We analyze the dependence and influence of the stakeholders on the Group together with the operation and management departments, and identify our major internal and external stakeholders as employees, investors and shareholders, customers and consumers, suppliers and business partners, government and regulatory authorities, media and the public.

We collected opinions from stakeholders and conducted research on industry development trends, international reporting standards, peer performance, etc. to produce a list of ESG issues concerned by the public so as to ensure the list of issues effectively reflected the latest sustainability risks and opportunities of the Group.

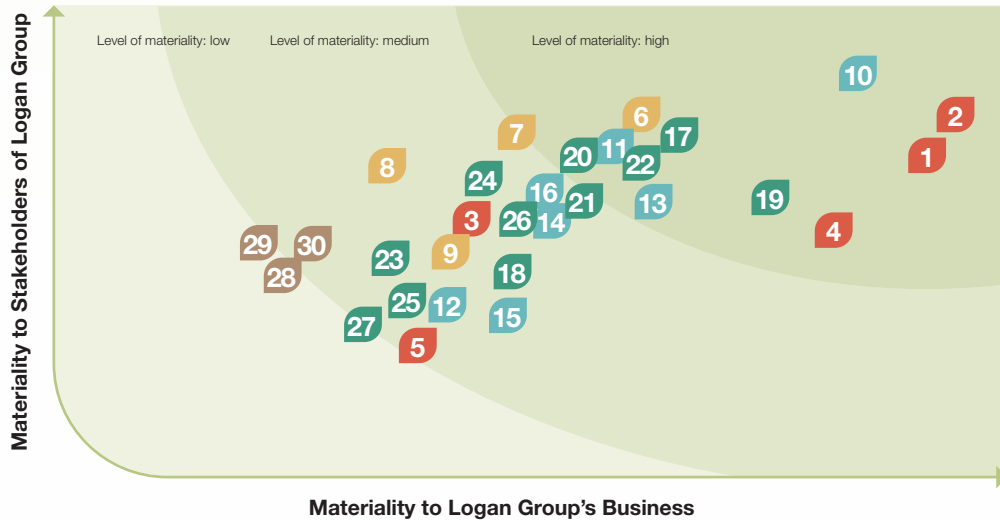
### Materiality Assessment






We invited stakeholders from the six categories to supplement and prioritize the list of ESG issues in our online questionnaires, 42 responses were received from such stakeholders for the Year and the responses of such questionnaires were consolidated and reviewed by the management before the materiality matrix for the Year was prepared.

### Analysis and Confirmation

Given the nature of our business and the urgency of the issues, our management classified the 30 issues into three levels of materiality, namely, "high", "medium" and "low". The materiality assessment results were reviewed and confirmed by the management of Logan Group.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



 Corporate compliance	 Labour relations	 Project quality	 Green environmental protection	 Community investment
<ol style="list-style-type: none"> <li>1. Prevention of bribery, fraud and money laundering</li> <li>2. Compliance and business ethics management</li> <li>3. Personal privacy and information protection</li> <li>4. Prevention of child labour and forced labour</li> <li>5. Intellectual property rights</li> </ol>	<ol style="list-style-type: none"> <li>6. Occupational health and safety</li> <li>7. Employee policy</li> <li>8. Equal opportunity and anti-discrimination</li> <li>9. Development and training</li> </ol>	<ol style="list-style-type: none"> <li>10. Product quality and safety</li> <li>11. Service quality</li> <li>12. Technology and innovation</li> <li>13. Supply chain management</li> <li>14. Environmental and labour performance of suppliers and subcontractors</li> <li>15. Industry development</li> <li>16. Community renewal and integration</li> </ol>	<ol style="list-style-type: none"> <li>17. Environmental impact of construction</li> <li>18. Climate change</li> <li>19. Pollutants and greenhouse gas emissions</li> <li>20. Waste disposal and management</li> <li>21. Green and local procurement</li> <li>22. Green building</li> <li>23. Noise pollution</li> <li>24. Energy use</li> <li>25. Promotion of environmental awareness</li> <li>26. Use of water resources</li> <li>27. Biodiversity</li> </ol>	<ol style="list-style-type: none"> <li>28. Stakeholder engagement</li> <li>29. Community charity and investment</li> <li>30. Heritage of traditional culture</li> </ol>



Compared with 2021, the materiality of some issues has changed:



In 2022, Logan Group emphasized the importance of improving project quality, particularly in terms of product quality and safety, and supply chain management, to enhance competitiveness and cope with the weak real estate market. On the other hand, to reduce unnecessary non-operating expenses, Logan Group reduced the overall importance of community investment, particularly in community charity and investment. However, Logan Group will continue to focus on community investments in the future, increasing efforts in community charity and investment to give back to society.

## COMPLIANCE AND BUSINESS ETHICS MANAGEMENT

So far as Logan Group is concerned, understanding and compliance with laws represents the basic principles we uphold during our operation. We always keep in mind the core values of Logan Group, promote the “Sunshine” policy, and pursue a honest, trustworthy, standardized and transparent business environment.

### Sustainability Risk and Compliance Management

The Audit Committee of the Board will annually assess the existing and potential risks of the Group as a whole, including ESG risks, and develop an understanding of the Group’s risk tolerance and acceptance. We have also established a sound internal audit, risk management and legal compliance system. Upon completing regular internal audits and risk assessments, results are reported to the Board in order to improve our operation efficiency and ensure the effectiveness of our risk assessment and internal control system.

We will engage external professional consultants to conduct a comprehensive risk assessment for the Group every year, and update risk exposures in the risk database based on policies and regulations, industry development, market dynamics and operating conditions. At present, the Group has a total of 91 risks, of which 54 are ESG-related risks and cover occupational health and safety, construction quality, climate change, corruption prevention, etc. The Group will subsequently monitor and manage these risks through our internal audit and risk control mechanism.

In 2020, the Group has sorted out and optimized the legal, risk, compliance and internal audit management structure adopted in the past, and divided the audit legal center into a risk control office and an audit inspection office, while imposing stricter requirements on the three lines of defense and responsibilities, and improving management standards, to strengthen the Group’s risk and compliance management performance in full manner from early warning of risks, process inspection and post-event supervision.

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Three lines of defense of Logan Group

#### First Line of Defense

It is regulated by the internal control process of each business department, and reviewed and evaluated by the management.

#### Second Line of Defense

The daily monitoring, inspection and correction of key processes are conducted by dedicated personnel, including persons in charge of risk control, compliance, law, safety management and environmental compliance.

#### Third Line of Defense

Internal audits are carried out by the audit inspection office and it is reported to the chairman of the Board and president.



#### External Audit

Special review shall be conducted by an independent third party every 3 to 6 months for business processes, site quality and safety and site compliance performance.



#### Regulatory Authority

Government regulatory agencies regularly send personnel to inspect the Group for compliance matters, and issue licenses and accreditation certificates to ensure lawful operation.

### Risk control office

The risk control office is in charge of the Group's risk management, legal and compliance affairs. The Group will conduct annual risk assessments with third party professional consultants and report the same to the office of the President. Each subsidiary must prepare a risk report every month, whereby listing risk events and levels, and then submit the same to the management of headquarter for approval. The Group has also established the Logan Group's Plan for Major Risk Events and Publicity Guideline (龍光集團重大風險事件預案與對外公徑工作指引), listing emergency management measures and reporting mechanisms upon occurrence of major risk events. In addition, the risk control office will also conduct investigations into high-risk businesses for confidentiality so as to research the causes of risks, management effectiveness and improvement methods.

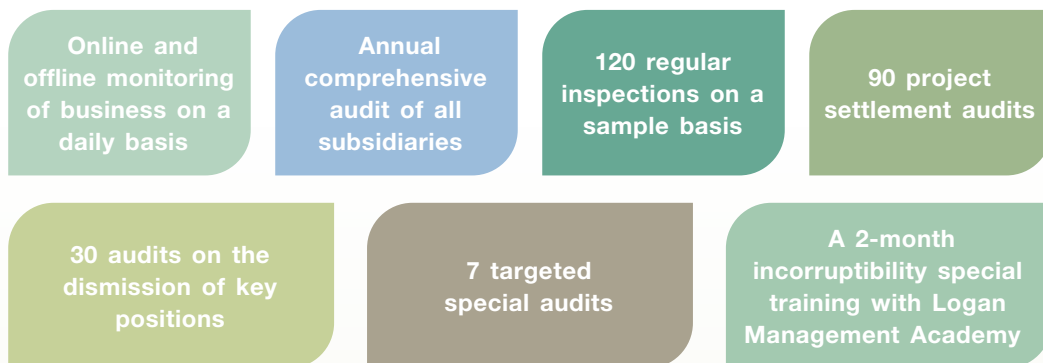
Legal personnel are responsible for providing legal advice to the Group, including due diligence and risk assessment of investments in mergers and acquisitions, formulation and supervision of contracts, assistance in handling litigation cases and regular legal risk assessments. Compliance personnel is responsible for studying and analyzing the impact of laws and regulations on the Group, establishing a knowledge base including compilation of real estate laws and regulations and its cases, advocating the relevant legal knowledge, and assisting the business centers to conduct training on laws and regulations.

**Audit inspection office**

The Group’s audit inspection office reports directly to the Board, and adopts three major principles:



The audit inspection office, which is responsible for internal audit and integrity-related inspections and publicity work, will determine the key monitoring and audit scope based on the Group’s risk assessment results to conduct various audits and inspections. The work completed in 2022 includes:



During the Year, we discovered a total of 30 irregularities during our internal audit activities, all of which were 100% rectified during the Year. In addition, the audit inspection office, which will analyze key cases, establishes and manages whistleblowing channels, regularly conducts audit quality inspections, and provides integrity and anti-corruption training sessions to all employees. Based on our principle where awards are granted if the reported suspicion proves to be the case, the effectiveness of internal audit activities will serve as an important performance indicator for the audit inspection office. We conduct an annual review of our internal audit process and an overall revision of our internal audit system every three years.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### 2023 Working Plan by Audit Inspection Office

**In terms of monitoring, the Group will further strengthen the management of target plans and clarify the targets to be achieved and their achievability in each period. In addition, we will take the initiative to strengthen the mechanisms of communication and coordination with legal departments and superior directors in key work areas, enhance communications with the audit department, and intervene in doubtful issues identified during audit in advance.**

**In terms of auditing, the Group will fully implement the audit frequency requirements for “three new”, being new companies, new leaders and new businesses, and define audit risks and sampling ratios for each segment and business line based on different risk levels. In addition, during the audit process, various means, including planning target management, performance appraisal, project follow-up, and incentives, will be adopted to enhance the work performance. The audit inspection office will also actively cooperate with other departments and coordinate with IT to build an anti-corruption model to prevent occurrence of issues at source through early warning or big data auditing, which would systematically resolve recurring problems.**

### Robust internal control system

In order to assist the Group in achieving its operation and governance targets, all businesses of the Group has internal control procedures and rules and regulations in place, and built information-based business system in the fields of marketing, engineering, investment and construction, to clarify employee responsibilities and approval authority, thereby enhancing the decision-making standard and reducing the risk of human errors or business manipulation. All new business processes must clarify rights and responsibilities and complete system settings within one week after approval. The Group will review the current internal control process and business system every six months to ensure the effectiveness of its design and implementation.

### Building a culture of compliance

The Group's internal rules and regulations, including the Ten Prohibitions on Integrity Construction of Logan Group (龍光集團廉政建設十不准), Code of Conduct for Position (職務行為準則) and Regulations on Employees' Incorruptibility in Work (員工廉潔從業規定), are listed on our intranet for inspection by employees, while the Group also clarifies the terms of reference for our employees and partners and our supervisory measures in our Anti-corruption Policy (反腐政策) on our official website. All employees must abide by the professional ethics and standards in their daily work, such as compliance with laws and regulations, incorruptibility, and protection of company interests. In addition to publishing requirements of “Ten Nos” principles at the office premises, we have set out other requirements in the Employee Handbook (員工手冊), including no abusing power to seek personal gains, no committing corruption or bribery, and no divulging trade secrets, etc., so that the employees will abide by the incorruptibility requirements of the Group.

The senior management of the Group shall also sign the Management Responsibility Letter (管理責任書) to hold them accountable for the corruption practices and breach of incorruptibility committed by the management themselves and their subordinates. Upon employment, new employees shall sign Incorruptibility Statement (廉潔告知書) to ensure that they understand the Group's principles of incorruptibility and its implementation.

Furthermore, the Group also issued the "Notice on Reaffirming the Administrative Rules on Employees' Interested Persons and Units Undertaking the Company's Business", which requires that within the scope of the unit or business line managed by the employees, their interested persons and units are prohibited from undertaking the Company's business, and that for the recommendation of a unit without interested relationship, the employees are required to declare the interested relationship with a request for abstention to both their direct superiors and the audit department. If an employee conceals or fails to report such interested relationship, when detected following inspections, the audit department will deem it as a corruption matter and impose severe penalties.

In addition to advocating incorruptibility on the Group's official social media account, we maintain close communications with our employees by circulating the Company's latest policies through internal emails, report violation cases as references for our employees, and maintain high level of transparency, so as to facilitate the cultivation of incorruptibility as part of our corporate compliance.

During the same period, we provided 3,080 trainees with one-hour special training sessions to promote the awareness of incorruptibility among our employees.

## PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING

### Big data monitoring

We are determined to combat all offences involving bribery, extortion, fraud and money laundering, and implement the "zero tolerance" strategy for any corruption and illegal behavior in accordance with the Criminal Law of the People's Republic of China. Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and shares anti-corruption information and blacklists with companies such as Vanke, Alibaba and SF Express. All employees must pass background checks by these institutions before joining us. We have also established an internal employee blacklist to place non-compliant employees on record. The principals of each subsidiary and construction site must inspect new employees and employees of on-site contractors, and those on the blacklist will not be hired.

Our audit inspection office actively monitors and carries out anti-corruption campaigns, including the application of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies, so as to send an early warning of abnormal conditions during the monitoring of business process. The audit inspection office will also investigate into potential corruption, bribery, fraud, and money laundering incidents as referred to in detected and reported cases during our internal audit activities, and when necessary, report the same to law enforcement agencies, which will further conduct more effective investigations to crack down on fraudulent practices.

Starting from the end of 2020, our audit inspection office planned to build a comprehensive business data platform to aggregate all-round business data of all subsidiaries for a full picture of the data, which will facilitate more precise data mining, indicator calculation and analysis, and further enhance the monitoring effectiveness of Logan's Big Data.

We have established the Anti-corruption Policy (反腐政策), details of which can be found on our official website: <http://www.logangroup.com/html/policy.php>.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Whistleblowing mechanism

We have established a whistleblowing mechanism which is managed by the audit inspection office to receive information from internal and external whistleblowing (including suppliers, clients, and other third parties). The whistleblower can complain about and report any dishonest, improper and non-compliant action to the audit inspection office using emails, phone calls, letters, corporate WeChat accounts, etc. in real name or anonymously. The whistleblowing channel operates 24 hours a day to ensure timely receipt of whistleblowing messages. The audit inspection office appoints a special officer to complete the preliminary collection of information on the reported matters within three working days, determine the authenticity and importance of the matters, and report to the leader of the center to determine whether to open a case. If approved, the cases will be included in the audit plan, and the timeframe will be established (usually one to two weeks, depending on the complexity of the issue). Upon the investigation, a report is prepared and reported to the office of the president, the head of which requires the relevant responsible personnel to be held accountable for the audit issues. The audit inspection office will issue an audit report, and the responsible personnel will be censured in the announcement, alongside other administrative penalties such as deduction in performance bonus, salary reduction and demotion, termination of contractual relationships. In case of corruption, such personnel, upon approval by the head of the office of the president, will be handed over to the judicial body for legal responsibility. At the same time, in case of rectification, the audit inspection office will issue an audit rectification confirmation letter to the responsible unit to follow up and implement rectification of the relevant issues and punitive deductions.

All reporting channels and information have been uploaded on the official website and intranet of the Group and posted at conspicuous locations of administrative offices and construction sites, and are displayed outside all construction sites to raise public awareness. Relevant information will also be mentioned in the new employee induction training and regular integrity training sessions, and included to the Incorruptibility Statement (廉潔告知書) of business partners. To encourage whistleblowing, the Group will award the whistleblowers, and promise to keep the whistleblowing completely confidential and protect the interests of the whistleblower from being damaged. Furthermore, any reprisal will be strictly prohibited, and wherever necessary, the Group will provide legal counsel and support to the whistleblowers. In 2022, the Group accepted a total of 26 whistleblowing cases.

### Incorruptibility training

Logan Group attaches great importance to building a corporate culture of incorruptibility and anti-corruption. Logan Management Academy (龍光管理學院) holds incorruptibility training sessions for all employees (including part-time employees) every quarter, and the deputy director of the audit inspection office and above position are invited to explain and strengthen integrity awareness to all management and employees, including the president and executive director of the Group, using the livestreaming, so as to clarify the red line for corporate violations. All business centers and subsidiaries must also hold incorruptibility and anti-corruption training sessions for employees every year, while the Hong Kong subsidiary invites ICAC representatives to provide incorruptibility training every year. The induction training for new employees held every two months also includes incorruptibility and self-discipline courses, and employees are required to pass the exams to ensure that they understand the Group's requirements on incorruptibility and self-discipline.

In 2022, the Group held a number of incorruptibility and anti-corruption training sessions:



### Third-parties incorruptibility management

We promote Logan's value and spirit of incorruptibility and cooperation to our suppliers and contractors on a regular basis, and learn from our suppliers about the incorruptibility and self-discipline of our employees. In 2022, we organized over 500 trainings on incorruptibility culture among our suppliers. All cooperating partners are required to sign our Incorruptibility and Cooperation Agreement (廉潔合作協議), Honest Performance Undertaking (誠信履約承諾函), Incorruptibility Statement (廉潔告知書) and other agreements to understand the Group's requirements on business ethics, integrity, anti-corruption, fair competition, conflicts of interest, prohibition of gifting and hospitality, etc., while publishing whistleblowing channels for reporting of fraudulent activities. Partners shall be blacklisted and its engagement shall be terminated in case of any issues on incorruptibility which have been audited and confirmed.

We have been in strict compliance with the major commercial laws and regulations in Mainland China, including the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法), the Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定), and the Criminal Law of the People's Republic of China (中華人民共和國刑法) etc., so as to ensure compliance with legal requirements, curb any form of illegal and criminal acts, and safeguard business ethics.

## PERSONAL PRIVACY AND INFORMATION PROTECTION

We understand that all personal data of our employees, customers and other related parties are protected under the Civil Code of the People's Republic of China (中華人民共和國民法典), the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法), the Data Security Law of the People's Republic of China (中華人民共和國數據安全法) as well as other relevant laws and regulations that are aimed at protecting the use of personal data and personal privacy. As we need to collect and use personal data of customers or consumers during business operation, the Group attaches great importance to the management and protection of personal data. To ensure safety of personal data, we will comply with the following six principles for data protection:

### Principle 1 — purpose and manner of collection of personal data

Personal data must be collected for a lawful purpose. All personal data shall only be collected and used for our business operation, but not excessive in relation to that purpose. When collecting personal data from individuals, we will notify them of the purpose/use of such information.

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Principle 2 — accuracy and duration of retention of personal data

Data users must ensure that the data held are accurate and up-to-date. If there is doubt as to the accuracy of the data, we should stop using the data immediately. We should not keep the data any longer than is necessary for the purpose for which the data were collected.

### Principle 3 — use of personal data

Unless personal data are used with the consent of the data subject, we will not use such data for any purpose other than the one mentioned at the time the data were collected (or a directly related purpose). Logan Charity Fund (龍光慈善基金會) pays great attention to the privacy and portrait rights of service targets and will not publish the privacy information of such data subject when carrying out public welfare activities. Prior consent must be obtained when using their image data.

### Principle 4 — security of personal data

Appropriate security measures shall be taken to protect personal data. Our customer data is stored in the internal system and has multiple passwords and electronic security clearances. Only qualified officers in specific departments can access, request for or modify these data. Employees are also required to follow internal guidelines when handling customer personal data to prevent data leakage due to improper manual handling. We also regularly review the protection measures for personal data to ensure that the storage and use of data meets the requirements to prevent occurrence of any potential divulgence.

### Principle 5 — information to be generally available

We have formulated a “Privacy Policy Statement”, which specifies information such as the accuracy, retention period, security and use of the data as well as measures taken regarding data access and data correction requests.

### Principle 6 — access to personal data

A data subject is entitled to ask a data user whether or not we hold any of his/her personal data, and to request a copy of such personal data. If it is found that the data contained therein is inaccurate, the data subject has the right to request the data user to correct the record. We will process the relevant request within a prescribed period.

In order to ensure the effective and safe operation of the IT business system, in January and December 2022 the Group held a total of 2 security audits or vulnerability assessments or penetration tests for different business systems, including the Enterprise Service Governance Platform, Enterprise Portal, Logan Treasury (龍光寶) and financial system.

On 27 September 2022, the Group completed the national classified protection of cybersecurity, including the national classified protection of cybersecurity level 2 obtained by official website system and internal office system, and the national classified protection of cybersecurity level 3 obtained by Logan Treasury (龍光寶), and plans to start the application for the ISO27001 certification in 2023, so that information assets in our custody are more secure.





### Cybersecurity training

In 2022, the Group held several cybersecurity training sessions, including:

- Cybersecurity online training during the interim period
- Three offline training sessions in the second half of the year



### Monitor and Respond to Data Breaches and Cyber Attacks

In terms of data breaches and cyber attacks, the Group’s security department takes measures for external and internal network access layers, server security, daily management and monitoring.

For example, there are firewalls at the external and internal network access layers, with four layers of access control for intranet access server traffic and different security isolation zones to avoid exposure of high-risk ports and control of traffic behavior between zones; identify, detect and block the attack characteristics of the full protocol data in the traffic, and provide protection for the business system ; anti-virus and server security systems are deployed on servers to detect and intercept viruses and intranet attacks; auxiliary management and monitoring are conducted regularly to audit and analyze database access traffic, security system’s security log files, production business system equipment operations, security detection and response systems, mail security gateways, etc. to quickly locate and eliminate corresponding security risks, and data transmission of the Company’s business systems are encrypted to ensure the security of the network transmission process.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Prevention of Child and Forced Labour

The Group's Human Rights Policy (人權政策) clarifies that the Group respects human rights and is committed to promoting the development of human rights involving our employees and business partners. We strictly abide by the requirements of the Labour Law of the People's Republic of China (中華人民共和國勞動法), which prohibits the use of child labour under the age of sixteen and forced labour, including the rigorous verification and background check of identification documents in the process of recruitment. We also set out prohibitions on the use of child labour and illegal forced labour in sub-contracting agreements. All employees are required to reach the legal working age and enter into labour contracts before being duly hired. Before entering construction sites, the workers will learn to understand the handling and reporting methods in case of labour disputes by signing the Workers' Undertaking Prior to Entering Construction Sites (工人進場承諾書).

For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), which stipulates our labour and wage management specialists will manage the attendance and payroll of our employees at construction sites. Before distributing monthly wages, the Group will check the list of contractors' employees to ensure that the employees are legally hired, and strictly follow up the contractor's wage calculation and payment performance. All wage payment records and supporting documents must be uploaded to the Monolith Cloud System for inspection by the Group. The Group also regularly conducts spot checks on construction sites of its subsidiaries to ensure that there is no illegal labour, forced labour or other violations of relevant laws and regulations. In case of any negligence, the Group will penalize the project department of our subsidiaries and contractor in accordance with the Measures for Warning Classification and Accountability of Project Red Line Behaviors (工程紅線行為分級警示與問責辦法).

In case that any violation is identified, the Company will conduct an internal investigation. If such violation is corroborated, corrective measures will be taken, and the relevant responsible units and personnel will be audited and held accountable by the audit and supervision department. If no violation is found, objections and administrative review may be addressed in respect of the administrative penalties.

### Intellectual Property Rights

We respect and protect intellectual property rights, including compliance with the Patent Law of the People's Republic of China (中華人民共和國專利法), the Copyright Law of the People's Republic of China (中華人民共和國著作權法) and the Trademark Law of the People's Republic of China (中華人民共和國商標法), and we attach equal importance to both its own and others' intellectual property rights. We have applied for more than 100 trademarks for our brands and properties to ensure the exclusivity and quality of Logan brand. Furthermore, Our employees are required to exercise caution when using company resources to avoid sharing with external parties. No replication, imitation, reproduction, extraction, dissemination, or other form for personal use is permitted.

In addition, our employees are required to avoid using unauthorized tangible and intangible assets, and our internal review system will prevent infringing upon others' patent or trademark rights. Any employee who is in violation of the rules are subject to legal responsibilities and the Group reserves the right to claim for any damage.

Based on the above measures, during the Reporting Period, the Group was not aware of any material violation of the aforementioned laws or other laws and regulations relating to anti-corruption and bribery, fraud, money laundering, protection of human, privacy and intellectual property rights.

# ESG



## EMPLOYEE CARE AND GROWTH

**Cohesion produces strength, and happiness comes from the team. Logan's members join forces to work hard and strive for goals.**

### ESG issues

- 6 Occupational health and safety
- 7 Employee policy
- 8 Equal opportunities and anti-discrimination
- 9 Development and training



## EMPLOYEE CARE AND GROWTH

ESG Issues	Logan's response
<p><b>6 Occupational health and safety</b></p> 	<p>The Group has formulated safety rules and regulations and an internal evaluation mechanism for safety indicators, which regulates the conduct of our employees and contractors, and ensures that the performance of relevant management personnel is linked to occupational health and safety performance. In addition, the Group pursues certification of safety management systems for systematic safety management and conducts safety qualification selection for all partners.</p> <p>In addition to safety drills, we take into account the needs of female employees (especially pregnant or breastfeeding women) and physically challenged employees by providing health and safety-related auxiliary facilities. To promote the physical and mental health of our employees, the Group regularly organizes various recreational activities.</p>
<p><b>7 Employee policy</b></p> 	<p>Logan Group has formulated detailed policies for human resources system, compensation and benefits, and employee communication and inclusiveness. In recognition of the stellar performance of our certain employees, for instance, we granted awards to a total of 482 outstanding employees in 2022, encouraging these employees to pursue better performance.</p>
<p><b>8 Equal opportunities and anti-discrimination</b></p> 	<p>The Group has standardized selection criteria and management procedures for recruitment, promotion, employee treatment and other areas, and has implemented the principle of equality into all aspects of human resources management. In 2022, we held training sessions in respect of equal opportunities, anti-discrimination and anti-harassment for all employees.</p>
<p><b>9 Development and training</b></p> 	<p>The Group has formulated the Training Management System of Logan Group (龍光集團培訓管理制度) and other internal rules and regulations, which strictly manages the planning and implementation of training activities, and assigns assessment tasks to our employees to ensure performance. The Group organizes training activities at Logan Management Academy and other institutions, providing diversified career development courses and abundant training resources. In 2022, a total of 24,378 trainees spent 84,996 hours in attending 573 training sessions.</p>

Since its inception in 1996, the Logan's members have been growing, as talented professionals are being attracted from all over the world. The Logan's members demonstrate the spirit and strength of Logan Group by virtue of their fighting morale, and form the pragmatic, innovative, sunshine and efficient values of Logan members, which are carried on into the future.

The following important elements are contained in our core values:



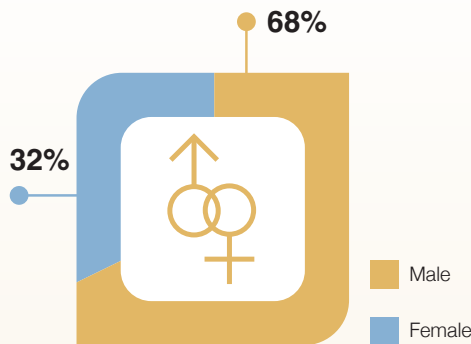


## EMPLOYEE CARE AND GROWTH

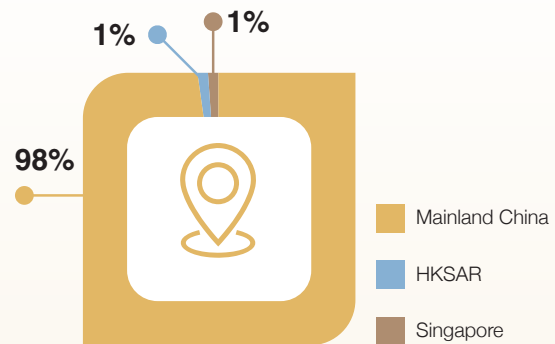
We have established the human resources department with comprehensive human resources policies and procedures in place. We strictly comply with the Labour Law of the People’s Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People’s Republic of China (中華人民共和國勞動合同法), the Production Safety Law of the People’s Republic of China (中華人民共和國安全生產法), the Administrative Regulations on the Work Safety of Construction Projects (建設工程安全生產管理條例), the Social Insurance Law of the People’s Republic of China (中華人民共和國社會保險法), the Law on Prevention and Control of Occupational Diseases of the People’s Republic of China (中華人民共和國職業病防治法), the Regulation of Guarantee for Farmers Migrant Workers’ Wage Payment (保障農民工工資支付條例), the Regulations of Guangdong Province on Population and Family Planning (廣東省人口與計劃生育條例), the Notice of Shenzhen Municipal Housing and Construction Bureau on Strictly Implementing the Project Payment Guarantee System and Guaranteeing the Full Wage Payment to Migrant Workers (深圳市住房和建設局關於嚴格落實工程款支付擔保制度及保障農民工工資足額支付工作的通知) and other labour-related laws and regulations in Mainland China to ensure the compliance with legal requirements. We internally organize a study seminar for the actual impacts and compliance promotion of the Regulation of Guarantee for Farmers Migrant Workers’ Wage Payment (保障農民工工資支付條例) and the amendments to the supporting policies in Shenzhen, as well as the publicity and implementation of the relevant compliance matters. Furthermore, external counsels and experts are appointed to provide special training sessions on labour law and labour dispute to the relevant department of the Group so that we maintain high standards of labour treatment and provide a safe and healthy workplace for our staff. During the Reporting Period, we were not aware of any serious violation of the above or other labour-related laws and regulations.

As of 31 December 2022, we have a total of 2,361 staffs in Mainland China, Hong Kong Special Administrative Region and Singapore, all of which are full-time staff. Below are our employee data:

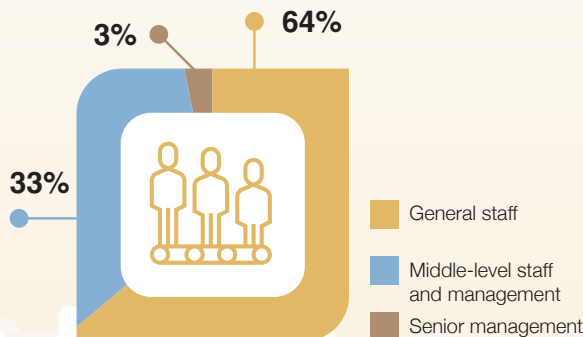
**Employee gender ratio**



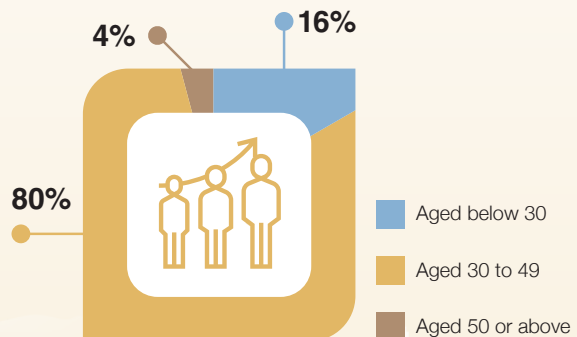
**Distribution of employees by region**



**Distribution of employees by position**



**Distribution of employees by age**



## OCCUPATIONAL HEALTH AND SAFETY

By acknowledging the importance of occupational health and safety for each employee, the Group strives to create safe workplace conditions for our employees so that they can focus on work with peace of mind. Our safety management mechanism clarifies management objectives, strategies and staffing, and promotes the implementation of safety measures at construction sites and offices.

### Health and safety management system

The Group's engineering management center, administration center and human resources center jointly manage the occupational safety of its employees, and the chief of these centers will submit a report to the chairman of the Board and president. The report contains monthly safety accidents, construction site safety/safety accidents of contractor workers, quality accidents, etc., which will be reported immediately upon their occurrence. We have formulated safety rules and regulations, including the Management Rules for the Safety of Construction Sites (工地安全管理制度) and Uniform Standards for Safe and Civilized Construction Measures (安全文明施工措施統一標準), to regulate the safety-related matters of our employees and contractors, and set out management requirements for site safety in the sub-contracting agreement. We have established an internal evaluation mechanism for safety indicators where internal personnel and third parties regularly monitor and evaluate the safety performance of different operations, including fire prevention at construction sites, safe use of electricity, safety facilities, large-scale machinery and equipment, compliant construction, daily safety management behaviors, safety information. Quarterly safety assessments over all projects will be carried out so as to keep track of the completion status of safety targets. The performance of relevant management personnel will be linked to the occupational health and safety performance, and bonus will be given to those with outstanding management performance. The management personnel are from the project management center, the branch project management department, and the project department management personnel, with the ranks covering the project grassroot to management personnel.

Our organizational performance has always focused on the assessment over employee safety. Senior executives, leaders of the operation department at the headquarters and the engineering department, regional management, project managers, and engineering leaders are also responsible for employee safety. In case of major engineering quality and safety accidents, deductions will be directly made based on the negative issues list.

### Bi-weekly Online Construction Site Safety Conference

As far as our construction workers exposed to greater occupational hazards are concerned, the project management center of the Group organizes online safety meetings with the employees of engineering management centers from all subsidiaries, site leaders and partners every two weeks, to discuss the latest safety issues (including the monthly safety accidents in the construction industry and the publicity and implementation of national safety laws and regulations), and conduct case reviews over recent occurrence of in-house safety management issues to remind and ensure that all employees understand the Group's construction site safety standards and prevent any potential safety hazards and risks.

## EMPLOYEE CARE AND GROWTH

### Health and safety goals

We expect to minimize the probability of accidents and continue the safety performance of zero fatalities. In 2022, we have set the following targets for the occupational health and safety of our employees:

Targets	Status	Progress in 2022
Zero death for construction site employees of fatal accidents due to work	●●●	The work-related fatality rate of ordinary construction site employees in 2022 was 0%
Zero occupational disease rate	●●●	In 2022, the occupational disease rate of construction site employees (including employees of the Group and contractors) was 0%

●●● Completed | ●●○ As scheduled | ●○○ Behind schedule

In addition, the Group is currently seeking to obtain safety management system certification, which includes determining the scope of safety management system certification for offices and construction sites, and approach third-party certification service agencies. The Group also continues to monitor the existing safety management structure and conducts feasibility studies for the establishment of an Occupational Health and Safety Committee headed by the Board, with a view to further demonstrating to the public our appreciation of the occupational health and safety.

### Five safety management rules

Logan Group takes full responsibility for the on-site safety of all projects, and protects the physical and mental health of our employees and contractors of Logan. Our “five safety management rules” are applied to construction sites to improve workplace safety in a multi-pronged manner.



#### First: Prevention and planning

- During the tender and bidding process, the Group will conduct safety qualification screening on all partners to ensure that we cooperate with qualified contractors without adverse safety records.
- The Group specifies the civilized construction in sub-contracting agreements, including the requirements that the contractor must purchase safety insurance for employees, set up a safety management mechanism and provide adequate training and safety equipment. All construction sites must be approved by the government for construction. The Group will be responsible for the expenditure on safety equipment and protective measures at construction sites.
- The contractor must follow the Group’s safety standards and formulate a sound management system in accordance with law to clarify safety affairs at construction sites, accident and emergency plans, extreme weather plans, as well as the safety responsibilities and reporting channels of contractors, supervisors and the Group. Each construction site shall have at least 1–2 safety management specialists.



**Safety management specialists**

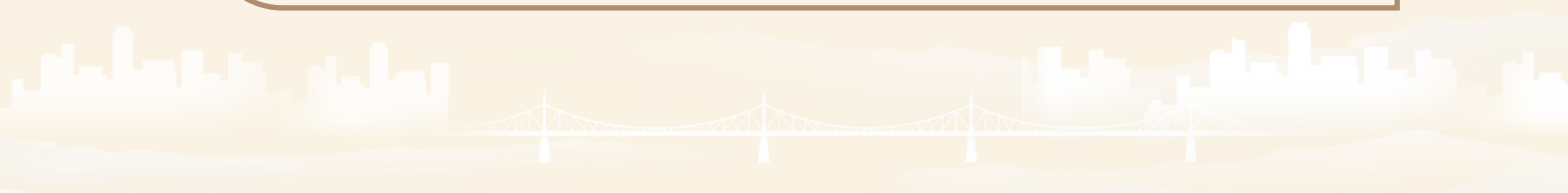
The safety management specialists are required to hold the safety production assessment certificate issued by the construction department, and is mainly responsible for promoting production safety practices among our employees and training them up for these practices, as well as thoroughly inspecting the implementation of production safety at construction sites. The safety management specialists mainly report to the project leader.

- In the planning process, the contractor must assess the hazards of construction sites, make plans for the site layout and engineering steps, prepare for alert signs, early warning and protection, and obtain approval from the supervisor and personnel from the Group.
- All of our employees in high-risk positions are required for physical examinations to ensure that they satisfy physical quality requirements of the position, and the photo IDs and identity details of qualified operators are attached to the machines for verification.



**Second: Use of safety equipment**

- The contractor must provide workers with sufficient safety equipment, including eye shields, ear muffs, safety helmets, safety belts and other necessary protective equipment. Health and safety equipment such as AED packages will be available at construction sites in proportion.
- The QR code is affixed to workers' specialized helmets, which contains basic information such as employee name, ID number, and blood type, for quick and accurate access to employee information when an accident occurs.
- The safety helmet positioning system is set up at the construction site to help locate workers and count the number of on-site personnel and regulate their entry and exit in special areas.



## EMPLOYEE CARE AND GROWTH



## Third: Training and drills

- Safety training sessions for new and existing employees will be provided at construction sites, so that employees can understand the hazards of the site, the way to wear safety equipment, emergency treatment methods, safe construction procedures, etc. Workers must pass the examination before taking up the position.
- 
- We develop safety themes every month, and arrange engineering staff from our subsidiaries to provide training sessions at construction sites. The engineering staff from the headquarters hold online safety training sessions for engineering staff, site leaders and workers from all subsidiaries each quarter. A record of attendance to these training sessions shall be kept. Safety training is organized in conjunction with site safety meeting, once every two weeks, with each meeting receiving over 2,000 attendees.
  - The construction site will hold daily safety morning meetings and morning exercises to explain recent safety risks, such as treatment methods for heatstroke and food poisoning in summer.
  - Quarterly safety drills are also held at the site, which involve dangerous accidents such as falling from height, fire and electric shock.
  - The number of attendees (including our employees, contractors' employees, supervisors, and other site employees) to site safety training sessions exceeded 20,000 in 2022.



#### Fourth: Emergency management

- Upon any occurrence of emergencies, we would deploy emergency task forces in accordance with emergency rescue plans, comprising an on-site incident commander, an injury rescue team, a fire-fighting team, and others, to carry out emergency actions so that personal injuries and property loss can be minimized. We would handle the compensation and follow-up works, work-related injury leave and employee insurance claims.
- The persons in charge of construction sites will strictly follow the reporting mechanism of major risk events and report the same to the Group's risk control command center on the same day.
- We will also investigate into the cause of the accident after the event. In case of any violation or negligence, the personnel involved will be punished in accordance with the sub-contracting agreement and the Group's rules.



## EMPLOYEE CARE AND GROWTH



## Fifth: Safety inspection and audit

- Daily safety inspections before and after work will be carried out at construction sites, and led by electricians, mechanical technicians, plumbers, engineers, etc., to ensure the safety of machinery, equipment, scaffolding, tools and materials. During construction, supervisors and managers will supervise and check whether they comply with safety instructions and procedures.
- Different safety managers, supervisors, and our engineering center workers conduct safety inspections to check the safety performance of construction sites, and identify and rectify dangerous situations, on a weekly, monthly and quarterly basis.
- All construction sites must be installed with “Sky Eye” cameras to transmit real-time videos to the Engineering Center at the Group’s headquarters, which will be supervised by dedicated personnel. We also fly drones for a thorough inspection over construction conditions at construction sites.
- The Group will conduct random inspections on project sites every month. Since 2018, we hired external agencies to conduct a comprehensive review of construction civilization every quarter, and rated the safety performance of all construction sites. Rating includes production safety on site, safe and compliant construction activities, safety management behaviors, serving as one of the important performance indicators of the construction department and project department of our subsidiaries.



In addition to the above-mentioned “five safety management rules”, we also regulate the reporting of safety incidents at construction sites. We have established a risk management team responsible for coordinating, tracking and solving safety accidents at construction sites. The risk management team includes the office of the president, the risk control office, audit legal center, engineering management center and other departments. In case of casualties and major economic losses due to safety accident at construction sites, work-related injuries, quality accidents, and others, the contractors and the project department are required to report to the risk management team immediately, who will coordinate to ensure that the accident is properly handled, and that the injured victims receive effective treatment or assistance, and effective settlement of these incidents will be reported. We require contractors to submit work-related injury records on a monthly basis to strengthen the control of all work-related accidents of contractors.

### Office

We pay particular attention to the health and safety of our employees in office premises. In 2022, a total of 120 safety risk assessments were conducted in the Group’s offices. Property management officers conducted safety assessments and inspections over offices, elevators, buildings, parking lots, etc., and formulate management and contingency plans for potential fire, electric shock and other safety risks. We also conducted fire drills for all employees every six months.

We are committed to ensuring the indoor air quality in the office, including regular monitoring of indoor air indicators (such as formaldehyde emissions), etc. The office must also have certain proportion of greening to ensure a safe and comfortable workplace for employees.

In addition, we also consider the needs of female employees (especially pregnant or women during the lactation period) and employees with disabilities, providing health and safety-related auxiliary facilities. We have set out occupational safety guidelines in the “Employee Handbook” to provide prevention and solutions to the health and safety concerns that employees may suffer during work, so as to reduce the chance of accidents.

We organize medical health checks for all employees of the Company every year and purchase insurance policies for the employees. The Company releases monthly recreation allowances to employees based on the head count of the department, which are mainly used for regular physical exercise and outdoor activities to establish and promote the healthy corporate culture of the Company. The Company headquarters and the front-line human resources administrative department make available heatstroke and daily medicines for our employees throughout the year.





## EMPLOYEE CARE AND GROWTH

### Recreational activities

In addition, we are committed to promoting physical and mental health of our employees by organizing various recreational activities including employee games, while encouraging the headquarters and subsidiaries to actively hold other sports activities to promote a healthy lifestyle.



### Quarterly Birthday Party



### Chinese New Year Gathering



**Sports Contest**



**Health Seminar**



## EMPLOYEE CARE AND GROWTH

### EMPLOYEE POLICY

#### Human resources system

Logan Group believes that a high caliber talent plays the role of cornerstone for our business development. We have employment policies in place to manage our human resources, including the Recruitment Management Measures (招聘管理辦法), Employee Promotion Management Measures (員工晉升管理辦法) and Salary Management Measures (薪酬管理辦法).



#### Recruitment

The Group formulates its human resources management plan every year, and coordinates recruitment according to the demands for talents of each business segment and its subsidiaries.

We recruit staff through public recruitment, internal recommendation, campus recruitment and other channels to form a diverse, professional and efficient team.



#### Promotion

We have well-defined positions and promotion channels in place, and prioritize promoting internal employees. Employees have to pass interviews and fulfill performance requirements.

Employees will participate in training upon promotion to prepare for challenges arising from the new position.



#### Resignation

The Group appreciates the rights and interests of employees and never dismisses employees without reasonable cause. Dismissal procedures must strictly follow rules and regulations. Dismissed employees will receive due compensation and remuneration in accordance with employment contracts.

We will also conduct interviews with employees for their resignation to understand their reasons for leaving, so as to develop better plans for human resources management.

#### Compensation and benefits

Logan Group provides attractive remuneration packages for our staff to attract and retain top performers. The remuneration of the staff is determined with reference to the market and industry practices. Employee compensation comprises of basic salary, short-term bonus, long-term reward (such as Share Option Scheme) and other employee benefits. The Remuneration Committee of the Group would also conduct an annual review or as necessary to ensure our staff enjoy a high-standard remuneration package and stay in line with the human resources development goals of the Group.



#### Long-term business partnership plan

In 2020, we launched a long-term business partnership plan with a validity of 15 years, and set a performance growth indicator higher than the industry average for the management. The total number of all awarded shares under the share award scheme can account for up to 3% of the total number of the Company's issued shares, which will effectively motivate the team to create more and greater value and promote its long-term sustainable development.

As for employee benefits, the number of working hours, holidays and welfare of the staff are strictly in compliance with the Labour Law of the People's Republic of China (中華人民共和國勞動法) and other relevant laws and regulations, ensuring that each employee has reasonable working hours and holidays. We also provide our staff with insurance and allowances to alleviate their working and living pressure.



Benefits for Logan’s members include:

- Statutory Holidays
- Marriage Leave
- Maternity Leave & Paternity Leave
- Breastfeeding Leave
- Annual Leave
- Paid Sick Leave, etc.

- Medical Insurance
- Pension Scheme
- Unemployment Insurance
- Work Injury Insurance

- Transportation Allowances
- Meal Allowances
- Housing Allowance
- Health Check-up Allowances
- Allowances For High-temperature Conditions
- Other Special Benefits

In addition, based on business development and job rotation training arrangements, we must obtain prior consent from our employees before dispatching them to different places, and provide allowance to them for job relocation, including subsidizing employees’ rental expenses. Meanwhile, the administrative departments of the two places will provide our employees and their families with care and support actions.

We also grant awards to our outstanding, loyal, and accountable employees. Our awards include ten-year service award, twenty-year service award, outstanding Logan award, etc. In 2022, a total of 482 outstanding employees have received these awards, which are aimed to motivate them to pursue better performance.



### Annual Commendation Conference

To recognize outstanding employees who have taken into consideration the overall development of the Company by fully utilizing their expertise and professional practices of regulations to overcome various difficulties and complete various work tasks assigned by the Company and leadership, Logan Group held an annual commendation conference to motivate its employees to continue their efforts and promote mutual learning.






## EMPLOYEE CARE AND GROWTH

### Employee communication and inclusiveness

We hold a variety of employee activities every year, including annual gathering and employee birthday parties and festival activities, to enhance interaction between staff. Besides providing a comfortable workplace, we strive to provide a happy and healthy on-the-job experience to our staff. During the Year, we organized 1,440 sessions of cultural and recreational activities for our staff.



Logan Forum

The Group establishes the Logan Forum on its intranet to provide an online platform for all employees to enjoy the freedom of speech, while our employees can directly converse with the senior management, share work experience and discuss corporate policies, which will facilitate positive changes as the employees will enhance their sense of participation and the Group can acknowledge the employees' feedback.



### Logan Birthday Party

During the Year, Logan held 72 Logan Birthday Parties at its headquarters, where the employees received flowers, cakes, gifts and custom-made birthday cards despite the fact that no party activities took place during the pandemic. Practical gifts include compact irons, thermal cups, foldable electric kettles that fit in any suitcase, battery banks and travel kits, conveying a message that the Company cares about the wellbeing of our employees at work.



We understand that the Company may expose to different risks in various human resource activities. The human resources department reviews relevant activities annually to identify potential risks, examples of which are as follows:

Human resource activities	Potential risks	Points to consider	Measures
<b>Recruitment process</b>	<ul style="list-style-type: none"> <li>Hiring incompetent and unfit employees</li> <li>Adopting inappropriate practices to recruit new candidates</li> </ul>	<ul style="list-style-type: none"> <li>Is there a proper screening process prior to hiring potential employees?</li> <li>Has the human resources department made undeliverable promises to candidates?</li> <li>Did the candidate sign the policy and employment contract prior to employment?</li> </ul>	<ul style="list-style-type: none"> <li>There will be various interviews and background checks before hiring to ensure that the results of the screening are relatively accurate</li> <li>The human resources department shall not make undeliverable promises to candidates</li> <li>Candidates generally sign the employment contract and some policy agreements upon induction after the employment is confirmed</li> </ul>



EMPLOYEE CARE AND GROWTH

Human resource activities	Potential risks	Points to consider	Measures
<b>Promotion and development</b>	<ul style="list-style-type: none"> <li>Promote inappropriate employees</li> <li>Training sessions do not meet business development requirements</li> </ul>	<ul style="list-style-type: none"> <li>Whether promotion eligibility is strictly scrutinized and who has the authority to decide on promotions?</li> <li>Is there a fair and open assessment process?</li> <li>Is the corporate strategy taken into account when designing the training program?</li> </ul>	<ul style="list-style-type: none"> <li>Promotion qualifications shall be reviewed by the personnel in the appropriate rank in strict compliance with the Company’s promotion management system</li> <li>We give promotion in a fair and transparent manner according to the “notification – registration – screening – interview – employment” procedures</li> <li>Talent training is based on the Company’s 5-year strategy, and market demand design</li> </ul>
<b>Reimbursement and benefits</b>	<ul style="list-style-type: none"> <li>Potential financial misappropriation</li> </ul>	<ul style="list-style-type: none"> <li>Who has the authority to sign up for such reimbursements and benefits?</li> </ul>	<ul style="list-style-type: none"> <li>All reimbursements are initiated by our employees, and the front-line leaders and department heads will approve it before verification and approval by the financial sharing personnel</li> </ul>



## EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

As an employer who promotes equal opportunities, we strongly oppose discriminatory behaviors and is committed to building a fair, equitable, and diverse working environment for all staff. We adopt the principle of equality in the management of human resources, including recruitment, promotion, and welfare packages, which also contain standardized selection criteria and management procedures. The employment terms for our staff are also set out in labour contracts in accordance with laws and regulations. Only the experience, expertise and performance will be taken as the scoring criteria for all selection processes to ensure objectiveness and fairness. We currently have a pay ratio of 1:1.74 for female to male employees.

Among our core values are respecting equality and opposing all acts of harassment and discrimination, which are highlighted in our corporate culture presentations. To build a diverse and inclusive team, we held training sessions on equal opportunity, anti-discrimination and anti-harassment for all employees during the Year.

### Anti-discrimination, diversity and gender equality

We have established a diversity committee led by the trade union of the Group, which is responsible for ensuring equal opportunities within the Company, monitoring whether there are unfair practices in the employee recruitment and development, and maintaining an atmosphere of diversity and inclusion at the workplace and employee activity venues. Furthermore, the committee is in charge of dealing with complaints about discrimination.

We have established a special training program of “workplace diversity” to increase investments in workplace diversity training, whereby introducing to our employees the value and significance of diversity to organizational development and individuals, enhancing all employees’ understanding of workplace diversity, and building an inclusive enterprise culture that unleashes the potential of diversity.

## DEVELOPMENT AND TRAINING

Talent Philosophy of Logan Group: “Professionalism, Career orientation, Passion, Fortitude, Accountability.”

As our employees are the key to business success of Logan Group, we have been systematically training our employees so that they could achieve self-development in their posts and further climb their career ladder. Our Logan Management Academy (龍光管理學院) coordinates training activities of our Group and our subsidiaries, and strictly manages the planning and implementation of training activities in accordance with the internal rules and regulations, such as the Training Management System of Logan Group (龍光集團培訓管理制度) and the Logan Group Five-step Talent Development Scheme (龍光集團人才培養五部曲).



## EMPLOYEE CARE AND GROWTH

Logan Management Academy (龍光管理學院), business centers and subsidiaries organized training sessions to provide a diverse range of career development programs tailored to our employees based on different business features and individual ambitions, abilities and development requirements. The Group sets training standards, including at least two training sessions required for each business center and subsidiary each month, and business centers are further required to conduct work standard training on a quarterly basis, with an annual minimum of 30 hours for each employee.

Upon completion of the training, the Group assigns assessment tasks to the employees, and assesses training effectiveness based on the achievement rate of the training activities, the satisfaction survey of each training session and the completion rate of the employee assessment tasks, which also constitute part of the performance indicators of each business center and subsidiary. Our average training satisfaction score for the year was 98.5.

Our employees are provided with ample training resources, including more than 700 in-house lecturers, and 30% of these lecturers are department heads or above level and facilitate the transfer of knowledge. Our Logan E-learning platform and expertise management system contain a large number of online self-learning textbooks, and our employees are sponsored for third-party professional training programs to acquire the latest real estate market knowledge. Our training models also include face-to-face seminar, online live streaming, adventure events, job rotations, on-the-job practices, action learning, instructor guidance, case study, group seminar, and leadership commentaries, which help broaden our employees' horizon and strengthen their market competitiveness.

Our employees are provided with training sessions that cover management skills, expertise, and systems and standards, so that they can better discharge their job responsibilities. At the same time, human rights training and corporate citizenship training are provided to our employees so that they can improve their awareness of rights and responsibilities. Our talent training programs were available throughout the year for all employees of the Group, providing training on management skills, business awareness, strategic planning and other training to more than 500 employees with leadership potential, which help them advance to the management level. We also provided training on professional knowledge, business expertise, team building and other training to more than 1,000 employees with outstanding work capability, which help mold them into professionals. In 2022, a total of 24,378 trainees spent 84,996 hours in attending 573 training sessions.

To strengthen the monitoring of human resource development performance, the Group set targets for the following indicators related to human development and training in 2022:

Target	Status	Progress in 2022
Over 30 hours of average number of training hours of employees	●●●	The average number of training hours for employees was 36 hours
More than 98% of trained employees	●●●	100% of our employees were trained
100% completion rate of annual training plan	●●●	100% completion rate of annual training plan was achieved

●●● Completed | ●●○ As scheduled | ●○○ Behind schedule

### Marketing Middle and Senior Management Talent Development

To cultivate marketing management talent, we have established one Reserve Marketing Master Training Class and two Reserve Marketing Manager Training Classes, with internal and external professional mentors appointed to assist our employees in the marketing system improve their workplace skills and promote their career development through classroom teaching, on-the-job coaching, etc.

### Reserve department manager training

In cultivating department managers with solid professional competence and capability to assert team leadership, we select high-potential talents from the on-the-job professional candidates eligible for professional manager to receive intensive training. By participating in professional courses and management courses according to the annual training plan, the trainees continue to strengthen their professional capabilities, and on the other hand they complete the role transition from professional contributors to managers.

### Skills Improvement Workshop

To improve the expertise of our employees across functional departments, we have established a "Skills Improvement Workshop", where business scenarios and key issues around the headquarters center and front-line companies are centralized for market analysis, strategy studies, case studies, and benchmarking learning so that excellent experiences and achievements can be learnt. At least two courses are offered every quarter to assist our employees in familiarizing themselves with and mastering relevant professional workplace skills.

## EMPLOYEE CARE AND GROWTH

### Perfect Delivery Series Training

To achieve the Company's annual delivery targets, we have launched the Perfect Delivery Series Training program that focuses on various areas, including project operation, engineering management, fine decoration, landscape design, and customer relationship management. This program has enhanced the collaboration and professionalism of delivery work, ensuring that our products are delivered on time with delivery quality and customer satisfaction at the industry benchmark level.

#### **“Lean Cost Management for Efficiency Enhancement” Training**

To promote organizational efficiency, we have launched the “Lean Cost Management for Efficiency Enhancement” Training program that focuses on bidding and procurement, marketing management, lean cost management, and financial sharing. This program has laid a solid foundation for improving the operating efficiency of the Company and enhancing its comprehensive competitiveness.

#### **Standardization Training**

To implement group-wide standardization management, we have launched the Standardization Training program that organizes various business lines to learn core work standards, systems, and processes. The implementation of standardization training includes five stages: learning of regulations, systematic training, consolidation through examination, case studies, and on-the-job practices. A total of 192 core work standards have been promoted and implemented, covering 2,308 trainees and 2,276 examinees. Each business line also provided case studies in standardization training.

#### **New employee training**

New employees are provided with training on Logan's corporate core values, “Logan Eight Operation Concepts”, professionalism, career objectives and job requirements, etc. 402 trainees spent a total number of 3,015 class hours attending 36 training sessions.

#### **Front-line company training**

The front-line companies conducted massive training on business skills and professional capabilities based on actual work. Among them, 10,862 trainees spent a total of 49,324 class hours in participating in and completing 532 training sessions of different types.





# ESG

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

We present exquisiteness by pursuing building craftsmanship. In this exquisiteness are all essence including grass, wood, bricks, and tiles.

### ESG issues

- 10 Product quality and safety
- 11 Service quality
- 12 Technology and innovation
- 13 Supply chain management
- 14 Environmental and labour performance of our suppliers and subcontractors
- 15 Industry development
- 16 Community renewal and integration



# URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

## ESG issues

## Progress in 2022

### 10 Product quality and safety



In order to ensure the quality of delivery, the Group organized more than 50 construction site open day activities in 2022, during which customers are guided to preview their new homes in all aspects, and any questions raised by customers during the tour will be addressed in advance before delivery. At the same time, the Group fully applied technologies such as the internet, big data and smart technology to smart construction solutions. For instance, the Group launched the Logan Construction 2.0 and designed the “Monolith” cloud engineering system 「(磐石)雲工程系統」.

### 11 Service quality



Besides the establishment of the “Three Sales Guarantees”, the Group trained sales employees, and adopted the practices of “unannounced visits by mysterious customers”, and “preliminary planning and design consultancy services” to ensure sales quality. To handle complaints and feedback, we make various platforms and channels available for our customers to file their complaints, and conduct customer satisfaction surveys through independent third parties every year. Compared with 2021, the indicators of housing quality (+2.78) and warranty service (+12.4) have improved in 2022, both of which have improved for two consecutive years. Benchmarked against the industries, housing quality, quality of public areas, product design, warranty service, and property management service are all higher than the industry average.

We ensure high-quality property services, and our property management team successively obtained the certificates for ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management. In addition, in order to enrich leisure activities of the property owners, we organized 3,740 sessions of diversified community recreational activities in 2022, attracting over 2.22 million property owners.

### 12 Technology and innovation



The Group has adopted high-tech applications in health pass, global security and intelligent systems, so as to maintain its leading advantages in product innovation and smart community ecological creation. For instance, Foshan Logan • Lakeview Garden was awarded the “China Smart Ecological Community Award” (中國智慧生態社區獎). Logan Smart Services provides property owners with multiple product lines such as Logan Cloud, Loganhui APP, property information platform and IoT cloud platform, and a new retail department has been established. 35 “Logan Convenience Centers” of our self-operated brand have been established in various locations, including Shenzhen, Foshan, Nanning, and eastern Guangdong, while the community e-commerce platform “Pinpinwang” now has nearly 3 million members. At the same time, the E-control center of Logan Smart Services Headquarters has achieved the intelligence and integration of property service management.

ESG issues	Progress in 2022
<p><b>13 Supply chain management</b></p> 	<p>In 2022, the Group conducted more than 2,957 supply chain site visits to understand the supply status and material quality of suppliers and contractors. At the same time, a third-party independent institution was appointed to conduct external audits for the Group’s suppliers and contractors. In addition, we conduct internal control audits on the procurement and cost management departments of the Group and branches every year, the scope of which covered 16 business processes in 2022.</p>
<p><b>14 Environmental and labour performance of our suppliers and subcontractors</b></p> 	<p>In accordance with the principle of fair and equitable procurement, the Group assigns an average of 6 supervisors to bidding activities. During the year, we had higher technical and qualification requirements for suppliers and contractors, and priority will be given to advanced environmental businesses. In terms of supplier management, we assess suppliers and contractors, and determine the follow-up cooperation plan according to the assessment results, namely, grades A, B and C, and cease cooperation with suppliers that are in serious violation, who are added to the blacklist, and violations will be rectified.</p>
<p><b>15 Industry development</b></p> 	<p>We held 5 on-site observation and exchange meetings in 2022, and leaders and representatives from corporate departments involved in construction and supervision for some projects in progress participated in the meetings and discussed the development landscape of the industry.</p>
<p><b>16 Community renewal and integration</b></p> 	<p>The Group has led the establishment of hundreds of property owners’ associations and organized various community activities. In 2022, the Logan Communities launched over 100 campaigns focused on thoughtful services, including delivery of 216,000 breakfast packages, extra care for more than 76,000 people with special needs, 58,000 deliveries of services on Singles’ Day as convenience services, and 220 special homeowner events, 1,920 manager meeting days, and 1,726,400 door-to-door household visits to resolve property owner issues.</p>



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### PRODUCT SERIES

Despite grand transformation from “Sunshine”, “Joy” and other urban lifestyle collections to three major product lines of “Jiu”, “Tian” and “Jiangnan” collections, Logan Group has always persisted in the brand philosophy “To Build a Better Life” and committed to creating a high-quality smart and beautiful city lifestyle. In recent years, the Group created and launched a new “Modernization” collection that introduces a new residential lifestyle driven by health technology. Logan Group’s products have won numerous awards in the industry, fully demonstrating its industrial standard and advantages in innovative design, construction quality, living experience, and residential value.

#### “Modernization” collection products



##### Smart Access

The ultimate “zero-touch” intelligent homecoming scenario is created through sophisticated layout and technology. With the use of a face recognition system, residents can enter the building through face recognition at each door, and the lift system can be connected to automatically identify the floor they live on, making the entire process of returning home intelligent and automated.



##### Regional security

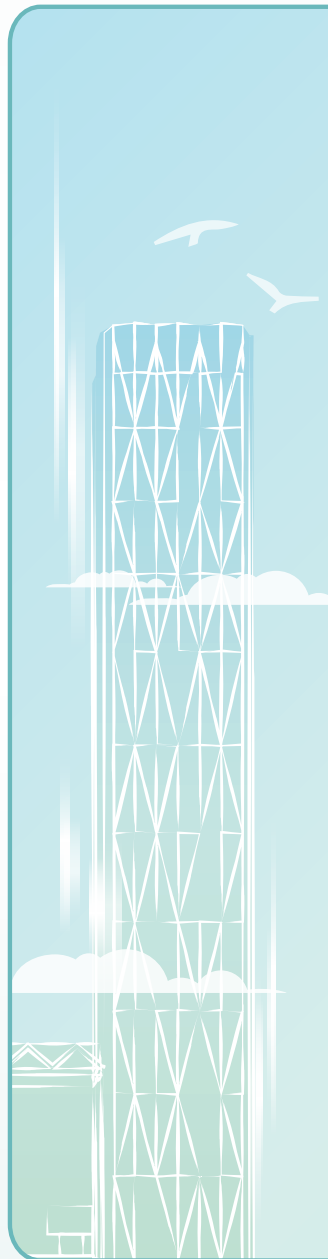
The building’s intelligent community management system is based on advanced technologies such as artificial intelligence, Internet of Things, big data, cloud computing, video analysis and pan-awareness, and is connected to the access control, gates, monitoring, lifts and fire-fighting systems of the community, which can carry out various research and analysis tasks such as image matching, trajectory tracking and alarming, realising round- the-clock guarding in a 24-hour day.



##### Mobile application

Logan Group has developed Loganhui (龍光薈), a smart community application for residents, which provides more than 40 services including online reporting, online payment, housekeeping services and lifestyle services. Another application, U-Housekeeper (優管家), also provides housekeeping services for residents.





### Modernization

The “Modernization” collection is positioned to provide an “international ultimate home”, which aims to create the classical metropolitan residence by reinventing functional values of a mansion with modern aesthetics, and empowering healthy living with smart technology under the “ultimate recreation” product rule.

### Jiangnan

The “Jiangnan” collection is positioned as the “Charming Jiangnan gentlemen’s hall”. It is a combination of traditional Jiangnan architectures, which are reflective of Jiangnan scenes, customs, and elegance, and low-density house planning to present residents with the most beautiful cultural essences of Jiangnan charm.

### Tian

The “Tian” collection is positioned as the “Chinese residence with the ancient Tang style”. The site surrounds by precious natural scenery, the landscape and design of which are based on the grand architectures in the Tang Dynasty, and rare and unparalleled as natural gifts. This truly reflects the top human habitation of locals in Lingnan.

### Jiu

The “Jiu” collection is positioned as the “exquisite mansion surrounded by grand landscape”. With the theme of “scenic tour in modern landscape”, we create “nine landscapes” in the nine public spaces within the residential area. Our practices of rigorous site selection, high-end quality, extraordinary facilities and superior transportation enable this “Jiu” collection to be the first option for the premium urban lifestyle in the eyes of the elite echelon.





## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### LOGAN COMMERCIAL

Keeping a highly keen eye for urban lifestyle, Logan Commercial combines the needs of urban lifestyle with the experience of commercial space to carve out city complexes by developing commercial real estate above the TOD hub, which build experience-based shopping malls as the center surrounded by high-end office buildings, boutique hotels, and other business formats.



#### Business case: Blue Whale World in Guangming (光明藍鯨世界)

Guangming Blue Whale World is a regional shopping mall integrating shopping, dining, leisure, entertainment, tourism, and social networking, with a total gross floor area of approximately 100,000 square meters. Positioned as an “urban center of aesthetic life”, the project strives to project its core brand value of “first impression” and “aesthetic life”. Based on its inherent “landmark” attribute, the project adopts the concept of fluidity and the curved design to accentuate the maximum dynamic beauty of the space, creating an immersive experience. At the same time, the unique theme park style combining nature and art creates a unique commercial atmosphere where “each store has its own distinctive feature, and each step takes you to a different view”. Blue Whale World emphasizes the compound functions of the Transit-Oriented Development (TOD) practice. The shopping mall, together with the themed street, selected hotels, exquisite residential areas, ecological parks, and other formats, forms a TOD urban complex with a site area of approximately 750,000 square meters. Within an 800-meter walking range, the project creates an urban space that integrates with various functions, including commerce, business, culture, parks, and residences.



Office case: Nanning  
Logan Century Center  
(南寧龍光世紀中心)

The 381-meter-tall Nanning Logan Century Center (南寧龍光世紀中心) has a gross floor area of approximately 390,000 square meters, which is comprised of two ultrahigh towers and a commercial podium with the main structure having 81 floors. Its exterior design appears as a hydrating lotus integrated with the local culture and folk customs of Nanning. Located in the ASEAN Business District, China's international window to ASEAN, this project, which is comprised of premium offices, shopping malls and hotels, represents a comprehensive business landmark providing business, office and living services to top domestic enterprises settled in Nanning, as well as to regional governments and business institutions from ASEAN countries and other countries. As a new face of Nanning, Nanning Logan Century Center is operated with the core value of providing an esteemed business experience. The building attracts renowned enterprises in the finance, internet technology, industry, and service sectors at home and abroad, including over ten Fortune 500 companies, such as Huawei, China Telecom, Ping An Insurance, China Communications Construction Company, and Schneider Electric. This demonstrates Nanning's rapid internationalization process.

Boutique hotel case:  
Na Lotus Hotel,  
A Luxury Collection  
Hotel in Nanning  
(南寧龍光那蓮  
豪華精選酒店)

As the first luxury brand hotel under the Marriott Group in Guangxi, Logan's Na Lotus Hotel, A Luxury Collection Hotel in Nanning (南寧龍光那蓮豪華精選酒店) is a high-rise building overlooking the city skyline. By incorporating the unique features of Nanning in Guangxi, the hotel offers 290 guest rooms, 3 restaurants and 1 lounge, in addition to more than 1,700 square meters of banquet space, while providing luxury experience and stellar services for high-end business travel, conferences and banquets, casual dining and other activities. In addition, the hotel provides guests with more convenient facilities to explore Guangxi and surrounding destinations in ASEAN.

Recognized as a recommended destination for the night economy in the ASEAN business district for promoting regional tourism, the hotel becomes a business card for urban investment attraction, showcasing the brand strength and service quality of Logan's Na Lotus Hotel, A Luxury Collection Hotel in Nanning. Through various innovative management strategies, the hotel has created a multi-dimensional business format that combines "mini vacation for urban families" and "high-altitude art exhibition", further enhancing the accommodation experience that enables different target customer groups to enjoy the luxury quality.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### CITY DEVELOPMENT

#### Urban Renewal Projects

Urban renewal is the continuing theme of urban development. By improving hardware and software facilities, revitalizing inefficient construction land and promoting industrial upgrading and transformation, our projects will assist to revamp and vitalize cities that enjoy a long development history. The Group has been carrying out a forward-looking investment strategy, under which, we have so far developed a total of 100 urban renewal projects across 8 cities, promoting the sustainable and healthy city development.

#### Foshan Acesite Park (佛山玖龍臺)

Foshan Acesite Park (佛山玖龍臺) is located in Lvhu Island District, Foshan, covering an area of 82,000 square meters, with a total gross floor area of 700,000 square meters. The location where the project lies was formerly a worn electrical appliance factory with problems such as noise pollution and traffic congestion. The community land planning failed to meet the required demand of the public. The Group's urban renewal transformed old communities, improved the spatial structure of human settlements, restored natural ecology and strengthened urban infrastructure to comprehensively improve the city quality. After the transformation, Foshan Acesite Park (佛山玖龍臺) project has improved the community space for more than 14,000 community residents, provided more than 7,000 sets of residences, approximately 40,000 square meters of shopping centers and emerging industry bases, equipped with 5,500 parking spaces and gardens, thereby comprehensively satisfying the demand of residential life.

#### Pingshan Shahu Land Restructuring Project (坪山沙湖土地整備項目) in Shenzhen

The Pingshan Shahu Land Restructuring Project (坪山沙湖土地整備項目) (Plot 5) is located in Pingshan District, Shenzhen, covering a site area of 26,100 square meters and a total gross floor area of 108,400 square meters. The site of the project was formerly a private residence in Shahu Village, with various issues including dilapidated conditions and incomplete supporting facilities. Logan Group actively participates in urban improvement projects and promotes the redevelopment of Shahu Village. At present, the demolition of the project has been completed and construction has started. After completion, original villagers and citizens will be provided with 94,200 square meters of comfortable residential units, as well as 10,000 square meters of commercial facilities and a kindergarten of 12 classes. As a result, the quality of living in the area and the happiness of citizens will be further enhanced.

### Supporting urban facilities

The Group is committed to becoming an integrated service provider for better city life, which is a diversified group of businesses to cover residence, commercial and office operations, boutique apartments, and hotel operation, and provides a variety of ancillary facilities covering the entire life cycle of its customers. At present, the self-owned commercial properties of Logan Commercial (龍光商業) cover an area of approximately 2 million square meters, including Logan Century (龍光世紀), Logan International Building (龍光國際大廈) and Logan Commercial Plaza (龍光商業廣場) in Nanning, Shenzhen Logan Century Building (深圳龍光世紀大廈) and Huizhou Logan Commercial Plaza (惠州龍光商業廣場).

### Government-subsidized housing

We cooperate with local governments to develop government-subsidized housing to solve the housing difficulties of low- and middle-income families. By 2022 we have developed 31 subsidized housing projects in 12 cities, including Shenzhen, Guangzhou, Shanghai, Foshan, Chengdu, Zhongshan, Zhuhai, Nanning, Ningbo and Wenzhou providing 11,170 government-subsidized housing units, so that people from all walks of life in our communities have a happier life. Logan Group has undertaken to constantly address the housing needs of the society in the future, support the national housing policy and promote the high quality of the city.

Geographical Distribution of Subsidized Housing Units:

City	Saleable (unit)	Non-saleable (unit)
Shenzhen	961	1,607
Foshan	163	1,252
Guangzhou	211	0
Liuzhou	0	266
Nanning	1,293	2,762
Chengdu	0	858
Zhongshan	0	919
Zhuhai	0	46
Jiaying	33	1
Shanghai	0	373
Ningbo	0	39
Wenzhou	386	0

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



### Pingshan District, Shenzhen — Acesite Elegance (玖譽雅築)

Logan Acesite Elegance is located in Ping Shan District, Shenzhen, and provides a total of 541 housing units in 4 residential buildings, including 186 housing units in a decorated building for talents. Adjacent to Dashanbi Park and a lake-circling greenway with a length of approximately 6 kilometers, the project creates a living environment that offers easy access to fresh air in the natural ecosystem. It is also close to the Ping Shan Sports Center, Ping Shan International Tennis Center, and the Maluan Cultural Service Center (currently under construction). Logan Acesite Elegance is expected to be delivered in October 2023, providing residents with a beautiful and comfortable living experience.





**Guangming District, Shenzhen — Logan Auspice Mansion (玫瑞府)**

The Shenzhen Guangming Auspice Mansion Project was acquired by the Group through land auction in May 2021, with a total of 428 housing units. Among which, 138 government-subsidized housing units accounts for one-third of all housing units, with over 10,000 square meters of comfortable accommodation to 138 highly-educated families. Located in the core area of Fenghuang City in Guangming Science City, the center of northern Shenzhen, the project, as part of the strategic urban development project in Shenzhen, provides its easy accessibility in terms of transportation. Adjacent to Guangming High-speed Railway Station, the project is conveniently located with easy access to Shenzhen North Station/Humen Station with one stop, and two stops to Futian Station/Guangzhou South Station, and three stops to Hong Kong West Kowloon Station. It is approximately 700 meters away from the planned Line 13 (to be opened in 2025) of Guangmingcheng Station, which is planned to run through the north and south of Shenzhen, and starts from the Shenzhen Bay Port and connects to Houhai, High-tech Park, and Xili. Logan Auspice Mansion is adjacent to the Baihua Garden Flower Theme Park (formerly Qilinshan Park, under construction) with a site area of approximately 260,000 square meters, a high-value landscape project in Guangming District. Within a radius of about 2 kilometers, Xincheng Park with a site area of approximately 570,000 square meters, as well as new sites endorsed by social media influencers such as Hongqiao Park, and Dadingling Mountain Park, provides a green and oxygen-rich lifestyle.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



### Foshan — Logan Tianying

Located in a central business district in Shunde, and adjacent to the Desheng Newtown in Daliang (also known as Golden Phoenix), Logan Tianying is comprised of new Chinese-style riverside courtyards along the linear river with a gross floor area of approximately 280,000 square meters. Within Shunde's billion-dollar municipal Desheng Central Business District, this project enjoys five major business districts receiving millions of visitors. With the road network consisting of seven vertical and five horizontal lines, and three metro lines and two highways crisscrossing the Greater Bay Area, the project offers seamless connection to private prestigious schools and international-level education resources. Logan Group continues to maintain its business presence in the Greater Bay Area and give back to society. The project consists of 11 high-rise residential buildings (including 2 government-subsidized housing units) and 41 villas. The product portfolio covers high-rise duplexes with an area ranging from 97 square meters to 148 square meters, riverside villas with an area ranging from 369 square meters to 443 square meters, and government-subsidized housing units with an area ranging from 75 square meters to 151 square meters. Among which, government-subsidized housing units have been delivered, improving the living environment of 184 households in Foshan.



### Nurturing start-up talents

Being keen on nurturing social talents, we are committed to providing development platforms for talents, while addressing the shortage of funding for start-up talents and difficulties in identifying venues. To support the introduction of talents by governments, we join in Shantou Overseas Chinese Pilot Zone (汕頭市華僑試驗區) to create a provincial pilot zone for talent development and reform, including provision of 38 buildings of the East Coast Yuhai Tianxi Project (東海岸御海天禧項目) with a total area of approximately 5,800 square meters for free, as well as decoration and office facilities as a venue for talent building, for a period of 3 years.

### PRODUCT QUALITY AND SAFETY

All of our building products are known for their “quality” and craftsmanship, allowing us to provide customers with premier residences. We strictly comply with the quality management requirements of the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council (國務院) regarding project planning, construction works, supervision, inspection and acceptance and maintenance. Additionally, we implement the standard construction management procedures, including:

<p><b>Project Planning</b></p>	<p>Prior to the commencement of the construction project, the project team, strategic development team, marketing team, design team, costs control team, and procurement team jointly prepare a project plan to confirm the design drawing, construction arrangement, personnel and resources allocation, major obstacles and solutions. The Group will also pay the costs related to the quality management of the project, which is clearly stated in the sub-contracting agreement.</p>
<p><b>Construction Works</b></p>	<p>The construction team is required to strictly follow the construction plan. In case any emergency occur which would cause delay to the construction work or damage the project quality, they should report to the management immediately, and work out solutions as soon as possible.</p>
<p><b>Project Supervision</b></p>	<p>The Group would hold regular meetings with contractors, supervisors and suppliers to follow up project progress and its quality and safety performances. The Group has more than 200 site quality officers who inspect the site on a daily basis and provide guidance and training to site personnel. Any event involving material non-compliance risk will be reported when it occurred.</p>
<p><b>Independent testing</b></p>	<p>The Group engages a third-party independent organization to conduct quarterly inspections on construction sites and hold quarterly meetings on the quality of construction sites where the heads of all business partners must attend. The Group will rank the quality performance of the construction sites and reward outstanding units at the meeting. Those who are not qualified must be rectified.</p>
<p><b>Quality Inspection</b></p>	<p>The Group has established a sound quality control and inspection mechanism, and the Group and its frontline companies have dedicated positions in place to monitor and inspect the quality and safety of each project, ensuring that all ongoing projects are subject to monthly inspection. The results of working procedure acceptance and materials acceptance of the projects are uploaded to the Monolith Cloud Engineering System to ensure that all project quality control is traceable and implementable.</p>



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Logan establishes a standardized construction procedure manual for every project to ensure that every detail is closely seamed. The Group will accumulate project experience and user opinions to prepare standardized documents. By optimizing product functions and reducing defects from the design level, we ensure various standards include “use of stainless-steel sculpture materials for easy cleaning and maintenance, and adoption of circular designs for corners around the swimming pool to prevent customers from scratching” and other opinions to improve product quality and safety.

We carefully inspect raw construction materials and equipment to ensure that the quality is up to standards specified in the contract and drawings, and all incoming materials are required to be accepted by Party A’s project department, construction unit and supervision unit before entering the site. We have established the Material Inspection and Acceptance Management Policy (材料進場驗收管理制度) to define responsibilities of the relevant departments, inspection and acceptance procedures, quality checklist, and stock and inventory requirements, etc., which provides our staff with clear guidelines for raw material management. All incoming raw materials must be sampled at the on-site supervision of the 4 site management officers for quality inspection to ensure that the quality meets the contractual requirements and the defective products are returned.

We arrange relevant government institutions and third-party experts for checking in accordance with the Completion Examining Requirement of Housing Construction Projects and Municipal Infrastructure Projects (房屋建築工程和市政基礎設施工程竣工驗收規定) issued by China Ministry of Housing & Urban-Rural Development (中國住房城鄉建設部) after completion and conducting quality inspections for construction work of all completed projects, including but not limited to foundation, main structure, decoration and outfitting works, drainage, heating, electricity and energy conservation and obtain quality certificates. The Group will also inspect the index of hazardous substances and formaldehyde, etc., which will ensure every detail of the projects of the Group is in strict compliance with the national requirements on real estate projects and bolsters confidence of our customers in our product quality.

### Quality Delivered

Being well aware of the customer’s good expectation for their future homes, we organized open days for the construction site prior to delivery, allowing our customers to enter the site, and provided an opportunity for them to understand the construction details. The procedures and methods were put on display for openness and transparency.

#### Construction Site Open Day Activities and Project Progress

We organized more than 50 construction site open day activities in 2022, during which customers are guided to preview their new homes in all aspects from the entrance of the community, the garden, and building lobbies to indoor households, showing various construction details, including leak-proof and anti-cracking process, water and electricity engineering craftsmanship and construction control measures. Regarding the questions raised by customers during the visit process, we will address them in advance before delivery. In 2022, we released regular updates on project progress, with nearly 400 articles published, allowing our customers to stay informed of the construction progress of their projects in a timely manner.

To ensure the customers' experience in acceptance services, we will hold special meetings to deploy a full delivery process and carry out training and exercises for all employees prior to delivery, so as to improve the experience in all aspects of acceptance services. At the delivery site, each customer will receive high-touch service from the dedicated professional inspector, who will give a complete introduction about the property and complete the inspection and acceptance for the new home based on the customers' acceptance requirements. At the delivery site, professional maintenance resources will be sufficiently allocated to address any issues raised by customers in a prompt and expeditious manner. Maintenance personnel will take photos and record every step of the maintenance process, and customers can check the progress of the maintenance through the Logan Treasury's official WeChat account.

We pay particular attention to maintenance services after delivery. Within the standard defect liability period, all projects will be assigned with professional aftersales personnel to provide customers with free and timely maintenance services. We have set up maintenance service standards and regulations, which explicitly stipulate the timing of responses and handling timeframe.

Customers' satisfaction  
over general delivery  
performance of  
the Group

In 2022, the Group continued to conduct customer satisfaction surveys to understand customer feedback and improve deficiencies.

- 62,612 units delivered in 2022, with a delivery rate of 94% upon property owners' visit
- Various business indicators of the Group: compared with 2021, the indicators of housing quality (+2.78) and warranty service (+12.4) have improved in 2022, both of which have improved for two consecutive years. Benchmarked against the industries, housing quality, quality of public areas, product design, warranty service, and property management service are all higher than the industry average.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Logan Construction 2.0

In order to promote the lean management at construction sites, the Group implements smart construction solutions by comprehensively applying the internet, big data and intelligent technology, effectively supervising the safety, construction quality, and environmental performance at construction sites, while improving work efficiency. Our smart construction solutions include:

- Adopting the building information modeling (BIM) technology
- Setting up a face recognition system at the entrance of the construction site and on the mechanical operation platform where a permit is required
- Installing a contactless voice broadcasting system that alerts users to hazardous sources
- Adopting a tower crane climbing power system
- Using smart laser rangefinders and rebar scanners
- Applying Monolith Mobile App for construction quality inspection

### “Monolith” Cloud Engineering System (「磐石」雲工程系統)



The “Monolith” cloud engineering system has been fully applied to all projects of the Group since its launch. The Group supports and assists engineering management and site workers to use and continuously optimize the system in various aspects from the preparation of operating manuals for the cloud system to filming of operational videos, setting up of systems, arrangement of technical officers to answer questions in real time, establishment of Monolith Academy, and organization of weekly user seminars.

The cloud system and application program provide a one-stop project management platform for the Group, project constructors, supervisors and designers, with six major functions including online on-site inspection, actual measurement, working procedure acceptance, material acceptance, spot and special checks and management behavior to enhance the onsite efficiency, accumulate big data of construction and assist Logan Group in standardized management. In 2022, the Monolith Cloud Engineering System has a total of 12,043 active users.

Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to construction quality and safety during the Reporting Period.



## SERVICE QUALITY

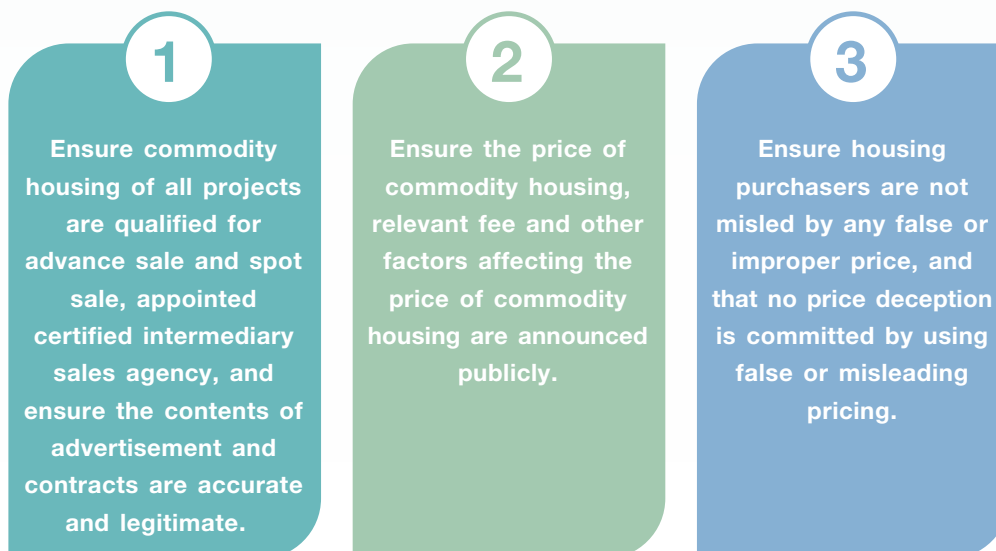
### Sales and Customer Relationship Management

Over the course of business operations, we always place the customer's interests at the highest priority from product design to sales management. The Group has established the Sales Process Risk Management Policy (銷售過程客戶風險管理規定) to govern the sales process including model display, press release, contracting, events management and customer experiences with an aim to safeguarding information accuracy and persisting in our business integrity.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Three Sales Guarantees by Logan Group



We have also established the Customer Relationship Management Policy (客戶關係管理流程), Product Delivery Management Rules (產品交付管理辦法), Joint Acceptance Guide upon Delivery (交付聯合驗收工作指引), Maintenance Service Management Rules (保修服務管理辦法), and other regulations and systems, to specify the roles and responsibilities of the relevant responsible departments among different project stages including project design, marketing, simulated inspection and acceptance as well as pre-delivery, post-delivery and occupancy management. The policy also sets out roles and responsibilities of relevant departments, including customer relationship department, design department, sales department and maintenance department. With standard working procedures and service standards in place which enhance operating efficiency, departments are facilitated to offer superior customer services and hence, increase the customer satisfaction.

Prior to new project launch, the Group will train the sales representatives of the relevant projects by strengthening their awareness of being a responsible sales agent, while requesting for consistency in sales terminology and expressions. All sales materials require approval from the management. In addition, we will carry out unannounced visits as a mystery customer on a monthly basis, covering all subsidiaries with the projects for sale and the properties under management, to strictly control false publicity and assess the quality of services. Furthermore, the marketing management center and the audit and inspection department of the Group will sample the agents of new projects run by the subsidiaries and inspect the marketing materials so as to comply with the three sales guarantees of Logan Group.

### Preliminary Planning and Design Consultancy Services

Over the course of exploring innovation and accumulating experiences, Logan Smart Services has developed a complete Logan distinctive service system. Taking advantage of the innate strengths of the real estate business, Logan Smart Services has launched preliminary planning and design consultancy services in the industry, which allows us to participate in the whole process of real estate development from the perspective of property owners who offer their subsequent living experience, and create a post-assessment feedback mechanism to exercise quality control in advance. The sales office management services under the five-star concierge standard are established, which comprehensively build a five-star, high-standard concierge services based on the five senses of “sight, hearing, smell, taste and touch”, as well as a high-end service system of the “Tian”, “Court” and “Jiangnan” collections, and the mid-end service system of the “Jiu” and “Sunshine” collections.

Based on the above measures, we were not aware of any serious violations of the Regulatory Measures on the Sale of Commodity Houses (商品房銷售管理辦法), the Price Tagging Rules of Commodity Housing Sales (商品房銷售明碼標價規定) or other relevant rules and regulations regarding sales and advertising during the Reporting Period.

### Complaints and Feedback

The customer relationship department would adhere to the principles of customer-oriented, timeliness, and efficiency so as to collect and handle the complaints. We have developed the Guidelines on the Risk Classification and Control of Customer Complaints (客訴風險事件分級管控工作指引) to deal with complaints from our customers, under which the customer relationship department has built a specialized risk management team and the 400 call center. The 400 call center will process customer complaints received by the Group, while the specialized risk management team will be responsible for coordinating with relevant departments to analyze and formulate solutions to address the causes of these complaints, as well as overseeing and facilitating the complaints handling.

Customers could express their views by telephone, email, Logan Treasury’s official WeChat account, and in person. We would take a responsive action within 24 hours and response with our preliminary handling recommendations within one week. The customer relationship department has established a traceability and follow-up mechanism to ensure timely and efficient handling of complaints.

We attach great importance to customers’ opinions on our services and product quality, and the customer relationship department of each subsidiary will collect the defected projects on a quarterly basis, and then relay the same to the design department to continuously improve product and service quality as much as possible.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### One-stop Online Customer Service Platform – Logan Treasury (龍光寶)

To accommodate the current user preferences, we have built a new one-stop online customer service platform – Logan Treasury, where customers can check the project progress in real-time, complete the formalities of ownership, file repair requests and complaints, and sign up for customer activities online. Our efficient and convenient standardized services provide customers with a high-quality customer service experience.

### Customer Satisfaction Survey

The Customer Relationship Department has upgraded the customer satisfaction survey system, covering all owners every quarter through official WeChat account, SMS, phone, face-to-face interviews, and other methods to collect customer feedback. From the perspectives of products and services, we analyze customer feedback in real-time and provide customer-side suggestions for the Company's continuing operations.

### Outstanding Delivery

#### Foshan Tianying (佛山天瀛)

The Foshan Tianying Project was delivered in 4 batches in 2022, with over 90% of customers coming from other cities. Despite the pandemic, the project overcame the challenges by making preparation in advance according to various demands of customers, achieving a delivery rate of 100% upon customers' visit, as well as an overall delivery rate of 100%. Within 1 month after delivery, 100% of the maintenance issues were rectified. By planning ahead, the delivery site also prepared surprises such as birthday parties and marriage proposals for customers, earning praise from them.

#### Nanning Glory City (南寧玖譽城)

Nanning Glory City was delivered in 4 batches in 2022, totaling over 6,300 households. The project achieved a delivery rate of 100% upon customers' visit, as well as an overall delivery rate of 95%. Within 1 month after delivery, 100% of the maintenance issues were rectified. The project is surrounded by a complete set of education facilities such as kindergartens, elementary schools, and junior high schools, so the project actively coordinated various resources to facilitate customers' settlement and their requirements for education resources. The deliveries were completed 3 months in advance, among which, the certificate of title was immediately issued upon delivery for certain batches.



## Property services

We care about the health and safety of every resident and visitor in Logan community. Property management staff of Logan Group provides high-quality, high-standard and professional property management services, and regularly organize various community activities to provide a peaceful and harmonious residential environment.

Our sizeable property management team demonstrates its professional performance by obtaining the ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system. The managing areas of Logan community includes:

- Security services: the services include automatic vehicle identification system, electronic pulse alarm device, and infrared and closed circuit surveillance system. The entire community will constantly conduct 24-hour patrol with a Sky Eye CCTV system and security shields. In combination of technical and human security measures, the community establishes an all-round, multi-level, and zero-interference security system, which is a comprehensive security system to protect the homes and travel of our homeowners;
- Safety: full-scale fire drills are held twice a year to raise awareness of fire safety among community members;
- Sanitation: high-caliber professional companies are appointed for environmental sanitation management. A strict assessment and evaluation mechanism is formulated according to the quality standard requirements. Our standardized detailed management ensures the cleanliness of the communities at all times, creating a high-quality ecological environment;
- Maintenance: our efficient and high-level emergency response, with year-round high-frequency maintenance and meticulous maintenance services, will help our homeowners rest assured. Our seasoned staff implement a device management responsibility system to ensure zero equipment malfunctions;
- Housekeeper: we strive to create warm and welcoming communities by providing professional, standardized, and intelligent services to homeowners through our superior housekeeper service system and intelligent management platform. Our goal is to enable homeowners to experience Logan's premium services;
- Community activities: a variety of cultural and recreational activities are held in the community to enrich property owners' leisure activities and create a friendly living atmosphere.

In the traditional property service sector, Logan Smart Services focuses on property owners' living experience and provides community services including engineering maintenance services, cleaning and afforestation services, security management systems, and community cultural activities. Featured service models including "Stellar Butler" (優管家), "Morning and Evening Greetings", "Ten-Minute Response" and "Three Steps of Services", as well as six major series of themed campaigns including "Logan Festival Celebration Series", "Care for Women Campaign", "Care for Growth Campaign", "Happy Family Festival", "Logan Impression Cultural Festival" and "I Love My Family Community" public interest campaign, and "You Li Jie"(優里節) community activity IP, were operated throughout the year. In 2022, 3,740 sessions of diversified community entertainment and recreational activities attracting over 2.22 million property owners enriched their leisure activities, and ensured more comfortable residences.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Driven by the idea of creating a “warm community” for property owners, Logan Smart Services proactively takes the lead in establishing hundreds of property owners’ associations, which serve as a vehicle to carry out community activities under the model of “Reminiscence Builds a Community”, and truly build the Logan paradise to property owners. After years of improvement and practice, Logan Smart Services has formed an incubation system for a holistic, continuing and diverse community culture, which represents the unique cultural gene of the Logan Communities.

In the midst of our continuing development and expansion, Logan Smart Services always regards quality improvement as the momentum to drive our business development by taking the lead in obtaining certificates for ISO9001 quality control system, ISO14001 environmental management system, and OHSAS18001 occupational health and safety management system, and was also awarded the Guangzhou Class A Qualification for Environmental Sanitation Industry Operation and Service Providers, National Class 1 Qualification for China’s Cleaning and Cleansing Industry, and Guangdong Class 1 Qualification for Cleaning, Collection, Transportation and Cleaning Sanitation Service Providers.

<b>Safety</b>	In 2022, the Logan Communities sincerely, professionally, and skilfully safeguarded the safety of residents by conducting 9,070 night patrols (including E-control data), 451 aerial inspections, 384 fire drills, 19,248 armed patrols, and 10,060 military drills.
<b>Environment</b>	In 2022, the Logan Communities carried out a total of 9,873 disinfection activities throughout the year, and 7,535 rounds of “I Love My Family” Cleaning Action (“我愛我家”大清潔活動). Our careful, meticulous, and professional services are aimed at safeguarding excellent residential conditions for the Logan Communities.

### Customer services

<b>Thoughtful service satisfaction campaigns</b>	100+ thoughtful service satisfaction campaigns, including 216,000 breakfast packages; extra care for more than 76,000 people with special needs; 58,000 deliveries of services on Singles’ Day; 220 special homeowner events.
<b>Manager meeting days</b>	1,920
<b>Door-to-door household visits to resolve owner issues</b>	1,726,400 units
<b>Community entertainment and recreational activities</b>	3,740 sessions of diversified community entertainment and recreational activities enriched leisure activities of property owners and ensured more comfortable residences.



### Digital Transition Goal: Build a Future-Oriented Smart Enterprise

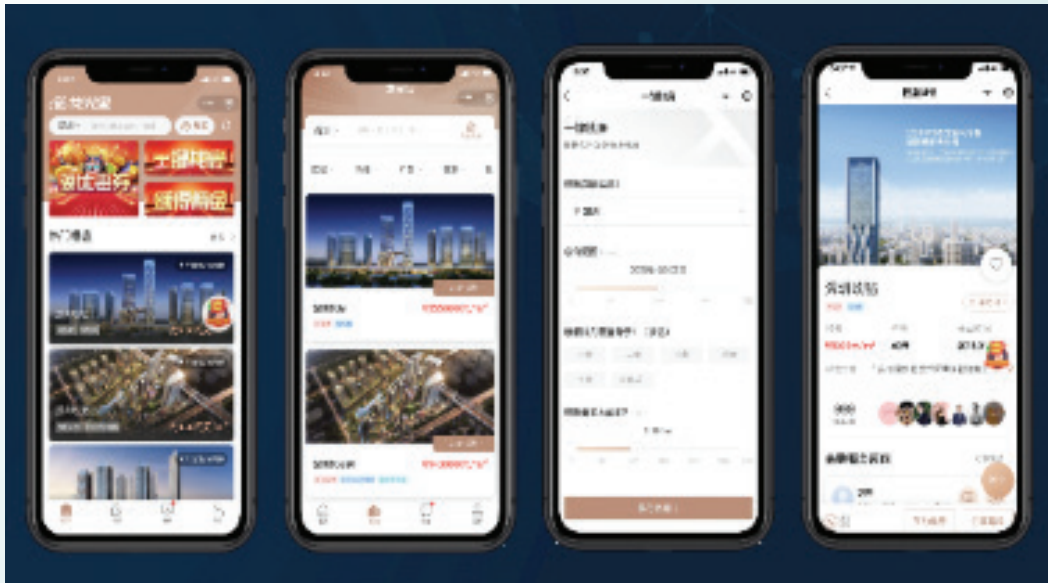
Logan is actively transitioning into digitalization. Based on the data-driven and scientific decision-making principle, it aims to empower all front-end, middle- and back-end businesses. With data used to assist in decision-making, Logan will enhance effectiveness and reduce costs in management, decision-making, customer service, and planning for the future, so as to become a smart enterprise integrated with “business digitization” and “transformation of data into business”. In 2022, we achieved significant results in our digital transformation:

- We mainly focused on deepening businesses, with a total of 20 business platforms deepened throughout the year, largely distributed in marketing and financial areas.
- The monthly system visit rate remained stable at 91%, with the highest daily page views reaching 250,000 times.



#### Online Marketing Platform – Logan Treasury (龍光寶)

Logan builds and maintains a one-stop marketing service platform to meet the online growth of its marketing business, promote data-based marketing management, and visualize business indicators. In 2022, the total number of users of Logan Treasury (龍光寶) reached 2.75 million, with associated referral transaction volume amounting to RMB4.1 billion.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### SUSTAINABLE SUPPLY CHAIN

In order to ensure the quality of the Group's supply chain, we have a dedicated procurement and cost management department with more than 200 employees to manage and supervise the supply chain operation of the Group and our subsidiaries. We provide monthly in-house training sessions for our procurement officers to continuously improve their professionalism.

#### Supply chain risk assessment

We carry out plant inspections or organize business meetings, facilitating communications with the frontline employees and senior officers of new and existing suppliers and contractors to understand the supply status and product quality. We have conducted more than 2,975 supply chain site visits in 2022. We also engage a third-party independent agency to conduct external reviews on the Group's suppliers and contractors, including financial conditions, the proportion of customers' businesses, compliance and integrity records. Based on the above measures, we will establish corporate credit files for suppliers and contractors for management. The principals of our subsidiaries will report the on-site performance and fulfilment capabilities of suppliers and contractors to Group's headquarters every half month, and then the headquarters will assess and report the risks of the overall supply chain to the Sustainability Committee on a quarterly basis.

In addition, we conduct annual internal control audits on the Procurement and Cost Management Departments of the Group and Subsidiaries. The internal audit for 2022 covered 16 business processes, including inspection and selection of suppliers and contractors, procurement planning management, tender evaluation management, contracting process and performance assessment, rectification and improvement of which were completed during the Year.

The performance rate of our engineering and construction contracts was 99.5% in 2022. The Group makes an annual investment of RMB1.1 million in supporting supply chain risk management activities to ensure a sustainable supply chain.

#### Selection of suppliers

We have adopted systems such as the Procurement Practices Management Policy (採購業務實現管理辦法), Practice Manual for Bidding and Evaluation (招評標實施指引), Selection Criteria for Professional Suppliers of Engineering Procurement (工程採購類專業入庫標準) to govern the procurement and bidding process in an impartial and fair manner, with an average of six supervisors for bidding activities, including managers and the management of the Group. During the Year, we conducted a total of 3,410 tendering and procurement activities.

In addition to certain technical and qualification requirements for our suppliers and contractors, construction contractors must be among the top 30 national business entities or the top 10 local professional entities with no less than three years of similar construction experience. We also give priority to enterprises certified as a green business, including those who own an environmental management system certification or products and projects satisfying certain environmental protection requirements. We also encourage suppliers and subcontractors to implement low-carbon productions and environmental-friendly operations.

## Supplier Management

We conduct quarterly risk assessments of all suppliers and contractors of the Group in terms of their compliance, quality, safety, environmental protection and labour performance in accordance with the Operation Guidelines for the Management of Whole Process Assessment of Suppliers (供應商全過程評估管理作業指引). Based on the assessment results, we classify our suppliers and contractors into Class A, Class B and Class C to determine subsequent cooperation plans. The Group's headquarters and subsidiaries share the information about performance and business of the suppliers on a weekly basis. For suppliers with near-saturated production capacity or poor performance, the Group will suspend cooperation within a specified period of time, or even terminate the cooperation with those suppliers in serious violations, who will also be included to our blacklist. In 2022, 13 suppliers conducted the rectification for their violations as requested by the Group.

For each project, the Group regularly follows up the performance of suppliers and contractors, including dispatching our employees to conduct on-site supervisions on the production status in the supplier's facilities or construction site. For the same products and services, we will purchase from more than one supplier or contractor and identify primary and at least three back-up suppliers in the same region, so that we can instantly replace the suppliers in the event of an emergency to ensure no disruption in our business.

Our quarterly supplier questionnaires help us understand their opinions and needs to deepen our partnership.

In recent years, our rapid development also depends on high-level cooperation of the supply chain. We welcome qualified and seasoned suppliers to become our partners, and continue to recruit suppliers by sending email, official WeChat account, and other means, to work with us. As a result of our ongoing expansion, as of 31 December 2022, we had 4,285 suppliers nationwide, representing an increase of 23% as compared to last year.





# ESG

## ENVIRONMENT PROTECTION AND HARMONY

Surrounded by lucid waters and lush mountains. Exploring another possibility of a comfortable lifestyle.

### ESG issues







- 17 Environmental impact of construction
- 18 Climate change
- 19 Pollutants and greenhouse gas emissions
- 20 Waste disposal and management
- 21 Green and local procurement
- 22 Green building
- 23 Noise pollution
- 24 Energy use
- 25 Promotion of environmental awareness
- 26 Use of water resources
- 27 Biodiversity



# ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Progress in 2022
<p><b>17 Environmental impact of construction</b></p> 	<p>Prior to commencement of any construction projects, the Group will appoint third-party experts, who shall ensure 100% of the items receive an environmental impact assessment, to assess the impact on the surrounding environment. In terms of environmental protection, the Group adopts the prefabricated construction that is superior to traditional construction, which improves production efficiency and building quality, reduces waste, and avoids noise and water pollution.</p>
<p><b>18 Climate change</b></p> 	<p>The Group provides the stakeholders with explanations as to climate-related financial impacts and our commensurate responses to assist them in making decisions from the perspective of “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD).</p>
<p><b>19 Pollutants and greenhouse gas emissions</b></p> 	<p>The Group adopts control measures for construction site emissions and pollution, including targets for the type and quantity of pollutant emissions; and real-time monitoring tools for pollution sources (for instance, all projects are installed with online monitoring systems for dust pollution to monitor pollutant emissions from sources on a real-time basis), which requires immediate reports to be submitted where contractors exceed the prescribed standard. In addition, the emissions of the construction site shall be compared to the target, and projects pending improvement shall be followed up. Furthermore, the entities incompetent in prevention and control shall be reported, and construction site inspectors shall be assigned on a regular basis to ensure that there are no violations.</p>
<p><b>20 Waste disposal and management</b></p> 	<p>Besides proper disposal of construction scraps during the construction process, the Group implements a number of waste reduction measures in the offices to reduce waste, including waste reduction at source and recycling.</p>
<p><b>21 Green and local procurement</b></p> 	<p>Prior to purchasing materials, the Group conducts environmental testing and sets green procurement standards at the same time. In 2022, the total amount of our green procurement was approximately RMB430 million. In addition, we highly implement the local procurement policy as part of our endeavor to support local suppliers in China. Local suppliers in China account for 99% of the total number of our suppliers.</p>

## ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Progress in 2022
<p><b>22 Green building</b></p> 	<p>The Group is committed to constructing environmental buildings, and includes environmental protection and energy saving elements in planning and design. During the year, we added 6 new green building projects, with a total green gross floor area of 1,147,279 square meters.</p>
<p><b>23 Noise pollution</b></p> 	<p>The Group regulates noisy processes, with all construction activities carried out only during the daytime to prevent disturbance to residents, as well as with quieter construction machinery in use.</p>
<p><b>24 Energy use</b></p> 	<p>The Group uses highly efficient construction equipment in combination with green building design and processes to minimize engineering resource consumption and pollution. Apart from use of energy-efficient office and operating equipment, we also require our employees to consume electricity wisely when using office equipment such as computers, lighting systems, air conditioners, and printers.</p>
<p><b>25 Promotion of environmental awareness</b></p> 	<p>The Group starts to educate and promote the environmental awareness in such areas as daily operation, community building and volunteer services. In 2022, we held nearly 105 community environmental protection activities for residents and merchants, in which over 5,786 people participated, including children and teenagers, and were expected to carry on the concept of environmental protection.</p>
<p><b>26 Use of water resources</b></p> 	<p>The Group adopts various measures, such as high-efficiency variable frequency water pumps, micro-sprinkler greening irrigation technology, water-saving sanitary ware, rainwater reuse system, and sponge city facilities, to reduce domestic water consumption and save approximately 10% of the total annual water consumption.</p>
<p><b>27 Biodiversity</b></p> 	<p>Prior to commencement of any construction projects, the Group will appoint third-party experts to assess the impact on the surrounding environment. The assessment scope includes the natural habitat of animals. We are committed to maintaining biodiversity, and takes necessary measures to restore the affected ecological resources. To prevent the disappearance of biodiversity, forest resources shall be conserved to prevent desertification and land degradation.</p>

Logan Group is committed to becoming a leading green property developer in China. In addition to providing its customers with a highly premier and comfortable living environment, the Group strives to protect the environment. In strict compliance with the relevant laws and regulations on environmental protection formulated by national, provincial and municipal governments of the People's Republic of China, including the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), Law of People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法), Measures for Public Participation in Environmental Impact Assessment (環境影響評價公眾參與辦法), Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Environmental Tort Liability Disputes (2020 Amendment) (最高人民法院關於審理環境侵權責任糾紛案件適用法律若干問題的解釋(2020修正)), and Several Provisions of the Supreme People's Court on the Trial of Ecological Environmental Damage Compensation Cases (Trial) (2020 Amendment) (最高人民法院關於審理生態環境損害賠償案件的若干規定(試行)(2020修正)). Furthermore, we internally organize regular studies on the impact of the green principles under the Civil Code on environmental law, and practical discussions, so as to ensure that the Group strikes a balance between its development and environment in order to create a healthy and comfortable living environment for the next generation.

## ENVIRONMENTAL PROTECTION TARGETS

In order to further promote the environmental performance of Logan, we have set environmental targets with the following achievements made by the Group in 2022:

Target	Status	Progress in 2022
Zero material environmental pollution throughout the Year	●●●	In 2022, no material environmental pollution and related complaints were identified.

●●● Completed | ●●○ As scheduled | ●○○ Behind schedule





## ENVIRONMENT PROTECTION AND HARMONY

### OTHER ENVIRONMENTAL TARGETS:

Category	Target for 2027	Implementation plan
Air emissions	Overall air emissions down 10% from 2022 · which was 9,746 kg in 2022	<ol style="list-style-type: none"> <li>1. Standardized dust prevention measures and equipment will be adopted at the construction site.</li> <li>2. Construction waste and debris will be timely removed.</li> <li>3. Greenery and visual improvement measures are taken at the construction site.</li> </ol>
Carbon emissions	Overall carbon emissions down 10% from 2022 · which was 21,510 tonnes in 2022	<ol style="list-style-type: none"> <li>1. We continue to promote green building.</li> <li>2. The application of new techniques, new materials, and new systems will be increased.</li> <li>3. The timeframe for operating construction machinery and equipment is reasonably interspersed with that for construction activities.</li> </ol>
Wastewater emissions	Overall wastewater emissions down 10% from 2022 · which was 655,837 tonnes in 2022	<ol style="list-style-type: none"> <li>1. Management of construction wastewater is strengthened by recycling the innocuously treated wastewater back to the construction site.</li> <li>2. The standard on-site restroom facilities of the project are installed to treat domestic wastewater that will be regularly cleaned up by specialized sewage cleaning vehicles.</li> </ol>
Non-hazardous and hazardous wastes	Overall intensity of non-hazardous and hazardous wastes down by 8% from 2022 · which was 0.059 tonne per square meter in 2022	<ol style="list-style-type: none"> <li>1. Green building materials are selected.</li> <li>2. Recyclable materials, reusable materials and waste building materials are selected.</li> <li>3. Garbage sorting and collection sites are established properly, and domestic waste is classified according to hazardous waste, perishable waste, recyclable waste, and others.</li> <li>4. Effective work on publicity and education about waste classification and collection and its implementation shall be carried out.</li> </ol>



Category	Target for 2027	Implementation plan
Energy consumption	Intensity of energy consumption and corresponding greenhouse gas/air emissions down 30% from 2022	<ol style="list-style-type: none"> <li>1. High-efficiency and energy-saving air conditioning systems, fans, transformers, elevators, etc. will be installed.</li> <li>2. The external protection and thermal insulation system will be optimized.</li> <li>3. On-site space will be utilized to set up green land.</li> <li>4. Renewable energy will be used.</li> </ol>
Water consumption	Intensity of water consumption and sewage down 10% from 2022	<ol style="list-style-type: none"> <li>1. Domestic water appliances rated at the level 2 and above in terms of water consumption efficiency are used to reduce water consumption.</li> <li>2. The rainwater recovery system and reclaimed water system are installed to recycle water resources.</li> <li>3. High-efficiency and energy-saving water pumps are installed to reduce loss.</li> <li>4. Green irrigation adopts water-saving irrigation techniques such as micro-sprinkler irrigation.</li> </ol>

In response to the national call for carbon emission reduction and to support the carbon neutrality 2060 policy, the Group proactively explores feasible mid-term and long-term targets for carbon emissions reduction and formulates specific plans to assist us in achieving the emission reduction targets. In achieving the ESG objectives, we vigorously promote the implementation of the smart construction site platform, which realizes digitization, visualization, and intelligence of environmental monitoring at construction sites so as to achieve automatic detection, and automatic warning in case that the emissions threshold is exceeded.

## GREEN FINANCE

During the year, in accordance with ICMA Green Bond Principles, we formulated a “Green Bond Framework” to establish a detailed green bond issuance plan, laying the foundation for future issuance. This framework helps us promote the sustainable development of green properties and supports our commitment to sustainable development.



## ENVIRONMENT PROTECTION AND HARMONY

### About ICMA

International Capital Market Association (ICMA) is a non-profit association and headquartered in Zurich, with offices in London, Paris, Brussels and Hong Kong. ICMA is committed to providing its members that are active in the international debt capital markets with services.

ICMA's objectives are:

- To promote amicable relations among members, to provide a basis for joint consideration and discussion of issues pertaining to international capital and securities markets, and to issue rules and make recommendations on their operation; and
- to provide services and assistance to participants in the international capital and securities markets.

In pursuit of its objectives, ICMA brings together members through regional and sectoral committees focusing on a comprehensive range of market practice and regulatory issues, prioritizing four core fixed income market areas: primary; secondary; repo and collateral; and sustainable finance.

ICMA currently has over 610 members active in all segments of international debt capital markets for sellers and buyers in 65 jurisdictions globally. Among our members are private and public sector issuers, banks and securities dealers, asset and fund managers and other investors, insurance companies, capital market infrastructure providers, central banks, and law firms.

### Green Bond Principles

The Green Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The Green Bond Principles recommend a clear process and disclosure for bond issuance, which investors, banks, underwriters, arrangers, placement agents and others may use to understand the characteristics of any given Green Bond.



Our “Green Bond Framework” contains four components:

<p><b>Use of proceeds</b></p>	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond for eligible Green Projects. All designated eligible Green Projects should provide clear environmental benefits.</p>	<p>Set out below are our eligible green building projects.</p> <p><b>Green buildings</b> SDG 9, 11, 13</p> <p>New or existing residential or commercial buildings that are acquired, constructed, renovated and managed have achieved or are expected to achieve green building certification</p> <p><b>Renewable energy</b> SDG 7</p> <p>Renewable energy power generation is installed, such as photovoltaic systems</p> <p><b>Water management</b> SDG 6</p> <p>Rainwater recovery systems are installed</p> <p><b>Transportation vehicles</b> SDG 9</p> <p>Installation, operation and maintenance of electric vehicle charging stations and zero-emission personal mobility devices</p>
<p><b>Process for project evaluation and selection</b></p>	<p>The issuer of a Green Bond should clarify which are environmental sustainability objectives of the projects; the process by which such issuer determines how the projects fit within the eligible Green Projects categories; and the processes by which such issuer identifies and manages social and environmental risks associated with the relevant project(s).</p>	<p>Our Sustainability Committee will manage the process of identifying and evaluating potential eligible green assets. We will strive to ensure that all eligible green assets comply with international and national standards, as well as local laws and regulations.</p> <p>The Sustainability Committee will meet annually to reassess and review relevant green projects.</p>



## ENVIRONMENT PROTECTION AND HARMONY

<p><b>Management of proceeds</b></p>	<p>The proceeds of the Green Bond should be tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible Green Projects.</p>	<p>Net proceeds from the green bond issuance will be managed through an investment portfolio. We will establish an operations team that will report to the Sustainability Committee. The operations team will build a green asset portfolio and track the distribution of net green bond proceeds to eligible green assets.</p>
<p><b>Reporting</b></p>	<p>Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation of such proceeds, and on a timely basis in case of material developments.</p>	<p>We publish a transparent green bond report every year until the green bond is allocated. The report is based on our green asset portfolio and outstanding green bonds. The report will be made public on our website. For details, please visit <a href="http://www.logangroup.com/html/ir.php">http://www.logangroup.com/html/ir.php</a></p>

Details of the green bond issuance are set out as follows:

Issued in:	July 2021
Amount:	US\$300 million
Interest:	4.7% per annum
Duration:	5 years
Use:	We expect that the issuance of green bonds will bring to the Group the fund required in launching more green building projects.



## GOVERNANCE ON GREEN BUILDINGS

The Group's Sustainability Committee guides the construction departments of the headquarters and subsidiaries in the management of green buildings, building emissions, environmental protection objectives, etc. The Group has a total of nearly 800 dedicated management personnel related to green environmental protection, who are jointly responsible for overseeing project planning and emissions of works. Through continuous learning, improvement and enhancement, the Group never stops promoting the development of green buildings.

<b>Benchmark against regulatory requirement</b>	We benchmark ourselves against more than 30 national and provincial standards and regulations for construction design. In accordance with national environmental protection standards, the Group sets targets for the lighting, ventilation, energy and water conservation of buildings.
<b>Benchmark against market standard</b>	We review the green building certifications in the market, including the national Green Building Evaluation Standard, Leadership in Energy and Environmental Design (LEED), WELL Building Standard and BEAM Plus, etc., with an aim to understanding the standards and concerns on certification.
<b>Benchmark against outstanding case</b>	Our design team researches and studies outstanding green building cases in the industry on an annual basis by conducting investigations into the latest green building technologies and development trends, in order to inject new green building elements into new projects of the Group.

We refer to the latest national and regional green and high-quality building standards, including and not limited to:

Technical Guidance for Green Building (綠色建築技術導則)

Evaluation Standard of Green Building (綠色建築評價標準)

Regulations of the Shenzhen Special Economic Zone on the Energy Saving for Buildings  
(深圳經濟特區建築節能條例)

Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zone  
(夏熱冬暖地區居住建築節能設計標準)

Technical Specifications for the Application of Solar Energy Systems to Civil Building  
(民用建築太陽能系統應用技術規範)

National Water Saving Action Plan (國家節水行動方案)

National Integrated Wastewater Discharge Standard (國家污水綜合排放標準)

Design Specifications for Water Supply and Drainage Engineering Structures  
(給水排水工程構築物結構設計規範)

Standard of Environmental Noise (環境噪聲標準)

Emission Standard of Air Pollutants (大氣污染物排放標準)

Prefabricated Construction Evaluation Standards (裝配式建築評價標準)



ENVIRONMENT PROTECTION AND HARMONY

GREEN CITIES

Logan Group is a vital contributor to the construction of green cities over the Years and is committed to achieving perfect integration of green technology with society, environment, and humanities.



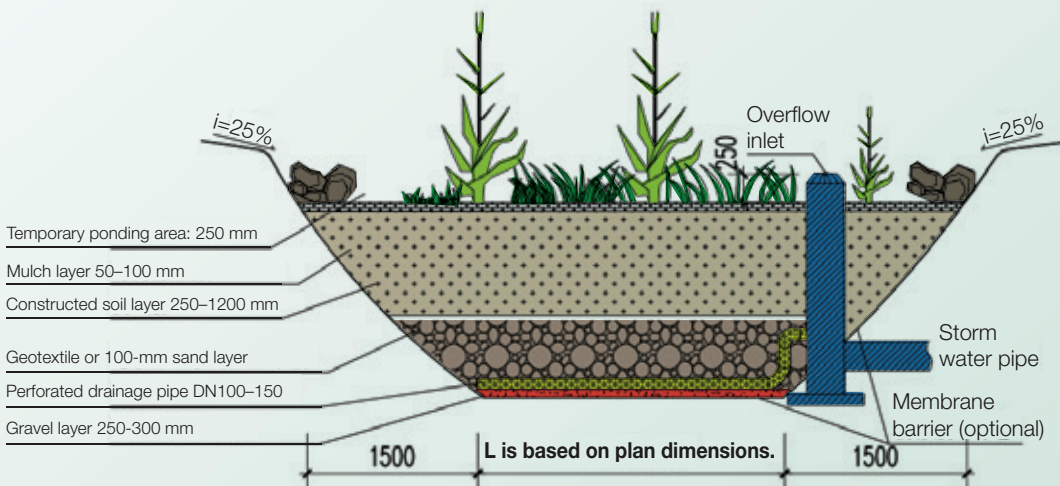
Sponge City

Sponge city is a new concept of rain flood management for modern cities, meaning that cities are as elastic as sponges and can absorb, store, and purify rainwater. When necessary, the stored water sources will be discharged and used. We actively promote the design concept of sponge cities, which can be applied to projects where feasible.

Land Lot for Dragon Lagoon (龍水單元) in Yongqiang North Area, Wenzhou

This project mainly consists of residential buildings with hard roof surfaces, roads, and green spaces as part of the underlying surface. Outdoor green spaces are dispersedly arranged with a soil coverage range of 1.5 meters to 3 meters. Green spaces also disperse around the buildings, and the initial design adopts green measures such as sunken green spaces and rain gardens. The rainwater runoff from the paved ground is guided and directed into the sunken green spaces and rain gardens due to the vertical height difference. The project has a total catchment area of 24,653.00 square meters, with a total water storage capacity of the sponge facilities amounting to 328.28 cubic meters, a control rate of the total annual runoff amounting to 75.04%, and a pollutant reduction rate of 60.71%.

Illustration of rain garden structure:





**Sunshine View Mansion (頤景陽光錦府) in Shantou**

This project is based primarily on approved master urban planning, which specifically planned and designed to align with the requirements for urban drainage and flood prevention, river water systems, road traffic, garden green spaces, and environmental protection. It implements the concept of a sponge city that aims to build a natural system of storage, infiltration, and purification, and focuses on the protection and restoration of the original urban ecological system under the principle of Low Impact Development (LID) and with reference to research on rainwater control and utilization engineering programs. The project sets up types of LID measures and a planar layout, including sunken green spaces, rain gardens, rooftop greening, and permeable pavements. The total control rate of regional annual runoff is not less than 70%, while the pollutant reduction rate of the total annual runoff is not less than 50%. After the sponge city project is completed, the amount of rainwater discharged is reduced, and the drainage capacity of the surrounding pipeline network is effectively improved.

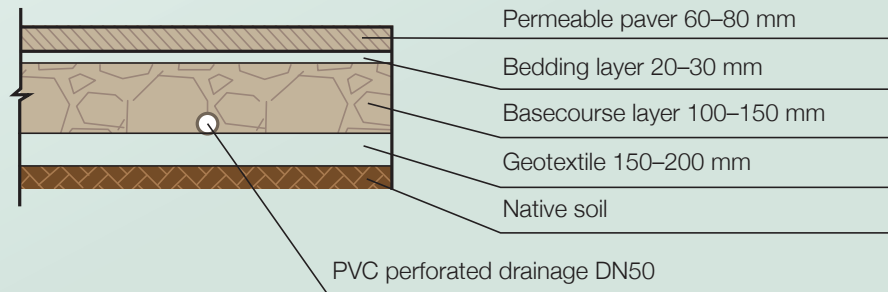


Illustration of permeable pavement construction





ENVIRONMENT PROTECTION AND HARMONY



**Royal Riverbank (御水岸) Project with a 15-class Kindergarten and a 36-class Elementary School in Chaozhou**

The 15-class kindergarten and the 36-class elementary school have a total green area of 431.94 square meters and 3,870.59 square meters, and a sunken green area of 320.00 square meters and 1,269.00 square meters, respectively. This project achieves rainwater retention through the construction of rain gardens and sunken green spaces, with a pollutant reduction rate of not less than 61.6% for the total annual runoff. The construction of this project can improve the rainwater collection and discharge system, reduce the initial runoff pollution to the urban water environment, and alleviate inconvenience and safety hazards caused by internal flooding to the site. It is a significant urban infrastructure project with remarkable social benefits.

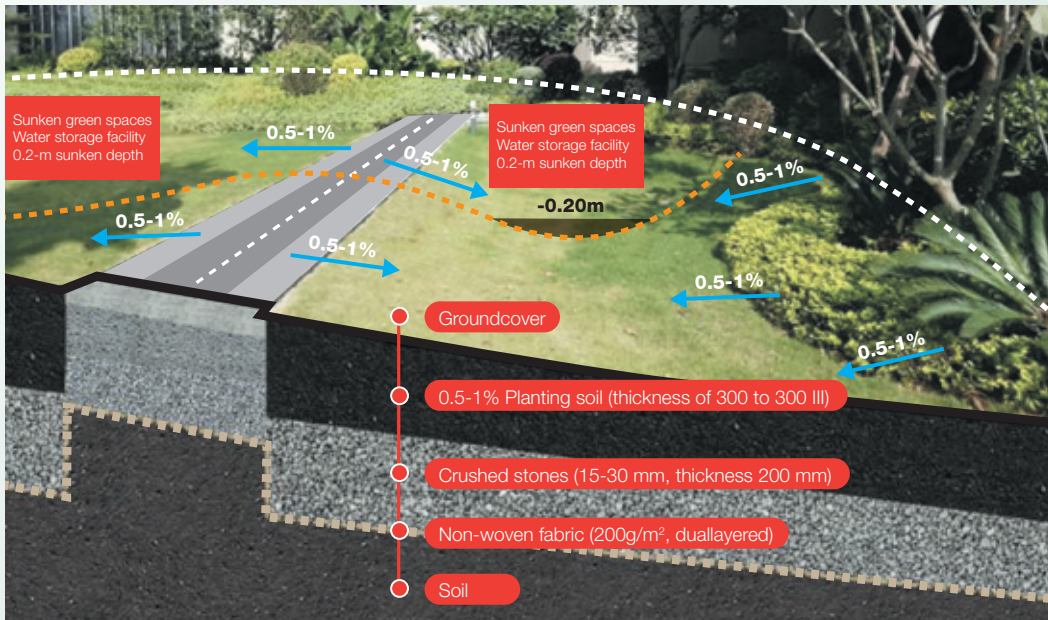


Illustration of sunken green space



## GREEN BUILDING

We are committed to delivering environmental buildings, and incorporating various environmental and energy-saving elements to building planning and designs to create healthy and comfortable human habitation. In 2022, Logan developed 6 green buildings with a total gross floor area of over 1.147 million square meters.

### Green building environmental protection goals:

Target	Status	Progress in 2022
100% of the new projects meet the green building design requirements for land transfer	●●●	100% of new projects in 2022 met the green design requirements for land transfer
All of our residential products are required to meet the requirements of green buildings with at least one star, and high-end projects strive to meet the requirements for green buildings with two stars and above	●●●	With effect from 2022, all projects will meet the one- star green building requirements
Zero material environmental pollution throughout the Year	●●●	In 2022, no material environmental pollution and related complaints were identified.

●●● Completed | ●●○ As scheduled | ●○○ Behind the schedule

## SHARING OUR GREEN BUILDING PROJECTS IN 2022



### Acesite Mansion (Shahu) (沙湖玖榕府) in Shenzhen

The project is located at the southeast corner of the intersection of Bisha North Road and Longqin Road in Pingshan District, Shenzhen. It boasts a superior location with convenient transportation and easy access to multiple municipal transportation hubs within a short distance. The project adopts green technologies such as fine decoration, secondary water-saving appliances, prefabrication, and green building materials to achieve a two-star green rating. The rainwater at the site is effectively collected and discharged through infiltration, detention, or reuse. Measures such as sunken green spaces and roof greening are implemented for rainwater control, with an annual runoff utilization rate of up to 70%. This approach reduces the amount of runoff from the source, creating a comfortable and healthy living environment.

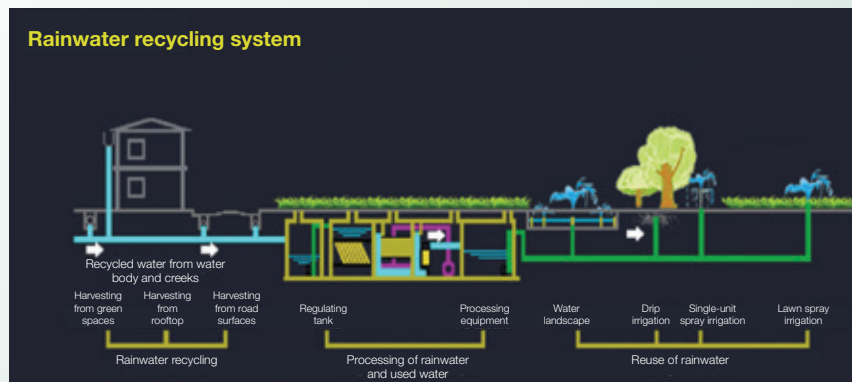


Illustration of rainwater recycling system

ENVIRONMENT PROTECTION AND HARMONY



**Leisure and Sports Center of Huizhou Logan City**

The entrances and exits for vehicles and pedestrians to the sports hall are separated, and sufficient night lighting is installed to ensure the safety of children and pedestrians. The concentration of pollutants such as ammonia, formaldehyde, benzene, total volatile organic compounds, and radon in the indoor air is reduced by more than 10% compared to the relevant national standards, and no-smoking signs are attached at the main entrances and exits of the building and visible locations inside and outside the building. The office floors of this project are coated with 3-mm ALE soundproofing paint, achieving a sound level of 68dB from impact reduction and meeting the one-star green building target.

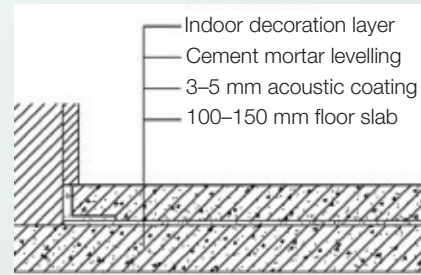


Illustration of the soundproofing paint structure



**Auspicious Platinum Palace (铂禧府) in Changsha**

The project aims to focus on safety, durability, health, comfort, convenience, resource conservation, and pleasant residence. It adopts green technologies such as indoor natural lighting and ventilation, water-saving irrigation systems, energy-saving elevators and electrical equipment, and energy consumption sub-metering. According to the requirements of water balance testing, classified water meters are installed with an installation rate of 100%, and water is metered at three levels. The project also sets up identification and use-friendly identification systems both inside and outside the building, promoting a green living philosophy of health, comfort, and harmonization with nature.



Piping identification illustration

The green building design used in the project satisfies the national and provincial green building evaluation standards, including but not limit to:

<b>Ventilation</b>	<p>The structure pattern is designed based on wind direction, exchanging indoor air twice per hour</p> <p>The ventilation system of the underground parking lot is automatically activated based on the density of carbon dioxide</p>
<b>Light</b>	<p>A y-shaped design is conducive for 360-degree natural lighting</p> <p>The visible light reflection ratio of glass curtain walls is not more than 0.2, reducing light pollution</p>
<b>Sound</b>	<p>The weighted transmission loss of airborne sound is stabilized at 30dB by virtue of topography, boundary walls, green plants and insulating glass which effectively shields the noise</p> <p>Reinforced concrete, soundproof mortar and floor tiles are adopted for improving the soundproof efficiency</p>
<b>Space</b>	<p>The plot ratio ranges from 1 to 6 for living comfort</p>
<b>Temperature</b>	<p>The window area is not less than 10% of room area, for the purpose of natural convection and temperature adjustment</p> <p>Heat-absorbing glass, and insulation exterior wall and roof are installed</p>
<b>Greening</b>	<p>The landscaped areas with a vegetative cover and over 30 types of plants are positioned, the area of which account for 30–50% of the project area</p> <p>Negative oxygen ion content in the landscaped area is 400–600/cm<sup>3</sup></p>
<b>Environmental protection</b>	<p>Solar panels and low-emissivity glass are equipped</p> <p>Non-hazardous and recyclable construction materials are used</p> <p>High-efficiency energy-saving and water-saving devices are installed to count water and electricity consumption</p>
<b>Intelligence</b>	<p>Our intelligent building management system is installed to automatically control air-conditioners and curtains according to weather data</p> <p>Corridors, stairwells, entrance halls and other places are installed with contactless lighting systems that are a timer, infrared, or radar-driven design</p>

## ENVIRONMENT PROTECTION AND HARMONY

Our energy conservation and water saving facilities include a photovoltaic power generation system, solar water heating system, air source heat pump system, rainwater recovery system, unpowered micro- domestic wastewater treatment plant, etc. Set out below are some of our projects:



- Nanning Glory City  
(南寧玖譽城)
- Nanning Masterpiece  
(南寧玖雲著)
- Nanning Acesite One  
(南寧玖譽灣)
- Huizhou Logan City  
(惠州龍光城)
- Huizhou Acesite Mount Garden  
(惠州玖龍山花園)
- Suzhou Acesite One  
(蘇州玖譽灣)
- Jiashan Acesite Bay  
(嘉善玖龍灣)
- Xitang Jiangnan Royal City (西塘江南大境)
- Kunshan Waves Garden  
(昆山花溪瀾園)

### Rainwater recovery system



### Solar water heating system



Green building design fulfills consumers' higher expectations for living quality and environment protection. Logan Group is committed to applying more new technologies in the construction field so as to bring more high-quality green construction products to customers, leading to transformation and upgrade of living styles.

## GREEN CONSTRUCTION

We stress great importance to the impacts of the real estate business on the surrounding environment and natural resources. Under the development principle of green production, we consider environmental protection in every process of its production chain and seeks to achieve the ultimate purposes, including energy conservation, water saving, material efficiency, emissions reduction, and harmonious coexistence with the environment.

Each project will specify the obligations of the Group and the contractors on energy conservation and emission reduction. The contractor shall ensure the compliance measures on emission reduction and environmental protection before the commencement of construction, and the project leader shall report to the project management center on emission and resource utilization on a monthly basis to ensure the Group's environmental objectives are reached.

We continued to optimize policies regarding use of resources, by improving internal guidelines and monitoring mechanisms, while regularly organizing training and promotion activities to optimize the energy structure and proportion to increase the proportion of renewable energy use.

We also developed our internal policies such as the Pollutant Management Policy (污染物管理制度), Waste Management Policy (廢棄物管理制度) and Energy and Water Resources Management Policy (能源及水資源管理制度), which must be strictly observed by the employees of the Group and its subsidiaries. We require contractors to comply with the contractual requirements, Code of Conduct for Supplier (供應商守則) and the above policies, as well as the Group's guidelines on energy conservation, emission reduction and environmental compliance. The Group will monitor the environmental performance at the site and incorporate the indicators into the performance evaluation of the relevant parties.

We listed environmental compliance work as a key development focus, requiring all frontline companies and cooperating units to comply with environmental requirements of local governments and our corporate compliance requirements. We conducted regular inspections on innocuous waste emissions and utilization, and our supervision mechanisms for the Group, frontline companies, and projects were established to carry out group-wide inspections over all work in progress of the Group.

### Environmental impacts of construction projects

As our construction projects will generate certain emissions and pollution, prior to commencement of any construction projects, we will appoint the third-party experts to perform an assessment of environmental impact on the surrounding area. Such assessment shall cover the natural habitats of animals, water contamination, soil pollution, and disturbance against residents in the neighborhood.

Based on the findings derived from the environmental impact assessment, we would take appropriate responsive measures and formulate an environmental protection scheme at the construction planning stage to mitigate negative impacts brought by construction projects on the neighboring environment.

The Group specifies in contracts the environmental protection requirements of construction sites, pursuant to which, all construction entities are required to protect and improve the environmental quality, rationalize the development and utilization of natural resources, and reduce or eliminate the entry of harmful substances into the environment, so that human bodies are kept from genetic mutation and degradation under the influence of environmental pollution. Furthermore, to preserve biodiversity, we take necessary measures to restore and rebuild the affected ecological resources.

## ENVIRONMENT PROTECTION AND HARMONY

### Prefabricated Building Case

The prefabricated building technology refers to the unified planning and design for structural components. First, building structural components are molded within the factory for production and assembly, and transported to construction sites for installation upon completion.

Over the course of construction, as compared to traditional cast-in-place building, prefabricated building applies dry construction, which significantly reduces nearly 30% amounts of sand, mud, and lime on site. The reduction of construction processes also prevents noise, dust, and water pollution. In addition, these unified structural components designed for prefabricated building ensure that such components are more efficient and precise than traditional building in terms of installation and structure, which also effectively reduces the potential water seepage and cracks. As a result, building quality is improved and the consumer interests are protected.





Our Shenzhen Logan Jiulin Business Center Project (Xili) and Acesite Mansion Project (Shahu) both adopted the Building Information Modeling (BIM) and prefabricated construction technologies, improving the construction efficiency and quality, while reducing waste and carbon emissions. Following the expert review, the Technical Confirmation issued by the Promotion Center of the Shenzhen Housing and Construction Bureau confirms that the project is in compliance with the requirements pertaining to prefabricated building in Shenzhen. In addition, this project also received positive responses in the market.

Our prefabricated construction technology is also applied to No. 1 School, No. 2 School, No. 3 School, Senior High School, Beisi Kindergarten and other supporting schools in Huizhou Logan City, improving the construction quality and seismic performance of the schools and their safety. As a result, we received the "Preliminary Evaluation on the Design Phase of Prefabricated Building Project in Huizhou" (惠州市装配式建築項目設計階段預評價意見書) by Huizhou Daya Bay Housing and Urban-rural Development Bureau in 2021. Our project is the first public building to receive such evaluation in Huizhou Daya Bay District, which is also well received in Huizhou.

### Emissions and pollutants management

To mitigate the damages from the spread and leakage of emissions and pollutants, we implement a series of emissions reduction measures that aim to reduce emissions and prevent them from spreading to and affecting the surroundings in an all-round manner, while covering the source of emissions, the construction process and the post-construction stage. Our measures to control the site emissions and pollutants include:

- set targets for the type and quantity of the pollutants to be emitted
- Set up a real-time tool for monitoring pollution sources (for instance, all projects are installed with online monitoring systems for dust pollution to monitor pollutant emissions from sources on a real-time basis), by which a timely report shall be submitted where any discharge exceeds the standard amount
- conduct analysis through comparing the emission at the sites with targets, follow up on projects that need improvement and make reports in respect of entities that do not carry out adequate control
- regularly assign personnel to the construction sites for inspection to ensure no non-compliance matter is occurred

<p><b>Air emissions and dust</b></p> 	<ul style="list-style-type: none"> <li>• The “Measures for the Prevention and Control of Dust Pollution in Real Estate Construction Projects” is formulated, whereby specifying the responsibilities of the construction unit and the supervision unit, while providing contractors with dust control guidelines;</li> <li>• All development projects use ready-mixed concrete and about 73% of development projects use ready-mixed mortar to reduce sand and gravel on site;</li> <li>• For all our development projects, the construction entity hardens the ground of construction sites and covers the dust sources;</li> <li>• All construction sites are equipped with mist sprayers and dust suppression systems as well as vehicle washing facilities for regular sprinkling and washing;</li> <li>• Hygiene management staff is deployed at each construction site to clean up the floating soil and ash accumulated on the roads, storage yards and gateways;</li> <li>• Automatic monitoring equipment must be installed on construction sites to monitor the dust situation in real time;</li> <li>• Supervisors regularly review the dust prevention and control work, and report the unit with poor control work;</li> <li>• All projects are equipped with automatic dust monitoring devices to realize automatic detection of dust and automatic dust suppression when exceeding the standard;</li> <li>• All dust-prone loading, unloading and stacking have adopted dust prevention measures such as covering, enclosing and spraying;</li> <li>• All construction sites are equipped with automatic washing devices, and all construction vehicles are allowed to enter and leave the site only after washing.</li> </ul>
<p><b>Sewage</b></p> 	<ul style="list-style-type: none"> <li>• We plan pipeline routes to prevent secondary pollution;</li> <li>• We collect sewage that has been used and flow it into sedimentation tanks for filtration before discharge.</li> </ul>
<p><b>Construction waste</b></p> 	<ul style="list-style-type: none"> <li>• We review the engineering drawings to reduce the construction wastes caused by construction demolition at later stages as a result of the defects in drawings;</li> <li>• Construction wastes are sorted out and stacked separately, and delivery records are kept for easy track of the wastes;</li> <li>• We deliver hazardous wastes to qualified waste disposal companies to ensure the wastes are destroyed and disposed of in a compliant manner;</li> <li>• Approximately 10% of construction wastes (including waste bricks, concrete block, fly ashes) are reprocessed as building blocks for the construction of the building wall to reduce the wastes and save the raw materials.</li> </ul>
<p><b>Noise</b></p> 	<ul style="list-style-type: none"> <li>• The procedures which generate considerable noise are regulated. Construction of all projects is only carried out during the daytime to avoid disturbing residents in the surrounding areas;</li> <li>• We use low-noise construction machinery in compliance with the required standards;</li> <li>• Construction sites are equipped with sound insulation equipment to effectively reduce the noise in the nearby community.</li> </ul>



## ENVIRONMENT PROTECTION AND HARMONY

The Group establishes whistleblowing channels at construction sites, while related posters are placed outside the site office and the peripherals of construction sites, allowing our employees, contractors and the public to report any non-compliance incidents. The whistleblowing contents which are kept confidential will be submitted to the audit office. We did not receive any reports of violations in 2022.

### Use of Engineering Resources

We adopt environmental-friendly and high-performance construction equipment with green building design and procedures to minimize engineering resource consumption and pollution. Since electricity is our most frequently consumed energy source, we pay close attention to saving electricity. Measures of which are as follows:

- Replacing diesel generators with grid systems in all development projects;
- Replacing old high-power consumption equipment with the latest low-power consumption equipment;
- Installing LED lights or energy-saving tubes for indoor areas, and using non-iodine tungsten floodlights in outdoor areas;
- Setting up lighting fixtures with sound and light control and timing function at the construction site or public venues;
- Using renewable energy extensively, including solar street lights and solar water heaters.

**The project site uses municipal water supply, so there are no difficulties related to water extraction. We actively implement various water conservation plans, for example:**

- Collecting and filtering construction wastewater, rainwater and domestic sewage through sewage sedimentation tank at project site, and recycling it for vehicle cleaning and spraying to reduce dust;
- Using water-saving guns when flushing;
- Regularly conducting leak inspections on the water pipes for timely maintenance.

#### **Achievements:**

- After recycling the wastewater, the Company's water consumption decreased by approximately 10% compared to that prior to implementation of the measures;
- Water consumption decreased by 1.97 million cubic meters during the year;
- Estimated water consumption can be reduced by 37% during the year.



### Finely decorated residences

In recent years, we have significantly increased the proportion of finely decorated residences, and provided different decoration solutions for property owners to choose based on market research, which is conducive to consolidating resources, and reducing the waste of materials caused by the property owners' own decoration. This further maximizes efficient use of resources. To improve the quality of decoration, we also take into account the environmental, safety and quality in our decoration design, including the installation of energy-saving luminaires and durable appliances, the use of flame retardant materials and the design in compliance with fire protection requirements.



#### Shanghai Logan • Fairyland Project (22 mu)

The entry door uses a 4D integrated electronic lock and is equipped with a visual intercom connected to the community property. ThyssenKrupp's smart voice elevator is also installed. The flooring in the living and dining area is ceramic tiles, while the wallpapered bedrooms have solid wood composite flooring. The entire housing unit is equipped with three major appliances, namely, central air conditioning, fresh air system, and underfloor heating, which are provided by well-known brands such as Hitachi and Fismann. The kitchen is equipped with a Moen faucet and sink, as well as a set of range hood, gas stove, and dishwasher under the Siemens brand. A kitchen cooling system is also provided to make cooking in summer less of a hassle. The bathroom is equipped with a mirrored cabinet, basin cabinet, Grohe hardware, Panasonic bath heater, and TOTO intelligent toilet, and more.



## ENVIRONMENT PROTECTION AND HARMONY

**Logan • Fairyland Project in Qianhai**

The living and dining areas use imported natural marble, three-dimensional textured artistic glass, exquisite wall coverings, and delicate stainless steel profiles. The kitchen cabinets are equipped with a high-end wall-mounted range hood, gas stove, and fully embedded dishwasher of imported brands. In addition, a Siemens embedded refrigerator is also provided. The balcony is equipped with a Rinnai bath heater and a Siemens washing machine. TOTO smart toilets and German top brands are used in the bathroom. There are also foyer and bathroom cabinets. The entire housing unit is equipped with smart home devices, including lighting, scene control, remote control, floor control, remote monitoring, smart security functions, and home fitness and exercise equipment, so that everything can be perfectly presented according to your desires.



## GREEN OPERATION

We are motivated to promote green offices. Besides using resources efficiently, it also brings economic benefits to the Group.

### Office Waste

We adopt various waste reduction measures in the office to reduce waste, including waste reduction at source and recycling. Waste paper recycling bins are placed in our offices for collection of waste paper which will then be sent to qualified recyclers. A single-sided paper recycling bin is also set next to the printer to collect single-sided used paper for secondary printing of non-classified documents. We advocate double-sided printing and prioritize the use of large-capacity printers that can add toners repeatedly to reduce waste toner cartridges. Each department must report the number of stationery in advance for each month, and set a reasonable usage of stationery to further reduce waste.

### Use of office resources

We regularly review the use of resources and formulate improvement plans and measures. We prefer the use of energy-efficient office and operating equipment, which can both improve our environmental performance and save costs. We have established the “Management Policy on Office Environment” (辦公環境管理制度) to encourage our staff to make the best use of office resources. The administrative department of the Group oversees the use and maintenance of the Company’s water, electricity, air conditioning and machinery. All staff are obliged to consciously cherish resources of the Company. We have also installed electricity and water meters to facilitate monitoring of electricity and water consumption for further improvement.

Our staff need to pay attention to electricity consumption of office equipment such as computers, lighting systems, air conditioners, photocopiers, etc., and turn off the equipment when idle. Air-conditioning cooling is set between 23°C and 25°C, and can only be turned on above 28°C in summer, while warm air heating can only be used below 10°C in winter. The Group will regularly conduct office equipment maintenance to improve the efficient use of resources. Furthermore, water-saving faucets and toilets are installed with a timed flushing system, which shut down after 10 o’clock every night. Meanwhile our staff are encouraged to collect and reuse domestic sewage to reduce wasted water.

### Promotion of external environment projects

The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis, and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work.

Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation managers of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants.

Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental awareness. To carry on environmental protection, we also organized nearly 105 sessions of environmental activities for residents and merchants in communities in 2022, attracting over 5,786 participants, including children and teenagers.



## ENVIRONMENT PROTECTION AND HARMONY

### Green building improvement plan for existing properties

Driven by the “dual carbon” goal, we gradually carried out energy-efficient and consumption-reducing transformation of the projects we have taken over, and optimized their management.

In 2022, we implemented energy conservation and consumption reduction measures to improve 44 residential projects in 7 regions, including transformation of 5,335 radar sensor lights in underground garages for 32 projects under management in Shenzhen-Dongguan-Huizhou District, Zhongshan Acesite County and Zhongshan Acesite Park, optimization of water supply equipment for Southwest Masterpiece (西南玖雲著), adoption of intelligent control measures, such as time control/temperature control of central air-conditioning in the public area of projects including Shenzhen Carat Complex, Shenzhen Masterpiece and Fujian-Shantou Yuhai Tianxi (閩汕御海天禧) adopts, technical renovation measures, such as replacing energy-saving lamps, for Hushui Grand Garden (湖水悅熙園) and Shanjie Building (尚街大廈), and management energy-saving measures such as adjusting the lighting and opening/closing time of water systems in projects such as Guanghu-Zhaoqing Ace Prestige City (廣湖肇慶玖譽城), Fujian-Shantou Yuhai Tianxi, Royal & Seaward Sunshine (御海陽光), Seaward Sunshine (尚海陽光) and Logan Flying Dragon Landscape (龍騰嘉園), enabling the Company to save an electricity bill of RMB2.2737 million throughout the year.

- For Shenzhen Carat Complex and Shenzhen Masterpiece, 17 air conditioners in the lobby were equipped with timers, saving approximately RMB239,600 in electricity consumption compared to that before the measure was implemented;
- For Shenzhen Acesite Park, the suspension of commercial transformers was applied, saving approximately RMB420,000 compared to that before the measure was implemented;
- For Zhuhai Acesite Lake, 680 radar sensor lights in underground garage were replaced, saving approximately RMB31,000 compared to that before the measure was implemented;
- For Southwest Masterpiece, the water supply equipment was optimized with numbers from 4 sets changing to 2 sets, saving approximately RMB42,000 compared to that before the measure was implemented;
- The estimated electricity consumption for the Year is expected to be reduced by 35%.

Commercially, the Group has incorporated green building design into the project at the beginning of the planning. Currently, Nanning Logan Century (南寧龍光世紀) has obtained a two-star green building certification with outstanding performance in terms of land conservation, energy saving, water saving, material saving, indoor and outdoor environmental quality and operational management. Nanning Logan Century adopts a ventilation and sunshade design to minimize the direct sunlight to reduce the solar radiation effect, and is equipped with solar collectors and products with less electricity and water consumption. The Group is in the process of promoting the green operation of investment properties, including the introduction of the Green Lease Agreement and other commercial measures to encourage and enhance tenants' environmental awareness. The Group will also organize more activities on environmental protection, ecological protection and climate changes to promote tenants and customers to practice green living.

Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to the environmental protection of construction sites and operations during the Reporting Period.

## GREEN AND LOCAL PROCUREMENT

We conduct environmental testing on materials prior to purchase by comparing sources of different materials, environmental protection ingredients, environmental protection effects, etc. Our green procurement standard is to purchase the construction materials and equipment that can be recycled, manufactured from recycled materials and meet the higher energy and water efficiency requirements, with less emission of irritating or toxic substances. Depending on the needs of each project, we will specify the required technical specifications for environmental protection, such as designated procurement of primary energy-saving and water-saving appliances. In 2022, our green procurement recorded a total amount of approximately RMB430 million.

Moreover, we consider prioritizing local procurements without affecting the quality of our products, fairness of procurement and qualifications, and proactively provide support to the relevant industries through our procurement activities, so as to drive economic activities and create local employment opportunities. We have a good performance in implementing local procurement policies, and provide our strong support for the suppliers in the PRC. 99% of our suppliers are located in the PRC.

In addition, our procurement department also participates in the product design process by our project department, and actively promotes and applies green and energy-saving products to our development projects.

## COMBATING CLIMATE CHANGE

With intensified climate change causing irreversible impacts on the earth's ecology, we will further make changes to accommodate home buyers' residential needs in the future when facing rising temperatures, frequent extreme weather, and changing population distribution and living conditions. We have continuously reviewed the direct and indirect impacts of climate change on us, and assessed the risks to prepare in advance for climate change.

We have considered the impacts of climate change in our daily operations and our property management teams always stand by to protect the safety of residents and the public as soon as possible under extreme weather conditions, including making warnings and reminders, managing the community and arranging protective equipment, such as sandbags, canvas, etc., to reduce the danger and damage caused by severe storms or flood. Through community activities, we promote the awareness of environmental protection and adaptation to climate change.



## ENVIRONMENT PROTECTION AND HARMONY

### Flood-proofing safety drills

All communities in Logan Group received various forms of flood-proofing safety drills, including filling sandbags, testing sewage pumps, clearing rainwater wells, checking lightning protection devices, detecting the risks of falling objects, testing the park route, reinforcing trees and street lights, learning techniques in response to flooded underground parking lot, falling objects and flooded elevators.

In accordance with the contingency plan, the emergency response team will arrive at the site promptly before the rainstorm or typhoon to check the working conditions of wells and water pumps and detect the risks of falling objects. Moreover, the team will also move sandbags nearby to the elevators, lobbies and parking lot and stack them like a “spread-eagle”. Furthermore, they will assemble flood barriers to avoid the influx of rainwater, and the medical team will stand by for any necessary rescue.

#### In 2022:

- 9,070 night patrols (including E-control data)
- 451 aerial inspections
- 384 fire drills
- 19,248 armed patrols
- 10,060 military drills

### Greenhouse Gas

Based on the above measures, we make good use of resources to reduce unnecessary waste, so that we can still effectively manage our greenhouse gas emissions in the context of our business expansion. We will implement more measures for energy saving and emission reduction in the future, which will further reduce greenhouse gas emissions and promote sustainable development.

### Recommendation by Task Force on Climate-related Financial Disclosures

We explain to the stakeholders climate-related financial impacts and our commensurate responses to assist them in making decisions from the perspective of “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD).



**Governance —  
Governance around  
climate-related risks and  
opportunities**

The Chairman of the Board is also the Chairman of the Sustainability Committee and reports to the Board of Directors. The committee will regularly review the information regarding the ESG reports, as well as the Group's sustainable development issues and strategies, to formulate medium-term and long-term development policies. It will also supervise the Sustainability Working Group and business departments.

The Sustainability Working Group is composed of dedicated personnel and external professional consultants of the Operation Center, who reports to the committee. The working group will coordinate business departments to implement sustainable development strategies and policies.

**Strategy —  
Countermeasures  
for climate-related risks  
and opportunities**

We are constantly aware of the potential financial impact of climate-related risks, while exploring related opportunities. When implementing our business and sustainable development strategies, the Group takes into account climate-related risks and opportunities.

We actively secure green certifications for all buildings, and prioritize green and climate-resilient building designs for new construction projects. We will also update the facilities of existing buildings and incorporate green building elements to achieve our green building objectives.

We have formulated policies related to sustainable development to motivate the Group and other stakeholders to jointly implement the green operation policy. Policies include "Green Lease Charter", "Supplier Code", and "Energy and Water Management System".





## ENVIRONMENT PROTECTION AND HARMONY

### Risk Management — Management of climate-related risks

#### Physical risks

Categories	Description	Risk events and financial implications
<b>Immediate risks</b>	A single extreme weather event due to climate change may impact operations of the Company.	<p><b>Extreme weather conditions</b></p> <p>Extreme weather conditions including typhoons and floods may damage properties, physical assets, and even lives and property, in addition to higher maintenance costs, materials procurement costs, and liability-related costs. Furthermore, revenue will decrease if operations for a prospective business ceases.</p>

#### Transition risks

Categories	Description	Risk events and financial implications
<b>Policy and regulatory risks</b>	<p>Policies related to climate change may limit any action that could exacerbate climate change, or facilitate climate change and adaptation.</p> <p>The Company's operating policy will be affected by relevant policies, and non-compliance will increase the risk of litigation.</p>	<p><b>Carbon pricing</b></p> <p>Markets where the business operates may impose carbon pricing due to policies, which will increase overall operating costs.</p> <p><b>Building rules and guidelines</b></p> <p>The government may tighten building energy codes and guidelines to regulate highly polluting projects in the industry and promote green buildings. The move will increase overall operating costs to comply with regulations.</p>



**Transition risks**

Categories	Description	Risk events and financial implications
<p><b>Market risks and reputation risks</b></p>	<p>The Company's goodwill will be affected if the market's expectations on climate-related issues differ from the Company's approach.</p>	<p><b>Investors</b></p> <p>Investors' demand for sustainability investment has increased, and there are more options for green bonds and green investment products. As a result, we are in a better position to gain access to green funds.</p> <p><b>Customers</b></p> <p>In the midst of the growing market demand for green buildings, customers are more inclined to set up offices in green buildings in order to achieve their sustainability goals. The move will boost earnings.</p>
<p><b>Technical risks</b></p>	<p>Improvements and innovations of green technologies will drive benefits, uncertainties of which will, however, bring risks. Technology transfer within a company also increases risk.</p>	<p><b>Environmental-friendly materials</b></p> <p>The use of environmental materials will increase the overall procurement cost.</p> <p><b>Energy</b></p> <p>Research into renewable energy will increase investment costs, and the transition to more renewable energy will also put pressure on existing systems.</p>



## ENVIRONMENT PROTECTION AND HARMONY

### METRICS AND TARGETS

#### Metrics and targets used to assess and manage climate-related risks and opportunities facing of Logan Group

Referring to earlier sections, Logan has established targets for certain environmental metrics and is developing a comprehensive mechanism to identify and constantly monitor other financial metrics related to climate-related risks.

### PROMOTION OF ENVIRONMENTAL PROTECTION AWARENESS

Aiming to promote the public awareness of environment protection and encourage the communities to make contribution to a better environment, the Group makes great efforts to promote environmental education and campaigns by daily operation, community building and community activities.

<b>Daily operation</b>	The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work.
<b>Facilities construction</b>	Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation management staff of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants.
<b>Community activities</b>	Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental protection awareness.



# ESG



## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

**Cherishing a sincere original aspiration at heart and keeping our own mission in mind, Logan will create a brighter future on the road of public welfare.**

### ESG issues

- 28 Stakeholder involvement
- 29 Community public welfare and investment
- 30 Inheritance of traditional culture



# COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

## ESG issues

## Progress in 2022

### 28 Stakeholder involvement



By analyzing the dependence and influence of the stakeholders on the Group conducted by our operation and management departments, the Group identifies our major internal and external stakeholders to collect the stakeholders' opinions and concerns. To present the stakeholders with the Group's commitments and management methods regarding sustainable development, the Group published 18 sustainable development policies on its official website. In addition, the Group has established a platform for communications with the stakeholders through its official WeChat account, delivering corporate information in a timely manner.

### 29 Community public welfare and investment



Logan's public welfare undertakings cover 38 counties and regions in 9 provinces in the People's Republic of China, with more than 560 public welfare programs. Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy and Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award.



## LOGAN'S PUBLIC WELFARE

Following over 20 years of commitments to social responsibility and public welfare, Logan's public welfare undertakings cover 38 counties and regions in 9 provinces in the People's Republic of China, with more than 560 public welfare programs. Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy, Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award, and Advanced Private Enterprise in Guangxi-Guangdong Cooperation for the Revitalization of Enterprises and Villages (粵桂協作萬企興萬村先進民營企業).

### 2022/Our footprint in public welfare

#### Logan Group

- Over 45,830 hours of volunteer services
- Over 20,128 individuals received services from volunteers
- Cumulative contribution of more than RMB975,700 (Note: a total amount of RMB1,619,700 donated by Logan Group and the Logan Charity Fund in 2022)

#### Honors and Rankings of the Company in terms of Public Welfare System

- 2022 Advanced Private Enterprise in Guangxi-Guangdong Cooperation for the Revitalization of Enterprises and Villages (2022年粵桂協作萬企興萬村先進民營企業)
- 2021 Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award (2021年度廣東省扶貧濟困紅棉杯金杯)
- 2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021 中國地產年度鄉村振興樣本企業)
- "Outstanding Charity Project Award" for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021 中國地產時代百強榜“優秀公益項目獎”)
- 2021 Socially Responsible Property Developers (2021年度社會責任地產企業)
- "Ten Best Charity Institutions" under Shenzhen Project Care

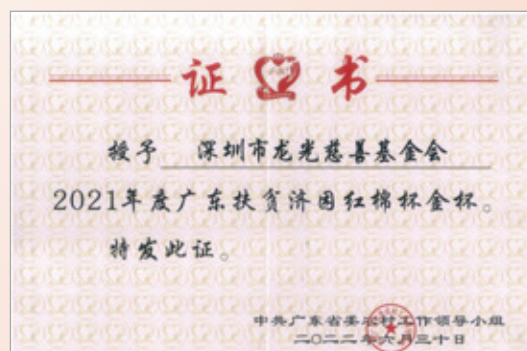
## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



**2022 Collaboration between Advanced Private Enterprises in Guangdong and Guangxi on the Development of Thousands of Enterprises and Villages (2022 年粵桂協作萬企興萬村先進民營企業)**



**2021 Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award (廣東省扶貧濟困紅棉杯金杯)**



### Public Welfare System

Since its establishment in 2016, the Logan Charity Fund (龍光慈善基金會) has provided supports to Logan in the performance of corporate social responsibility, by virtue of the charity influence of the Group and other unlisted segments. The directors and supervisors of the Logan Charity Fund (龍光慈善基金會) consist of the chairman of the Group's Sustainability Committee, the party secretary of the Group, the senior management of the Group, etc. In accordance with the Group's strategic charity planning and social needs, the Fund formulates the charity plan and budget on an annual basis, and the management hold meetings to review the progress on a quarterly basis.

The Group continuously participates in the public welfare initiatives such as poverty alleviation, education, disaster relief and helping the disabled promoted by government authorities in Guangdong, Guangxi, Sichuan and Hainan. For instance, the Group participates in the annual poverty alleviation day in Guangdong Province, in which it will deeply engages in poverty alleviation programs in the province under the leadership of the government authorities of Shenzhen, Shantou, Huizhou, Heyuan and Foshan, etc. The Group has developed long-term relationship with various renowned institutions such as Shenzhen Charity Federation, Shantou Charity Federation, Zhaoqing Women's Association (肇慶市婦女聯合會) and Shenzhen Media Foundation for public welfare cooperation. The Group has cooperated with approximately 220 government organizations/non-profit commonweal organizations for the Years.

## Public welfare targets

The Group's 2018–2022 Five-Year Plan for Public Welfare defines the direction and targets of public welfare. In 2022, the Group's achievements in public welfare are as follows:

Targets	Status	Progress in 2022
Poverty alleviation projects covering at least 30 regions	● ● ●	The Group's poverty alleviation projects have covered 38 regions and counties including Guangdong, Guangxi, Sichuan, Hainan, Yunnan and Gansu to date.
Participation in the poverty alleviation day activity of Guangdong Province and the support of provincial municipal targeted poverty alleviation work every year	● ● ●	We have actively participated in poverty alleviation actions in Shantou, Heyuan, Huizhou and other areas.
Development of at least 5 featured projects	● ● ●	5 featured projects were developed, including "Guangyuan Education Program (光源教育計畫)" · "Logan Book Courts" (龍光書苑) · "Combating COVID-19 Pandemic(新冠抗疫)" and "Flood Relief (水災救助)".
Launch of 5–10 educational poverty alleviation projects	● ● ●	10 educational poverty alleviation projects were launched in Jingxi, Guangxi, as well as Shantou and Huizhou, Guangdong.
Building of at least 5 beautiful villages	● ● ●	6 rural revitalization projects were launched, namely 4 villages in Deqing County, Guangdong Province, Liannan Yao Autonomous County, and village-level clinic in Guangxi.
Establishment of 15 "Logan Book Courts" (龍光書苑)	● ● ○	We have opened 11 Logan Book Courts (龍光書苑) in Guangdong and Guangxi. Due to the sluggish real estate market in 2022, the predetermined target failed to be achieved by the end of 2022 to save costs. After weathering through the industry's downturn, the Group will continue to work towards the predetermined target in the future.
Incubation of 2 volunteer teams	● ● ●	Total 2 volunteer teams were incubated in Headquarters and Guangxi Subsidiary respectively.

● ● ● Completed | ● ● ○ As scheduled | ● ○ ○ Behind scheduled



## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### Community Development

Logan Group always places the interests of communities at heart, pays attention to the community safety, and closely guards residences with the members in them. We carefully consider the community needs and try our best to fill the community with love and hope.

- Pandemic prevention measures in the communities: We adopted pandemic prevention measures in the communities in strict accordance with the relevant regulations.
- “Logan Book Court” (龍光書苑): 11 Logan Book Courts (龍光書苑) which continue to operate and provide services build a platform for neighborhood interaction to promote harmonious development in the community.
- Various community activities of different scales such as family activities, healthcare promotions, entertainment and recreation parties.

## TALENT EDUCATION

Education-related donations have always played a very important role in the public welfare and charity campaign of Logan Group as we believe strong youth make a great nation. Therefore, the education aid of Logan Group is like the seed of love taking root, sprouting, flowering and bearing fruit in the four seasons, and encouraging more people to participate in education and poverty alleviation.

### State-level Demonstrative High School (Jinshan High School) Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone

The State-level Demonstrative High School and International School Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone (汕頭市華僑試驗區國家示範性高中和國際學校項目) is located in Xinjin Area of East Coast New Town with a total gross floor area of 150,000 square meters. The project shall be constructed in two phases, of which the phase I shall be State-level Demonstrative High School (Jinshan High School) Project in Overseas Chinese Economic and Cultural Cooperation Experimental Zone with a total investment of RMB653 million, which plans to build 3 administrative teaching complexes, 3 student dormitories, 1 faculty dormitory, gymnasium, sports ground and campus ancillary infrastructure.

In January 2020, the Logan Charity Fund (龍光慈善基金會) donated RMB200 million to support the construction of Jinshan High School. The project will build a Lingnan school with Chaoshan cultural characteristics that become a model high school in Shantou and Guangdong province. The project was completed and put into operation in 2021.

### Guangdong-Guangxi Education Poverty Alleviation Project

In 2016, Logan Group invested RMB20 million in Jingxi to set up an education poverty alleviation fund, which supports financially challenged college students, students with disabilities and from poverty-stricken families, orphans at school, and students who are de facto orphans. From 2017 to 2022, the donation has sponsored a number of students, including orphans, de facto orphans, and poor students from families with disabilities. The donation will continue to be used for subsidizing students' living expenses to promote their healthy growth, supporting the beneficiaries until they graduate from university, and being allocating to student scholarships to encourage students, etc. Since the implementation of the project, no single student dropped out of school due to financial difficulties. The project has helped to solve the learning and living difficulties of underprivileged students, effectively reducing the economic burden on their families. These students achieved their dreams of education and experienced the warmth and care of the society.

### “Logan Book Court” (龍光書苑) Community Project

In order to create a sharing culture within the community, the Logan Charity Fund (龍光慈善基金會) initiated the “Logan Book Court” (龍光書苑) community project in 2017. With books as the medium, the book court focuses on the structure of a public venue by introducing diverse resources to create a convenient and recreational space with such themes as reading, handcraft production and nature education, thus advocating the charity values of “equality, mutual assistance, fraternity, sharing”. In this way, we build the community cohesion, and a happy homeland featuring mutual assistance in pleasant residences.

At present, there are 11 Logan Book Courts operating in the communities, including:

- Shantou • Seaward Sunshine (汕頭 • 尚海陽光) Logan Book Court
- Fangchenggang • Sunshine Seaward (防城港 • 陽光海岸) Logan Book Court
- Shenzhen • Acesite Mansion (深圳 • 玖龍臺) Logan Book Court
- Foshan • Sky Lake Castle (佛山 • 天湖華府) Logan Book Court
- Foshan • Grand Riverside Bay (佛山 • 水悅龍灣) Logan Book Court
- Huizhou • Logan City (惠州 • 龍光城) Logan Book Court
- Huizhou • Grand Riverside Bay (惠州 • 水悅龍灣) Logan Book Court
- Shenzhen Logan • Carat Complex (深圳龍光 • 玖鑽) Logan Book Court
- Nanning • Acesite Lake (南寧 • 玖龍湖) Logan Book Court
- Shenzhen Logan • Masterpiece (深圳龍光 • 玖云著) Logan Book Court
- Shenzhen • Acesite Park (深圳 • 玖龍臺) Logan Book Court

## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### VOLUNTEER SERVICES

The volunteer team of the Group was initiated and established by Logan Charity Fund in 2017, and consists of volunteers from various business segments and departments of the Group, focusing on issues such as community, environmental protection and education. We have introduced a system for the volunteer team and incorporated it into the management platform of Shenzhen Volunteer Association. The team has started a series of environmental protection and community service projects, and pursue the model of “Volunteer commitments, Fund’s Contribution, and Institutional Support” to build a better life.

The volunteer awards have been set up by the Foundation to regularly recognize the outstanding performance of volunteers in accordance with the hours and quality of voluntary services, and encourage other volunteers and attract new members, with a view to achieving a better voluntary performance. In 2022, due to the market environment and the pandemic impact, the volunteer team did not add any new environmental protection or community service projects. Only a portion of the projects that started in 2021 continued on, including the State-level Demonstrative High School (Jinshan High School) Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone, the Guangdong-Guangxi Education Poverty Alleviation Project, the “Logan Book Court” Community Construction Project, and the pandemic prevention and control projects. Logan will continue to launch more environmental protection and community service projects in the future to give back to society.



## STATISTICS SUMMARY<sup>1</sup>

Types of air emissions, sewage and GHG emission <sup>2</sup>	Unit	2022	2021	2020
<b>Air emissions and sewage discharge<sup>3</sup></b>				
Nitrogen oxide (NOx) <sup>4</sup>	Kg	522	928	1,247
Sulfur oxides (SOx) <sup>4</sup>	Kg	6	9	12
Particulate matters (PM) <sup>4</sup>	Kg	6,340	10,909	11,189
Hydrocarbon (HC) <sup>4</sup>	Kg	37	56	57
Volatile organic compounds (VOC) <sup>4</sup>	Kg	647	1,113	1,046
Carbon monoxide (CO) <sup>4</sup>	Kg	2,194	3,745	3,634
Sewage <sup>4</sup>	Tonne	655,837	844,502	832,198
<b>GHG Emission<sup>5</sup></b>				
Direct GHG emissions (Scope 1)	Tonne	997	1,608	1,717
Intensity (per square meter of gross floor area of construction and offices)		0.00005	0.00006	0.00006
Indirect GHG emissions (Scope 2)	Tonne	20,513	33,381	32,998
Intensity (per square meter of gross floor area of construction and offices)		0.00094	0.00127	0.00120

<sup>1</sup> All environmental data, such as GHG emissions and energy consumption, are only calculated for the portion directly emitted or produced by Logan's business operations.

<sup>2</sup> As compared to last year, "air emissions, sewage, and GHG gases", "hazardous waste", "non-hazardous waste", "energy consumption", and "water consumption" have all decreased by approximately 40%. These data are based on the measurement of the total gross floor area throughout the year, and the construction in progress and newly commenced areas in 2022 significantly decreased compared to 2021, resulting in a significant decrease in the data.

<sup>3</sup> Calculation of data regarding gas emissions is based on the technical specifications and operating data of construction machinery and transportation vehicles. Calculation of the 2022 data refers to the methodologies listed in the "Reporting Guidance on Environmental KPIs" of the HKEX. To facilitate readers' comparison of the changes in annual performance, the emission data for 2020 are also calculated and revised according to the new methodologies.

<sup>4</sup> Nitrogen oxide emissions are calculated based on the annual fuel consumption; sulfur oxide emissions are calculated based on the annual consumption of fuel oil; particulate matter emissions are calculated based on the construction area; hydrocarbon emissions are calculated based on the annual consumption of fuel oil; volatile organic compound emissions are calculated based on the consumption of materials such as paints; carbon monoxide emissions are calculated based on the annual consumption of fuel oil; and sewage emissions are calculated based on the annual consumption of water.

<sup>5</sup> Data only comprises energy utilized by the Group over the course of its business operation, excluding energy consumption beyond direct control by the Group. Calculation of carbon dioxide emission is based on the Greenhouse Gas Protocol jointly published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), the 2019 Regional Grid Baseline Emission Factors in China published by the Ecological and Environmental Ministry of the People's Republic of China and the Guide for Greenhouse Gas Emission Accounting Methods and Reporting for Public Building Operators (Trial) published by the National Development and Reform Commission of the People's Republic of China, and the Reporting Guidance on Environmental KPIs by the Stock Exchange of Hong Kong Limited.

STATISTICS SUMMARY<sup>1</sup>

Types of hazardous waste <sup>2,6</sup>	Unit	2022	2021	2020
<b>Construction wastes</b>				
Asbestos	Tonne	1.35	2.32	2.23
Fluorescent light tubes	Tonne	1.04	1.79	1.78
<b>Office wastes<sup>7</sup></b>				
Ink cartridges	Tonne	1.35	2.08	2.15
Toner cartridges	Tonne	3.12	4.03	4.14

Types of non-hazardous wastes <sup>2</sup>	Unit	2022	2021	2020
<b>Construction wastes</b>				
Building debris	Tonne	29,869	50,358	49,819
Rubble	Tonne	3.99	6.87	6.72
Earth	Tonne	1,047,463	1,694,144	1,676,351
Concrete	Tonne	206,811	352,273	350,479
Asphalt	Tonne	329	546	530
Metal scrap	Tonne	1,126	1,803	1,749
Wood	Tonne	2,798	4,674	4,552
<b>Office wastes<sup>7</sup></b>				
Paper	Tonne	40.38	51	51
Paper cups	Tonne	3.20	4.12	4.57
Plastic bottles	Tonne	0.78	1.13	1.70

<sup>6</sup> The identification of hazardous wastes is based on "Directory of National Hazardous Wastes" (國家危險廢物名錄) issued by the Ministry of Environmental Protection of the People's Republic of China.

<sup>7</sup> Calculation of data regarding harmful office wastes is based on the annual purchase amount.

Energy consumption <sup>2</sup>	Unit	2022	2021	2020
<b>Energy consumption of building</b>				
Total electricity	kWh	34,681,343	59,678,411	58,685,882
Intensity (per square meter of gross floor area of construction)		1.5916	2.2796	2.1434
Gasoline	liter	62,697	107,886	114,094
Intensity (per square meter of gross floor area of construction)		0.0029	0.0041	0.0042
Diesel	liter	97,214	167,281	165,088
Intensity (per square meter of gross floor area of construction)		0.0045	0.0064	0.0060
Natural gas	cubic meter	12,155	20,915	20,969
Intensity (per square meter of gross floor area of construction)		0.0006	0.0008	0.0008
<b>Energy consumption of office</b>				
Total electricity	kWh	4,458,815	5,385,509	5,663,611
Intensity (per square meter of gross floor area of construction)		136.1387	117.3411	91.3484
Gasoline	liter	236,745	356,678	374,586
Intensity (per square meter of gross floor area of construction)		7.2284	7.7716	6.0417
Natural gas	cubic meter	19,846	36,547	64,840
Intensity (per square meter of gross floor area of construction)		0.6059	0.7963	1.0458

STATISTICS SUMMARY<sup>1</sup>

Water consumption <sup>2</sup>	Unit	2022	2021	2020
<b>Water consumption</b>				
Water consumption	cubic meter	3,294,544	5,271,106	5,142,533
Intensity (per square meter of gross floor area of construction)		0.1512	0.2013	0.1878
<b>Water consumption of office</b>				
Water consumption	cubic meter	95,782	102,675	108,744
Intensity (per square meter of gross floor area of construction)		2.9245	2.2372	1.7539

Total workforce	Unit	2022	2021	2020
<b>Gender</b>				
Male	person	1,612	1,946	2,095
Female	person	749	951	904
<b>Types of employment</b>				
General employee	person	1,522	1,858	2,087
Middle level staff and management	person	779	983	844
Senior management	person	60	56	68
<b>Age group</b>				
Below 30	person	392	728	678
30–49	person	1,885	2,111	1,881
50 or above	person	84	58	440
<b>Geographical region</b>				
Mainland China	person	2,313	2,837	2,936
Hong Kong Special Administrative Region	person	35	43	46
Singapore	person	13	17	17

Employee turnover rate	Unit	2022	2021	2020 <sup>8</sup>
<b>Resignation for the year</b>				
<b>Gender</b>				
Male	person	1,217	972	881
Female	person	530	421	
<b>Age group</b>				
Below 30	person	433	416	881
30–49	person	1,289	962	
50 or above	person	25	15	
<b>Geographical region</b>				
Mainland China	person	1,725	1,390	881
Hong Kong Special Administrative Region	person	15	3	
Singapore	person	7	0	
<b>Employment for the year</b>				
<b>Gender</b>				
Male	person	176	884	1,331
Female	person	113	407	
<b>Age group</b>				
Below 30	person	81	482	1,331
30–49	person	205	808	
50 or above	person	3	1	
<b>Geographical region</b>				
Mainland China	person	271	1,291	1,331
Hong Kong Special Administrative Region	person	15	0	
Singapore	person	3	0	

<sup>8</sup> Only the total number of employees who resigned and were appointed during the year was recorded in 2020, and there were no detailed statistics available.



STATISTICS SUMMARY<sup>1</sup>

Number of work-related fatalities per year	Unit	2022	2021	2020
Number of work-related fatalities	person	0	0	0
Lost days due to work injury	work days	75	543.5	560

Percentage of employees trained	Unit	2022	2021	2020
<b>Gender</b>				
Male	percentage	100%	100%	98%
Female	percentage	100%	100%	97%
<b>Types of employment category</b>				
General employee	percentage	100%	100%	99%
Middle level staff and management	percentage	100%	100%	97%
Senior management	percentage	100%	100%	74%

Average training hours of employees	Unit	2022	2021	2020
<b>Gender</b>				
Male	hour	36.00	35.90	35.67
Female	hour	36.00	35.58	36.50
<b>Types of employment category</b>				
General employee	hour	36.20	35.0	28.50
Middle level staff and management	hour	35.94	37.3	53.99
Senior management	hour	31.80	36.0	45.00

Number of suppliers	Unit	2022	2021	2020
Total number of suppliers in Mainland China	person	4,285	3,485	2,149
Total number of suppliers in Hong Kong	person	4	0	0

Service complaints	Unit	2022	2021	2020
Service complaints received	case	682	603	634

Legal cases regarding corrupt practices	Unit	2022	2021	2020
Concluded legal cases regarding corrupt practices	case	1 <sup>9</sup>	2	0

<sup>9</sup> Currently, the parties involved are released on bail pending trial and the court judgment is pending.

## INDEX OF REPORTING INDICATORS

The content index of the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange is set out below.

Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>A1:</b> Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	ENVIRONMENT PROTECTION AND HARMONY	
	A1.1	The types of emissions and respective emissions data	STATISTICS SUMMARY	
	A1.2	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions and intensity	STATISTICS SUMMARY	
	A1.3	Total hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.4	Total non-hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.5	Description of emission target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY	
	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	ENVIRONMENT PROTECTION AND HARMONY	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>A2:</b> Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	STATISTICS SUMMARY	
	A2.2	Water consumption in total and intensity	STATISTICS SUMMARY	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.5	Total packaging material used for finished products and per unit produced	N/A	The relevant disclosure is not applicable to our business which does not involve a large amount of packaging materials
<b>A3:</b> Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	ENVIRONMENT PROTECTION AND HARMONY – GREEN CITIES/GREEN CONSTRUCTION	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CITIES/GREEN CONSTRUCTION	
<b>A4:</b> Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	

Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B1:</b> Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	EMPLOYEE CARE AND GROWTH	
	B1.1	Total workforce by gender, employment type, age group and geographical region	STATISTICS SUMMARY	
	B1.2	Employee turnover rate by gender, age group and geographical region	STATISTICS SUMMARY	
<b>B2:</b> Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	
	B2.1	Number and rate of work-related fatalities in the past three years	STATISTICS SUMMARY	
	B2.2	Lost days due to work injury	STATISTICS SUMMARY	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	
<b>B3:</b> Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	EMPLOYEE CARE AND GROWTH – DEVELOPMENT AND TRAINING	
	B3.1	The percentage of employees trained by gender and employee category	STATISTICS SUMMARY	
	B3.2	The average training hours completed per employee by gender and employee category	STATISTICS SUMMARY	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B4:</b> Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
	B4.1	Description of measures to review employment practices to avoid child and forced labour	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
	B4.2	Description of steps taken to eliminate such practices when discovered	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
<b>B5:</b> Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.1	Number of suppliers by geographical region	STATISTICS SUMMARY	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – 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	ENVIRONMENT PROTECTION AND HARMONY – GREEN AND LOCAL PROCUREMENT		

Aspect	No.	Reporting Guide	Section of Reporting	Remark
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE	
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	The relevant disclosure is not applicable to our business which does not involve product recall
	B6.2	Number of products and service related complaints received and how they are dealt with	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN – SERVICE QUALITY	
	B6.3	Description of practices relating to observing and protecting intellectual property rights	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – INTELLECTUAL PROPERTY RIGHTS	
	B6.4	Description of quality assurance process and recall procedures	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – PRODUCT QUALITY AND SAFETY	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PERSONAL PRIVACY AND INFORMATION PROTECTION	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B7:</b> Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, 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	STATISTICS SUMMARY	
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
	B7.3	Description of the anti-corruption training provided to directors and employees	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
<b>B8:</b> Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	
	B8.1	Focus areas of contribution	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	
	B8.2	Resources contributed to the focus area	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	



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