



佳兆業集團控股有限公司*
KAISA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1638

2022

SUSTAINABILITY REPORT

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MESSAGE FROM THE MANAGEMENT TEAM

2022 is a year full of challenges. The global economic growth slows, supply chains in developed countries are disrupted, and capital markets become more volatile. In domestic, the recurrence of COVID-19 affects the public's daily life and dampen consumer demand. Regulation of red estate industry and platform economy poses new challenges to the development of enterprises. Despite these challenges, China's economy maintains its recovery momentum with the support of stable growth policies and is steadily building an ambitious blueprint for modernization. In the face of the complicated internal and external environments and market situations, Kaisa remains committed to its core values of "professionalism, innovation, value, responsibility", seeking new development opportunities amidst risks with a steady and pragmatic approach. Our goal is to deepen our strategic positioning as a "urban public service provider", fully integrating the concept of sustainable development into our business operations and development, creating resilient and high-quality products and services, and moving towards a green, healthy, and sustainable development path together with all stakeholders.

Strengthening Governance – Kaisa clearly defines the important role of the board of directors in planning the company's long-term sustainable development route. Under the board's leadership, a sustainability strategy has been developed based on "promoting community development through urban renewal" and "reducing the negative impact on the environment". We have maintained a high standard of sustainability management, including continuous evaluation of environmental, social, and governance-related performance, strengthening risk management, and promoting top-down sustainable culture construction. In 2022, the four dimensions of sustainable development, which are city co-creation, livelihood sharing, coexistence with environment and home building are further clarified, providing us with a clearer direction for providing quality services, caring for people's livelihoods, protecting the environment, and contributing to society. Under the guide of such business and culture, we will further enhance our performance to achieve long-term sustainable development goals.

Moving towards Green – Being committed to creating a more comfortable living environment for future generations, Kaisa actively practices the concept of green and low-carbon development, continues to strengthen environmental protection and energy conservation, as well as research, development, and application of green technologies, so as to respond to the call of the national "dual carbon" policy. We promote sustainability in the whole life cycle of projects, fully considering the impact on the environment from design and construction to post-use of the buildings, striving to create high-quality, green, and low-carbon projects to accelerate the green transformation. At the same time, we aim to improve the sustainability of our supply chain and encourage our partners to actively participate in green and low-carbon development. This year, we have added four green building certification projects, and Kaisa has obtained green building certification for a total of 74 projects with the cumulative green building certification area of around 10 million square meters by the end of the year.

Progressing Together – Kaisa deeply understands that people's livelihood is the foundation of happiness and the cornerstone of social harmony. For many years, we have actively shouldered social responsibility and used our professional abilities and resources to respond to government planning and people's livelihood demands. We continue to invest in education, medical care, elderly care, public welfare, rural revitalization, and other fields, serving the people and giving back to society. Kaisa has donated more than 80 charitable and public welfare projects, totaling over RMB1.7 billion. We have launched social public welfare projects extensively, implementing poverty alleviation projects in various rural areas, donating and constructing educational infrastructure, establishing education funds to support higher education and poor students, donating money and materials to assist in disaster relief, and establishing special funds to support and care for special groups. At the same time, we actively leverage our business advantages, promote organic urban renewal, and drive local development through the construction of basic hardware and software facilities, ensuring public interests and achieving shared benefits.

Looking ahead – We expect economic activities and consumer demand to recover gradually as the impact and restriction brought by the epidemic gradually eliminate. Along with positive economic development, employment stability, improving livelihoods, promoting cultural prosperity, and achieving ecological excellence have been given attention. These interrelated goals are key to achieving sustainable development in all aspects of the economy, environment, and society. Committed to building sustainable future, Kaisa will continue to improve our products and services, strive to create a low-carbon ecological environment, and build a better life. The corporate development cannot be achieved without the participation and support of all stakeholders, we will overcome the difficulties together hand in hand, continue to move towards the sustainable development path, and strive to create long-term value for society.

KWOK Ying Shing
Chairman
28 April, 2023



ABOUT THE REPORT

This Sustainability Report (“this Report”) published by Kaisa Group Holdings Limited (the “Company” or “Kaisa”) and our subsidiaries (collectively referred to as the “Group” or “We”) is pleased to announce our 2022 Sustainability Report, which presents its policies, measures and performance in environmental, social and governance aspects in a more comprehensive and diverse manner, so that stakeholders can further understand our development strategies and key achievements on the path to sustainable development.

This Report is published in Traditional Chinese and English. In case of any discrepancy, the Traditional Chinese version shall prevail.

◆ Reporting Period

This Report covers the business scope directly controlled by the Group from January 1, 2022 to December 31, 2022 (the “Reporting Period”), including but not limited to comprehensive development and urban renewal, to present the specific policies, measures and performance in sustainable development. In terms of environmental key performance indicators (“KPIs”), the Group adheres to the principle of consistency and, based on the 2021 report, continues to determine the scope of the report on the principle of core functions¹. This Report’s environmental KPIs cover a total of 20 project companies, while the social KPIs continue to cover the Group’s overall business scope.

¹ The “core function” companies are the Group’s top 20 subsidiaries in terms of revenue during the Reporting Period. Companies already covered in the scope of the 2021 Report remain, while companies with projects that were already delivered during 2022 are not included in this Report.

◆ Reporting Principles

This Report has been prepared in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”), in accordance with the reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”.

<p>Materiality</p> <p>The Group engages our stakeholders in identifying and discussing key sustainability topics relevant to core business and stakeholders. These topics have been highlighted in this report.</p>	<p>Quantitative</p> <p>The Group endeavors to present our performance in a quantified manner, providing comparative data where appropriate, and disclosing the standards, methods, assumptions or calculation tools used for calculating emissions and energy consumption, as well as the sources of conversion factors used.</p>
<p>Balance</p> <p>The Group discloses relevant information and data objectively and fairly, no matter there are accomplishments or challenges.</p>	<p>Consistency</p> <p>The Group uses consistent disclosure and statistical methods to enable shareholders to compare our sustainable development performance year-on-year.</p>

◆ Source of Data

The data in this Report is sourced from the Company’s internal documents and statistical system. The Board of Directors ensures that there are no false statements, misleading statements or material omissions in this Report, and is responsible for its accuracy, truthfulness and completeness.

◆ Reporting Specification

In this Report, unless the context requires, otherwise the following terms shall have the following meanings:

Our Company or Kaisa	Refers to Kaisa Group Holdings Limited
The Group or We	Refers to Kaisa Group Holdings Limited and its subsidiaries
Greater Bay Area	Refers to Guangdong-Hong Kong-Macao Greater Bay Area
This Report	Refers to The Company’s “2022 Sustainability Report”
ESG	Refers to Environment, Social and Governance
The Reporting Period	Refers to January 1, 2022 to December 31, 2022
SEHK	Refers to The Stock Exchange of Hong Kong Limited
HKEX	Refers to Hong Kong Exchanges and Clearing Limited
Kaisa Urban Renewal Group	Refers to Kaisa Urban Renewal Group (Shenzhen) Co., Ltd.
Kaisa Prosperity	Refers to Kaisa Prosperity Holdings Limited
Kaisa Commercial Group	Refers to Kaisa Commercial Group Co., Ltd.
Kaisa Technology Innovation Group	Refers to Merged by Kaisa WeWa Space Technology (Shenzhen) Co., Ltd. and Kaisa Technology Industry (Shenzhen) Co., Ltd.
Kaisa Culture Sports & Technology Group	Refers to Kaisa Culture & Sports Investment Holdings (Shenzhen) Limited
Kaisa Hotel Group	Refers to Shenzhen Kaisa Hotel Management Co., Ltd.
Kaisa Shenzhen Group	Refers to Kaisa Group (Shenzhen) Co., Ltd.
Jia Zu Bao	Refers to Kaisa Jia Zu Bao (Shenzhen) Technology Group Co., Ltd.
Camilla Chinese Cuisine	Refers to Shenzhen Camilla Catering Co., Ltd.
COVID-19	Refers to Coronavirus Disease 2019
BIM	Refers to Building Information Modeling
Dual Carbon	Refers to carbon peak and carbon neutrality

◆ Report Access

This Report provides an electronic version for the convenience of readers. The electronic version can be viewed and downloaded on the Company’s website and the HKEX news’s website (<https://www.hkexnews.hk>). If you have any questions, comments, feedback or suggestions about this Report and the Company’s sustainability matters, please email to IR1638@kaisagroup.com to contact the Company or access to the Company’s website (<https://www.kaisagroup.com/Investor/Information.aspx>) and submit your valuable comments.



01

ABOUT US

Established in 1999, Kaisa Group Holdings Ltd. is headquartered in Hong Kong and was listed on the Hong Kong Stock Exchange in December 2009 (stock code: 1638). The Group owns more than 20 groups and professional companies, whose businesses have covered major economic regions such as the Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development area of Beijing Tianjin-Hebei regions, and the Yangtze River Economic Belt. Kaisa has also stationed in more than 50 major cities nationwide, covering more than 20 industries such as comprehensive development, urban renewal, healthcare, culture & leisure, sports, technology, property management, water-way passenger and cargo transportation, commercial operations, hotel operations, football club and so on. With a forward-looking vision, the Group follows the national strategic direction and takes the strategic positioning of “urban public service provider” as our foothold, adhering to the core values of “professionalism, innovation, value, responsibility”, focusing on four sustainable development dimensions, namely city co-creation, livelihood sharing, coexistence with environment and home building. In terms of industrial layout, it takes urban renewal as the platform, industrial transformation projects as the entry point, citizens’ needs as the basis, and ecological environment as the foundation, exploring the development mode of urban public service.

CORE CORPORATE VALUES

- Professionalism
- Innovation
- Value
- Responsibility

- The unremitting pursuit of professional competence and core competitiveness is the key for the Company to stay ahead of the industry;
- The continuous innovation of product concepts, business models, and management methods are the sources of power for the sustainable development of the Company;
- Constantly creating value for customers, employees, partners, shareholders, and society is the way for the Company to realize its own values;
- Employees regard their work as their career and take responsibility for the Company on their own initiative;
- The Company regards its business as the mission of a corporate citizen and shoulders various responsibilities for the country and society.



THE PATH TO SUSTAINABILITY

02

Kaisa is committed to achieving a harmonious unity of economic, environmental, and social benefits for sustainable development, creating long-term benefits and values for stakeholders, the environment, and society. We continuously strengthen the implementation of sustainability concepts and solidify the foundation of sustainable development through a sound ESG governance framework and strategy. This includes efficient policy development, target setting, resource allocation, and risk monitoring to promote sustainability management. At the same time, we actively promote various environmental protection and social responsibility projects, injecting new vitality into urban construction and building a better life for people.



The Board Statement

The Group views sustainable development as an important component of the core competitiveness, integrating relevant concepts into corporate mission, culture and values, and permeating daily operations. The successful implementation of sustainable development concepts requires the participation of all departments and employees of the Group, from the Board of Directors, management to frontline staff. The Board of Directors bears the responsibility of leading and guiding the Group's sustainable development matters; the management of each department is responsible for implementing relevant management policies and strategies in daily operations; and the frontline staff are the main implementers of specific measures and actions.

At the same time, the Board of the Group continues to monitor global trends in sustainability, combining the results of stakeholder communication to identify and assess the risks and opportunities that may be faced, and discussing corresponding response plans. Management accumulates experience in daily operations and timely proposes sustainability-related improvement plans to the Board, which are approved with resources allocated. As an important part of good governance, we have penciled down the establishment of a well-structured sustainability working group on our agenda, hoping that the working group can more effectively assist the Board in fully participating in the formulation and optimization of the Group's sustainability roadmap.



Sustainable Development Strategy

Kaisa's sustainability strategy framework focuses on "improving community development through urban renewal" and "reducing negative impacts on the environment". By identifying the UN Sustainable Development Goals that are highly relevant to our business, we clarify the areas of focus for our sustainability strategy, which helps provide direction for long-term planning and assists us in the progressive development and implementation of corresponding policies, management goals, targets, and action plans.



◆ Improving community development through urban renewal

As industry upgrades and China's urbanization process continues to advance, urban renewal has become an important factor in determining the sustainability of cities, while the progress of urban renewal is crucial to the quality of life of local communities. In order to coherence with public interests and efficiently utilize the public space, the Group takes into account elements such as different environments, location characteristics, and population need during the transformation of urban villages, old industrial areas, old commercial areas and old residential areas. It aims to build public facilities for different purposes, such as education, healthcare, culture, and sports, for the public in accordance with the local conditions to meet the residents' pursuit of improving their living environment and enhancing their spiritual and cultural lives. We also actively participate in the construction of affordable housing projects for low- and middle-income families with limited prices or rents, to assist the government in enabling vulnerable groups to have a place to live, creating social environment of mutual love and harmonious development.

◆ Reducing negative impacts on the environment

The rapid development of urbanization has brought an increasing number of construction projects, which has also brought environmental issues that cannot be ignored. The Group has consistently paid attention to environmental protection for many years. Prior to the start of the project, comprehensive plans for protection, restoration and compensation were carefully crafted and tailored to the exacting needs of environmental protection. During the construction process, we seek to minimize the generation of sewage, dust, noise and waste through scientific and efficient methods, as well as endeavoring to make use of energy-saving and eco-friendly materials to the best of our ability, so as to limit the detrimental impacts to the environment. In addition, the Group actively responds to the cooperation principle "prioritizing ecology and enhancing green development" proposed in the *Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area* (《深化粵港澳合作推進大灣區建設框架協議》). It is devoted to creating high quality, star-rated, people-focused healthy buildings and ecological urban areas, helping to build an ecologically-livable world-class Bay Area.



Sustainable Finance

Driving the global economy forward along a more sustainable route necessitates substantial financial support and consequently, sustainable finance has been garnering growing attention in the capital markets. Kaisa is well aware that the development of sustainable finance is the trend of the times, and has taken up this practice since 2020 to explore more financing opportunities, thus promoting the green- and low-carbon transition of the Group's operations and the creation of social value.

◆ Sustainable Finance Working Group

In response to the new trends of low-carbon and sustainable development, the Group has established a Kaisa Sustainable Finance Working Group (hereinafter referred to as "Sustainable Finance Working Group"), which consists of personnel from project development, sustainability, finance, legal and investor relations functions. The Sustainable Finance Working Group is responsible for selecting qualified green and/or social projects from the project list submitted by the Project Development Department, and reporting them to the Board for approval after internal reviews. At the same time, the Sustainable Finance Working Group will review the shortlisted projects annually and the relevant work progress timely, and remove projects that are no longer eligible.

In order to integrate environmental, social and governance elements into the Group's sustainable financial development, the Group established the *Sustainable Financing Framework* (hereinafter referred to as the "Framework") in July 2020 and obtained the Second Party Opinion on the Sustainable Finance Framework from the independent rating agency Sustainalytics. The Framework refers to the four core components and recommendations of the *Green Bond Principles*, *Social Bond Principles*, *Sustainability Bond Guidelines*, issued by the International Capital Market Association (ICMA), and the *Green Loan Principles* issued by the Asia Pacific Loan Market Association (LMA), which are applicable to bonds, loans and other financing products. All net proceeds from sustainable financing shall be used to provide full or partial financing or refinancing for new or existing eligible green and/or social projects that are defined in the Framework.





03

FEATURE STORIES: UNDERGOING TRANSFORMATIONS TO A URBAN PUBLIC SERVICE PROVIDER IN RESPONSE TO THE NATIONAL DEVELOPMENT TREND

The 2022 National Congress has proposed “exploring a new model of real estate development”, promoting sustainable and high-quality development of the industry. In response to this initiative, Kaisa has actively explored and implemented the “Central Enterprise + AMC + defaulted developer” approach to address existing problems. With over 20 years of experience in urban public services, Kaisa has positioned ourselves as a “urban public service provider” and defined four dimensions of sustainable development, namely city co-creation, livelihood sharing, coexistence with environment and home building. Leveraging urban renewal as the platform, industrial transformation projects as the entry point, citizens’ needs as the basis, and ecological environment as the foundation, we actively explore the development mode of urban public service, firmly practice high-quality development, and strive to make the city a better place.

City Co-creation: Achieving Synchronized Development and Symbiosis with Urban Values

Kaisa has played a significant role in urban development through city renewal, cultural and sports events, industry promotion, tourism, marine economy, and other initiatives, contributing to improving people’s lives.

Kaisa is committed to adapting to local conditions and focuses on constructing public service facilities such as education, medical care, culture, and sports for citizens, as well as providing subsidized housing for low- and middle-income families facing housing difficulties during the transformation of urban villages, old industrial areas, old commercial areas, and old residential areas. Kaisa urban renewal projects has covered several community health service centers and public schools, actively fulfilling the corporate social responsibility by building high-quality subsidized housing.

Our venues and platforms promote a sports and cultural atmosphere for everyone to participate in. We organize music festivals and top domestic and international competitions, facilitating cultural exchange and collaboration, and promoting the optimization and upgrading of the cultural and sports industry. Currently, Kaisa operates 23 iconic cultural and sports venues in 14 cities across the country. These include the Shenzhen Nanshan Cultural and Sports Center, the Wuhan Five Rings Sports Center, the Guangxi Guigang Sports Center, the Zhejiang Huzhou Zhili Cultural and Sports Center, and the Hangzhou Guali Cultural and Sports Center. The total operating area is about 1.95 million square meters. In 2022, we have hold around 217 sports and cultural events, as well as approximately 220 cultural performances.

Furthermore, the commercial segment of Kaisa emphasizes the combination of three business platforms: commercial asset operation, industrial incubation and investment, and light asset management. By leveraging business innovation, internal resource synergy, and eco-industrial clusters creation, we ultimately achieve investment, participation, and sharing in the value chain of business ecosystem. Currently, Kaisa manages a total commercial area of over 3 million square meters.



Livelihood Sharing: Walking Together towards a Bright Future While Fulfilling Social Responsibility

The livelihood of people is a cornerstone of social harmony. As a city operator, Kaisa always strives to improve the living environment and build a happy life. We are courageous in exploring and actively innovating to promote the development of public welfare initiatives, and create long-term value while serving society with practical actions.

We have actively participated in the rural revitalization strategy and supported social welfare projects in various fields such as education, medical care, retirement, public welfare, and rural revitalization. Currently, we have donated a total of 110 rural infrastructure projects and have built and reconstructed 17 village roads, actively helping to alleviate the lack of infrastructure and public services in poor villages by improving the living environment, water and sewage treatment, sanitation stations, homes for the elderly, and renovating dangerous houses. Regarding industrial revitalization, Kaisa has donated more than 30 industrial bases, and has promoted consumer poverty alleviation and agricultural orders. We have also created the Longmen County poverty alleviation e-commerce platform, which has benefited 62 poor villages. In terms of education revitalization, Kaisa has donated 9 rural education infrastructures in poor areas and has directly subsidized the education costs of thousands of poor children in the long term.

Coexistence with Environment: Integrating Ecological Consideration to Adhere to Sustainable Development

Kaisa is implementing the national "dual carbon" goal by integrating green and environmental protection measures into various aspects of production and operation, and promoting the construction and operation of green, low-carbon cities.

We actively incorporate the concept of "sponge city" into our project planning and construction, redistributing water resources to mitigate flooding problems and introducing intelligent energy management systems to make efficient use of resources and energy. Currently, Kaisa's intelligent solutions have been implemented in 18 provinces and 100 cities, completing over 1,000 intelligent construction projects, and acquiring 26 patents, gradually promoting a new model of green and sustainable development.



Home Building: Using a People-centered Approach to Serving Citizens

Kaisa caters to a large number of residents and pays close attention to their pursuit of a better lifestyle. We aim to create unique products that meet the housing needs of various customers and build a sustainable urban ecological chain.

We strive to create a warm, beautiful, safe, and comfortable living environment by providing exclusive services at three levels: "happy living, green environment and fine management" for homeowners. We also build a characteristic service system of "Excellent Service" in the community, creating a harmonious and healthy neighborhood life, and providing diversified community value-added services. Currently, Kaisa has provided ideal homes for more than 300,000 families and has over 60 commercial projects in operation, preparation, and construction nationwide. Our shopping malls cover nearly 1,000 communities, with a total community population of over 12 million.





04

COMMUNICATION WITH STAKEHOLDERS

Open and honest communication with all stakeholders helps us maintain our observance, ambition, and acceptance of new ideas, ensuring that we are always able to respond to a changing environment in a timely manner, thus enabling us to create long-term value for our stakeholders.

Diversified Communication

Kaisa is well aware of the importance of listening to and responding to the shareholders' views and addressing the issues they are concerned about. We actively communicate with shareholders through diversified communication channels on a regular basis to understand their opinions and expectations on the Group's business and set appropriate management policies and objectives based on this to promote our sustainable development agenda.

Shareholders and investors

- General meetings
- Annual and interim reports
- Analyst meetings
- Emails
- Investor hotline and meetings



Employee

- Staff activities and mailboxes
- Company's intranet
- Online opinion
- survey



Suppliers

- Supplier performance review and evaluation
- Online opinion survey



The Government

- Public consultation
- Seminars
- Reports
- Online survey
- Interviews



Customers/Tenants

- Collect feedbacks on services
- Return visits
- Customer satisfaction survey



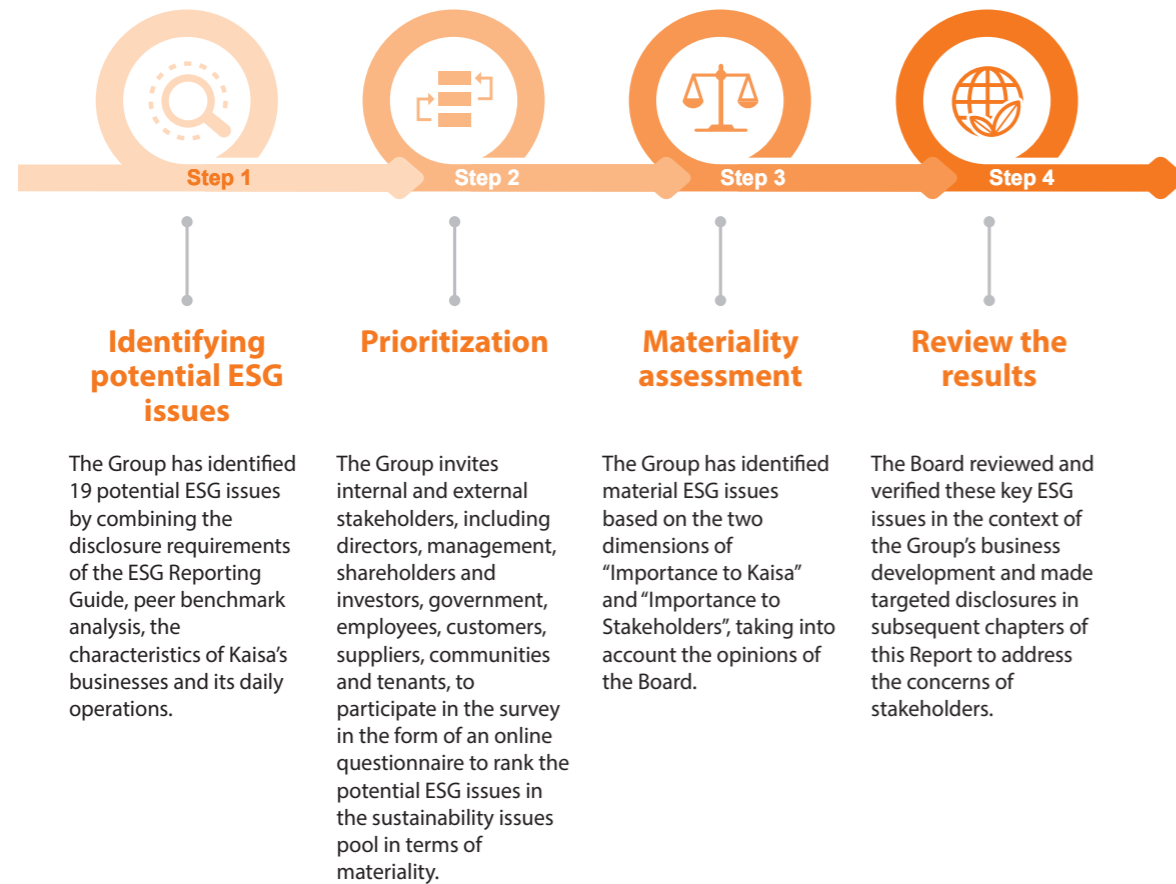
Communities

- Community charitable activities
- Voluntary activities



Materiality Assessment

In addition to regular communication and engagement platforms, the Group also takes the opportunity of preparing the Sustainability Report to collect views from stakeholders on ESG issues, in order to identify significant environmental and social impacts. We believe that wide-reaching stakeholder involvement will provide the fundamentals for reforming the present and creating the future sustainability management approach, which will nurture the Group's sustainability journey.



During the Reporting Period, we incorporated stakeholder feedback gathered through regular mechanisms and identified that key issues align with our sustainability work for 2021. These issues form the scope of this report and guide our sustainability efforts for the upcoming year.

Aspects	Key ESG Issues	Response Chapter
Environmental	Pollutant emissions	Harmonious Development and Green Operations
	Use of water resources	
	Green building	
	Energy efficiency	
	Use of construction materials	
Employees	Occupational health and safety	Gathering Talents for Mutual Improvement
	Employee development	
	Equal opportunities	
	Employee welfare	
Products & Services	Product quality and safety	Quality Services and Stakeholder Cooperations
	Customer data privacy and security	
	Supply chain management	
Communities	Community engagement	Giving Back to the Community

Looking to the future, the Group plans to further strengthen our communication with employees on sustainability and to engage more external stakeholders. As part of our commitment to sustainable development, we will work together with all stakeholders to identify emerging issues in early stage and ensure that they are addressed in a timely manner.



HARMONIOUS DEVELOPMENT AND GREEN OPERATIONS

05

Kaisa is responding to the country's call to "achieve carbon peak by 2030 and carbon neutrality by 2060" by promoting low-carbon and green development, continuously reducing the environmental impact of the operations and raising the green standards of the projects. The Group is committed to updating and improving the environmental management, actively exploring pragmatic and innovative ways to live in harmony with the natural ecological environment while pursuing sustainable business development. We pay attention to green living, ecological protection, energy conservation, emission reduction, and climate change, integrating the concept of sustainable development into the entire life cycle of projects, helping to create a green, low-carbon, healthy, and comfortable lifestyle.



Green Living

According to statistics from the Ministry of Housing and Urban-Rural Development, buildings in China account for about 33.3% of total energy consumption and 43.7% of total carbon emissions. In order to change the traditional way of building and reduce resource consumption, the concept of green building has emerged, integrating energy-saving and environmental protection elements into the life cycle of buildings. In 2022, the Group has added 4 green building certification projects, with certified area of 429.5 thousand square meters. By the end of the year, the Group has a total of 74 projects certified as green buildings, with a cumulative certified area of 9.9969 million square meters.

◆ The Green Building Design – Taizhou No. 1 Mansion Phase 3

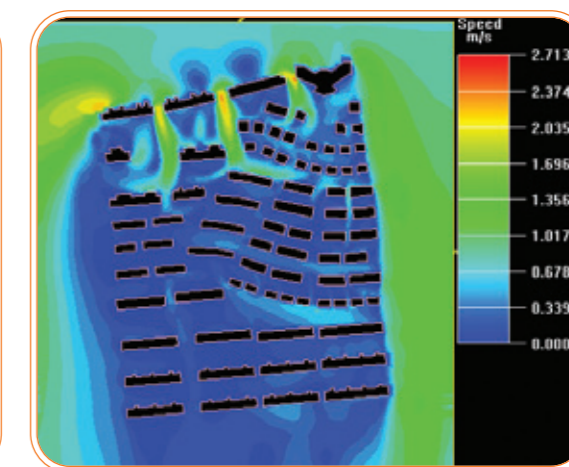
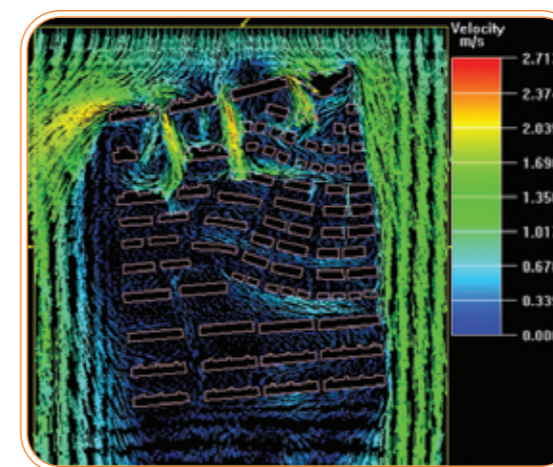
Taizhou No. 1 Mansion is located in Jiangyan District, Taizhou City. It sits on the development map of Taizhou's "Eastward" urban planning and covers a total land area of 192,505 square meters. During the planning stage, the project incorporated the concept of green building. This involved optimizing the project design and enhancing environmental performance in areas such as outdoor environment, land use, site ecology, and energy utilization. As a result, it was awarded the Green Building Two-Star Design Label.



The project provides owners with a high quality living environment. We conduct an environmental simulation during the planning stage, taking into account the climatic and natural resource conditions of the project site. This helps us rationalize the design of building layout, shape, orientation, and spacing, as well as improve comfort and effectively apply green concepts.



Regarding the outdoor environment, the project's building materials and lighting design consider factors such as illumination, luminous intensity, and average brightness to avoid light pollution and prevent pedestrians from being dazzled. To control environmental noise, the project takes various noise reduction measures, such as a reasonable layout of building plans, placing areas with lower sound environment requirements near the street, using green belts to isolate areas near traffic lines, and adopting sound insulation measures that include using thermal insulation and sound insulation materials for exterior walls and using hollow windows for exterior windows for enclosing structures. Through a reasonable building layout, the project ensures natural ventilation in summer and transition seasons and reduces cold wind infiltration in winter. This is beneficial for comfortable outdoor walking and activities, as well as the natural ventilation of the building.



Regarding land use, the project incorporates green areas through a combination of greening, irrigation, and grass, planting plants that are adapted to the local climate and soil conditions, ensuring that there are no less than 3 trees/100 square meters in the green areas of residential buildings. Additionally, the project establishes trees, structures, and other shading measures in the outdoor activity area, which covers 10% of the project area, to mitigate heat island intensity. The project's building layout considers the daylight level of the buildings to ensure adequate lighting for both the buildings and the surrounding environment. In terms of site ecology, the project not only adopts a scientific approach to green configuration to achieve a 30% green space ratio, but also implements a water conservation system and a rainwater recycling system to divert rainwater and sewage and improve water efficiency.

Regarding energy usage, the project's architectural design fully considers resource conservation and adopts the following energy-saving measures to achieve a 65% energy-saving rate:

- Energy-saving control measures such as zoning, timing, and induction are adopted for lighting systems in corridors, stairwells, lobbies, large spaces, and underground parking lots.
- High-efficiency light sources and fixtures are used for public lighting, including LED, thin-tube fluorescent lamps, and compact energy-saving fluorescent lamps.
- Energy-saving delayed switch control is used for stairwell and corridor lighting in residential areas, and on-site control is used for entrance lighting.
- To adapt to the local transitional monsoon climate of North Asia, the buildings are oriented towards the southeast, making the longitudinal axis of the houses perpendicular to the dominant wind in summer, effectively utilizing natural ventilation and reducing the heat island effect of the project environment. The larger inter-building distance in winter can obtain sufficient hours of sunlight and avoid the dominant winter wind direction, improving the comfort of the outdoor wind environment. The windows of the bedrooms, living rooms, and kitchens in the project's residences are arranged to provide sufficient lighting for corridors, dining rooms, and bathrooms.
- Openable windows and glass curtain walls are installed to promote good ventilation of the buildings.
- Elevators are selected reasonably, elevator group control and escalator automatic start-stop are adopted.
- A solar thermal water supply system is installed to make reasonable use of renewable energy, considering the local climate and solar radiation.

By effectively implementing the measures and technologies described above, Taizhou No. 1 Mansion Phase 3 can achieve safe and high-quality buildings, as well as healthy and comfortable spaces, while reducing its environmental impact and resource utilization by utilizing green building design.



Conservation of Ecology

The construction industry has an impact on the ecological system due to the development of natural resources during the process of obtaining raw materials and the transformation of the surrounding environment during the construction process. Kaisa has been committed to reducing the negative impact of projects on the environment. Throughout the entire life cycle of the building, from project planning, design, construction to operation, we strive to strictly implement environmental policies and measures to strengthen environmental management of our projects.

◆ Planning and Design

At the initial stage of project development, the Group identified the potential impacts of the project on the surrounding environment and residents, and formulated detailed soil and water conservation plans. We submitted assessment reports, forms and registration books to the local environmental supervision department and other stakeholders to report the environmental conditions and quality truthfully, and proposed protective measures to be taken. After obtaining approval and obtaining documents such as the *Construction Land Planning Permit* (《建設用地規劃許可證》) and the *Construction Project Planning Permit* (《建設工程規劃許可證》), the project company will launch the engineering project. At the same time, the Group promotes green building, and factors such as green design, environmental protection materials and green construction methods are taken into consideration during project planning.

◆ Procurement and Tendering

The Group is continuing the green focus into the procurement of building materials, electing to use environmentally conscious materials such as lightweight partition boards and high-precision bricks. Furthermore, it is taking a look at the production process of materials such as concrete, bricks, and wood to ensure a lower carbon footprint. To make sure contractors are aligned with our commitment to sustainable development, the Group requires them to comply with all the relevant rules and regulations, including staying within national and domestic standards of air pollution, preventing from damaging environment and ecology, as well as exercising responsible use of natural resources.



◆ Construction

The Group constructed the *Kaisa Group Holdings Catalogue on Safe and Civilized Construction of Real Estate Projects* (《佳兆業控股集團項目安全文明施工圖冊》) which was included in the engineering construction contract paperwork. This catalogue outlined the safety and civilized construction expectations and how to regulate them. Additionally, it required contractors to recognize any environmental impacts that may result from the construction process and to state clearly the specific measures to tackle them in their construction organization designs.

The project companies have designated environmental protection work leading groups to oversee implementation and ongoing environmental management of the necessary measures during the construction and operation phases of the projects. Regular site inspections are conducted by the members of the groups to ensure that contractors are adhering to the prescribed methods.

The main sources of pollution and prevention measures during the construction period

Dust	<ul style="list-style-type: none"> To ensure the installation of temporary site fencing of the specified height and strength To secure hard ground for the main roads and material processing area To take measures such as soil covering, sectional excavation and water spraying to reduce dust on the construction site
Waste water	<ul style="list-style-type: none"> To establish a rainwater harvesting system for dust suppression and curing of concrete, wall wetting tests, etc To be reused for road washing and greening irrigation after precipitation
Wastes	<ul style="list-style-type: none"> To treat the waste in accordance with the 3R principle: <ul style="list-style-type: none"> Reduce – estimate the waste generated by the construction methods and processes in advance, select resource-saving and pollution-reduction construction methods and processes to reduce waste emissions; Reuse – use for several times; and Recycle – process the generated waste and turn it into reusable resources To avoid secondary pollution by requiring constructors to set up garbage points in the living area, which should be managed in a closed manner and not stored in the open area To classify all kinds of waste, old materials and garbage into corresponding material pools, and be inspected and approved by the project company and supervisor after the construction is finished and the site cleared
Noise	<ul style="list-style-type: none"> To adopt low-noise construction machinery techniques, and enhance the maintenance of construction equipment to ensure that the noise level on site does not exceed the limit requirements

◆ Project Delivery

Upon completion of the project, the project company applies to the environmental supervision department for environmental protection acceptance inspection, to check the installation and implementation of related facilities and measures for ecological protection and pollution prevention. After passing the inspection, it can enter the delivery stage. The Group also attaches great importance to the environmental impact of its properties in the use stage. Not only does it consider community greening, drainage systems and waste treatment and recycling facilities in the project, but also installs intelligent metering systems in some building projects to help users monitor electricity, water consumption and control related expenses.

Energy Conservation and Emissions Reduction

In the daily operations of the office, the Group also strictly complies with the laws and regulations related to our business, such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Law of the People's Republic of China on Energy Conservation* (《中華人民共和國節約能源法》), the *Air Pollution Prevention Law of the People's Republic of China* (《中華人民共和國大氣污染法》), the *Law of the People's Republic of China on the Prevention and Control of Pollution from Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), and the *Water Pollution Prevention Law of the People's Republic of China* (《中華人民共和國水污染防治法》), etc. Based on the requirements of relevant emission pollutants and energy management, we have formulated and implemented the *Office Environment and Safety Management System of Kaisa Group Holdings Limited* (《佳兆業集團控股辦公環境及安全保衛管理制度》), the *Guidelines for Energy Conservation Design of Electromechanical Energy Efficiency System for Projects of Kaisa Group Holdings Limited* (《佳兆業集團控股自持項目機電能效系統節能設計指引》), and the *Guidelines for the Management of Office Supplies of Kaisa Group Holdings Limited* (《佳兆業集團控股辦公用品管理工作指引》), to create a green office culture. The various environmental objectives also provide us with a long-term direction for saving resources and protecting the earth.

Targets	Actions
To reduce average power consumption	<ul style="list-style-type: none"> To accelerate the replacement of fluorescent lamps with low-energy LED lighting To enhance the regular maintenance and upgrades of equipment to optimize energy efficiency To promote paperless office
To reduce average water consumption	<ul style="list-style-type: none"> To prevent leakage by regularly inspecting and maintaining water pipes and water supply systems To continuously encourage employees to develop good habits of water conservation by posting signs and posters
To reduce waste generation	<ul style="list-style-type: none"> To maximize the collection of recyclable materials and lessen the amount of waste that needs disposal by encouraging employees to participate in waste categorization and recycling with the types and number of waste classification and recycling facilities being expanded To reduce the use of disposable items To encourage internal reallocation of resources to increase utilization





◆ Energy Efficiency

By implementing the Guidelines for *Energy Conservation Design of Electromechanical Energy Efficiency System for Projects of Kaisa Group Holdings Limited* (《佳兆業集團控股自持項目機電能耗能效系統節能設計指引》), we aim to improve the energy consumption and efficiency management system of the project, so that the property can achieve the best energy efficiency. This guideline provides employees with clear channels and methods for collecting data such as electricity, water, gas, heat and cold, and requires intelligent management and analysis of the data.

The Group's direct energy consumption in daily operations mainly came from gasoline, liquefied petroleum gas, etc., which were mainly used for cars and gas stoves in the employee cafeteria. Our indirect energy consumption was from the use of purchased electricity. In order to reduce energy consumption, we set the minimum temperature of the air conditioning system to 26 degrees Celsius and encouraged the use of video conferencing to reduce business travel. During the Reporting Period, the total energy consumption of projects was 2,645 MWh, with an intensity of 0.07 MWh per square meter. Of this amount, 2,567 MWh was purchased electricity, representing 97.0% of the total energy consumption.

DIRECT AND INDIRECT ENERGY CONSUMPTION

Direct Energy		Indirect Energy	
Liquefied Petroleum Gas	15.00 MWh	Purchased Electricity	2,566.52 MWh
Gasoline	18.32 MWh	Purchased Heat	44.91 MWh
 Total Energy Consumption 2,644.75 MWh		 Intensity (by area) 0.07 MWh/square meter	

The consumption of direct or indirect energy sources generates emissions of air pollutants and greenhouse gas. In total, the projects generated 1,532.09 tonnes of carbon dioxide equivalent (CO₂e) greenhouse gases during the Reporting Period. Electricity consumption continues to be the largest source of GHG emissions, accounting for 95.5% of the total.

◆ Water and Waste Management

Given the enhancing strain on the world's water resources, water resource management has been engagingly referred to as a part of the international environmental protection endeavors. While our company and its project companies currently access an appropriate level of water supply through municipal providers, we realize that water is one of the most invaluable natural resources and are duly devoted to optimizing our use of water while limiting wastewater discharged due to operations. To initiate and ensure such actions, we plan to expand the use of water-saving equipment, further our educational programs on water conservation, and document water usage on an ongoing basis to methodically evaluate water usage. During the Reporting Period, the total water consumption of the projects was 315,392.00 cubic meters, with an intensity of 8.29 cubic meters per square meter. The Group will continue to evaluate water consumption data as a basis for setting long-term reduction targets.

The *Guidelines for the Management of Office Supplies of Kaisa Group Holdings Limited* (《佳兆業集團控股辦公用品管理工作指引》) sets the rules for the procuring and consumption of office items, with all business areas being directed to use them in a responsible manner and to prevent wastage. Additionally, email and digital office systems are encouraged for use, and we also push for double-sided printing to conserve paper, reducing waste generation from the source. With that, our regular activities involve sorting out plastics and scrap paper for reuse before discarding, which are actions being continuously promoted in daily operations. During the Reporting Period, the projects generated a total of 0.03 tonnes of hazardous waste, such as waste batteries and waste cartridges, which were properly stored and regularly delivered to qualified recyclers for collection and disposal. Projects also generated a total of 8.95 tonnes of non-hazardous waste, such as paper and food waste, which were delivered to the relevant municipalities for removal.

GREENHOUSE GAS EMISSIONS

Scope 1 Emissions 42.79 tonnes of CO ₂ e	Scope 2 Emissions 1,489.30 tonnes of CO ₂ e
 Total Greenhouse Gas Emissions 1,532.09 tonnes of CO ₂ e	 Intensity (by area) 0.040 tonnes of CO ₂ e/square meter

Climate Change

In October 2021, the 26th United Nations Climate Change Conference (COP26) was held in the UK and was a success, with representatives from all various countries attending to stress the necessity of achieving the goals of the Paris Agreement, which include preventing the worldwide temperature rise from exceeding 2 degrees Celsius. Strategies on mitigation and adaptation to climate change, both existing and proposed, were put forward as part of the conference.

The Group continues to assess emissions of greenhouse gases, monitoring the effectiveness of climate change responses. After the China has declared its goal of carbon neutrality by 2060, we have also been actively exploring ways that can advance adaptation and mitigation. We acknowledge that climate change can bring both threats and opportunities to businesses, so it is necessary to identify and evaluate our climate-related risks and opportunities. Going forward, we plan to implement climate change action plans for our management and investment operations, under the direction of the TCFD framework, by identifying and analyzing major physical and transition risks and opportunities via the establishment and analysis of climate scenarios.



06

QUALITY SERVICES AND STAKEHOLDER COOPERATIONS

High-quality products and services are one of Kaisa's core competitive advantages. We prioritize product innovation and high-quality development, strictly control the quality of our offerings, and ensure customer satisfaction with a professional, efficient, and responsible attitude. We also believe that compliance management and supply chain management are essential for providing high-quality, sustainable products and services. Kaisa implements strict supplier selection procedures and procurement processes, works to reduce environmental, social, and safety risks in the supply chain, and adheres to high ethical standards to prevent corruption and bribery through a comprehensive risk management system, with the aim to create a clean and transparent corporate culture that protects the common interests of customers, suppliers, and the corporate.

8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 
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Our Philosophy of Quality

The Group has long considered "Quality is the lifeblood of the company and customer satisfaction is the driving force" as one of our key business philosophies, and is devoted to preserving high-quality goods and services through various managerial and monitoring procedures. In order to further strengthen the quality of the products and services provided, we not only comply with the laws and regulations such as the *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Regulations on the Release of Real Estate Advertising* (《房地產廣告發佈規定》), the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Computer Software Protection Regulations* (《計算機軟件保護條例》), and the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), but also formulated a series of internal regulations such as the *Kaisa Group Holdings Real Estate Red and Yellow Card Management Regulations* (《佳兆業集團控股地產業務紅黃牌管理辦法》), the *Kaisa Real Estate Group Management Measures on the Quarterly Appraisal and Surveillance for Projects* (《佳兆業地產集團工程季度評估檢查管理辦法》), the *Kaisa Group Holdings Implementation Rules on Customer Complaint and Claims Service* (《佳兆業集團控股客戶投訴、理賠服務實施細則》), and the *Kaisa Real Estate Project Promotion Red Line Handbook* (《佳兆業地產板塊項目推廣宣傳紅線手冊》), which clearly define the relevant management mechanisms such as health and safety, advertising, privacy matters and remedies relating to products and services.

To ensure the quality of the projects, the Group conducts assessments on different aspects, such as quality and safety, before the project delivery. Third-party checks are also conducted to reduce and avoid potential quality risks. After the project delivery, we will also conduct maintenance assessments to promptly address any potential issues and ensure the security and stability of the project.

Process Quality Control

- Organize "self-assessment" for each regional group and conduct quarterly inspections
- Inspect raw materials, system equipment, management mechanisms, and functional performance used in the project to achieve quarterly quality assessments and thus ensure safety and quality
- Confirm the *Process Evaluation of Participant Information Sheet* (《過程評估參評項目信息表》) after it has been reviewed and confirmed by the region, branch, and project department

Delivery Pre-assessment

- Entrust professional third-party assessment companies to conduct pre-assessment checks on process quality, safety flight inspections etc.
- Mainly assess the progress of the process, process handover, process standards, quality and safety, finished product protection, leaks and cracks, major quality risk issues, and product defects
- Conduct a full quality inspection 3 months prior to delivery of all items to ensure that all completed items meet the requirements
- For non-conforming products, conduct comprehensive rectification and re-assessment with a third-party before allowing delivery

Delivery Assessment

- Entrust professional third-party assessment companies to conduct delivery assessment inspections
- Mainly assess interior quality, leakage control, public quality, and special water testing
- Conduct a comprehensive quality inspection 1 month prior to delivering all projects to ensure that they meet all requirements.
- Projects that do not pass the formal delivery assessment will not receive the *Notice of Occupancy* (《入夥通知書》), and we will not deliver the project

Maintenance Assessment

- Entrust professional third-party assessment companies to conduct a comprehensive inspection of maintenance quality for projects with an occupancy time of ≤ 6 months.
- Implement maintenance and renovation service evaluations for occupied projects, including organization guarantees, maintenance acceptance, complaint tracking, maintenance evaluation, maintenance quality, and maintenance files to improve owners' satisfaction and ensure that the issues reported by owners are effectively addressed.

Besides, the Group also keeps open lines of communication with customers through phone and email. Customers can provide feedback to us through different channels, enabling us to continuously improve our performance. The Group strictly adhere to our four principles and protocols when tackling critical events and client complaints. Fast and fair actions would be taken to propose solutions right away to meet customer expectations.

THE FOUR PRINCIPLES

Legitimacy

Relevant issues are objectively investigated with fair and impartial reports being made in accordance with relevant laws, regulations and supervisory requirements

Timeliness

Respond and process within the prescribed timeframe, while maintaining timely and effective communication with the customer throughout the process

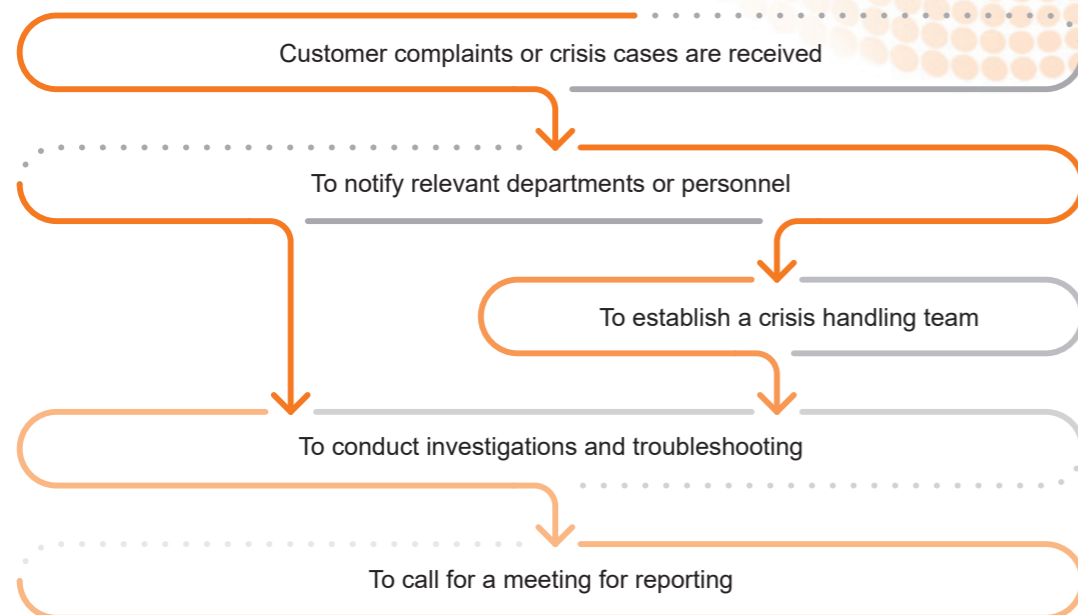
Honesty

Respond to customer feedback and complaints with sincerity and continue to monitor related matters after completing the investigation to avoid similar incidents from occurring

Confidentiality

Strictly protect information such as customer information, relevant details and claims plans

Process of Complaints or Crisis Handling



In addition to setting up different communication channels for customers to provide feedback, the Group also attaches great importance to annual and monthly satisfaction surveys, hoping to further understand customers' needs through their feedback.

Annual Satisfaction Survey	We cordially invite our customers to participate in our satisfaction survey every six months and use the results as one of the Group's key performance indicators. By utilizing the insights and professional opinions of a third-party research company, we are able to perceive and refine our products and services from different perspectives and boost the influence of Kaisa's brand.
Monthly Satisfaction Survey	The Customer Service and Marketing Department is responsible for addressing customer complaints and carrying out satisfaction surveys to know the improvement of our products and services. The feedback from the customer satisfaction surveys will be factored into appraisals of relevant personnel to guarantee the improvement of both the Group's hardware and software.

The Group puts a great deal of importance on managing sales information whilst conducting business operations, so that our customers have a full understanding of the products and services we offer. We make sure we are in line with relevant laws, regulations and internal supervision procedures to ensure that our promotional materials are precise and honest. All of Kaisa Group's advertisements and promotional materials must contain factual, legal and accurate information – no false or misleading content is permitted.

Protection of Rights and Interests

The Group has established a series of internal regulations, such as the *Kaisa Group Password Management System* (《佳兆業集團密碼管理制度》), *Kaisa Group User and Authorization Setting Management System* (《佳兆業集團用戶及權限設定管理制度》), and *Kaisa Group Holdings Confidentiality Management System* (《佳兆業集團控股保密管理制度》), to clearly define the work requirements for customer data and privacy. At the same time, the Group has also clearly stipulated the confidentiality requirements for protecting data and information of corporates in the policies to ensure that relevant internal documents will not be used inappropriately or mitigate the chance of leakage. We are also committed to protecting the rights of different property holders, regulating the use of information and data to avoid infringing on the rights and interests of intellectual property holders, and preserving our own intellectual property from misuse.

Data Confidentiality

- Specific job grades and procedures are required for accessing relevant information according to the confidentiality level of information and data
- All confidential information shall be returned to the relevant functional departments or institutions for storage and confidential processing after use
- A clear data access record shall be established to avoid unauthorized access to confidential documents
- A clear *Confidentiality Agreement* (《保密協議》) and related guidelines shall be established to comprehensively regulate the behavior and conduct of employees who need to contact confidential documents in operation
- A stable information network and computer usage guidelines shall be established to ensure the stability of the management system and the confidentiality of information

Intellectual Property Protection

- Establish a clear data usage system to ensure that the information used is in compliance with intellectual property related laws and regulations
- Apply for copyright protection and trademark registration for major projects and products to protect the Group's intellectual property rights
- Provide training on intellectual property protection to strengthen the awareness of internal compliance in using information

If any violations are found, the Group will conduct relevant investigations and, depending on the severity, impose corresponding internal punishments or refer the matter to judicial authorities.

Supply Chain Management

The Group is diligent in following rules from the origin, and is dedicated to upholding a number of internal control regulations, including the *Kaisa Group Holdings Real Estate Procurement Management Measures* (《佳兆業集團控股地產採購管理辦法》), *Kaisa Real Estate Group Contract Management Operating Guidelines* (《佳兆業地產集團合同管理作業指引》), *Kaisa Real Estate Group Procurement Inspection Management Measures* (《佳兆業地產集團採購巡查管理辦法》), and *Kaisa Group Holdings Management Measures on Incoming Materials and Engineering Samples Acceptance for Real Estate Projects* (《佳兆業集團控股在建項目進場材料及工程樣板驗收管理辦法》). These regulations help regulate the hiring process, as well as the selection and observation of suppliers, enabling them to comply with laws and guarantee the quality of goods obtained in procurement.



In addition to procuring quality raw materials and services, the Group also places a heavy emphasis on attaining and preserving a sustainable supply chain. Our aspiration is to create a balanced environment, social, and economic development in accordance with suppliers while maintaining the stability of the supply chain. Consequently, when sourcing suppliers, we prioritize those who prioritize sustainable development and wish to collaborate with like-minded partners when managing the lifecycle of our products and services. Through the procurement process, the Group will assess the features of the supplier to guarantee that their operations comply with our values. Results of on-site assessments of the factory suppliers, the analysis of their operating environment, and their environmental protection procedures and international standards certifications awarded (such as ISO 14001 Environmental Management System Certification, ISO 9001 Quality Management System Certification, OHSAS Occupational Health and Safety Management System Certification, etc.) would be taken into account. Additionally, the Group will include the sustainable development principles in all contracts.

The Sustainable Supply Chain



Integrity and Honesty

The Group bases business practices on integrity and honesty, which are fundamental components in helping to cultivate confidence and trust with our investors, customers, employees and the public. To modify the regulatory system of employees at all operating points, and to provide relevant guidance, the Group has adopted anti-corruption systems such as the *Kaisa Group Holdings Supervision and Management System* (《佳兆業集團控股監察管理制度》), *Kaisa Group Holding Employees' Courtesy Management System* (《佳兆業集團控股員工因公受禮管理制度》), *Clean Cooperation Agreement* (《廉潔合作協議》) and *Kaisa Internal Audit Rectification and Tracking Supervision System* (《佳兆業內部審計整改跟蹤督查制度》) that are in accordance with the *People's Republic of China Constitution* (《中華人民共和國憲法》), the *Securities Law of the People's Republic of China* (《中華人民共和國證券法》), 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》) and the *Securities and Futures Ordinance* (《證券及期貨條例》) of the Hong Kong Special Administrative Region. These regulatory systems seek to guarantee fairness, justice and openness in operations.

To promote compliance management, the Group has created a robust monitoring system to quickly diagnose any potential issues and carry out corrective steps or mitigating responses through collaboration among different departments.



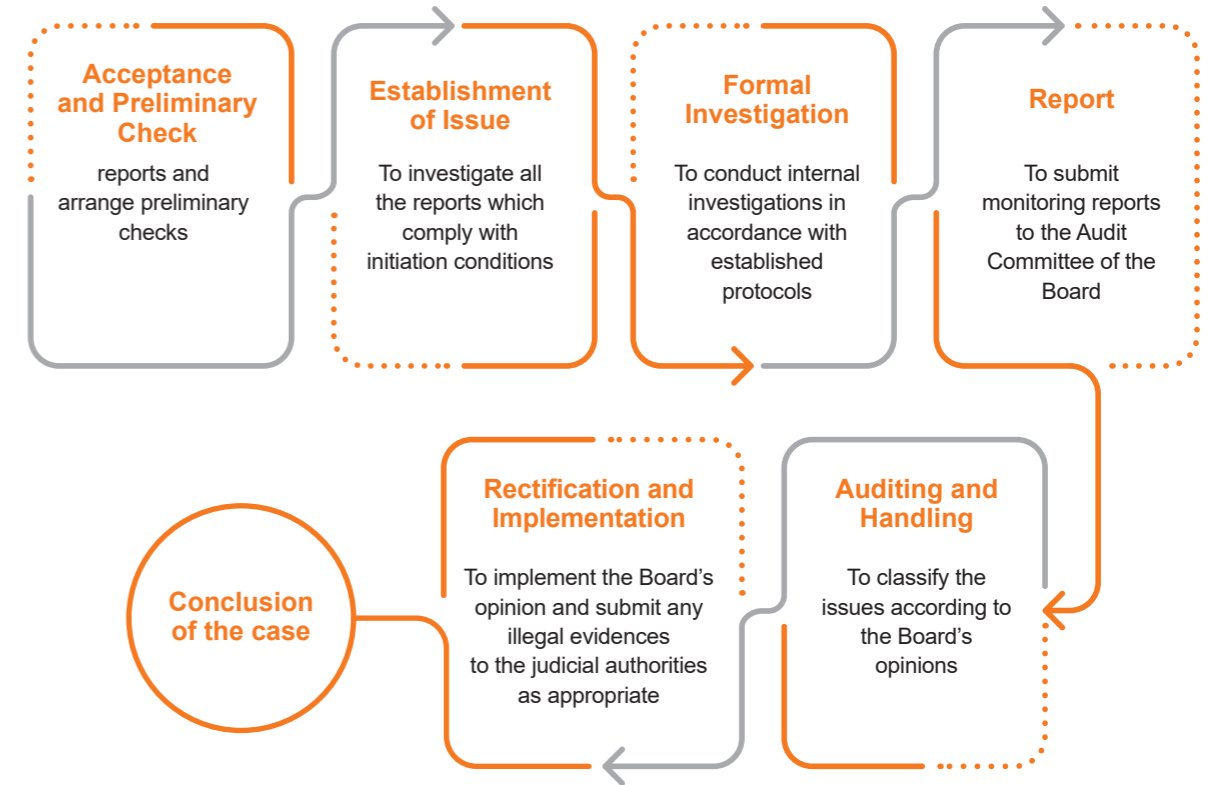
The Group's *Employee Handbook* (《員工手冊》) has established a series of measures and guidelines, listing information about complaint and reporting channels managed by dedicated personnel such as telephone, email, WeChat public accounts, to facilitate whistleblowers report any misconduct in a timely and effective manner,, assisting the Group in establishing a comprehensive anti-corruption supervision system. It ensures that the content of the report and the personal information of the reporter are strictly protected through reward and protection mechanisms, so as to avoid negative impacts due to their integrity. At the same time, we provide guidance on related areas such as conflict of interest, operational compliance, confidentiality agreements, and prevention of bribery and anti-corruption, based on the "Six Prohibitions on Professional Ethics, Eight Prohibitions against Procurement" code of conduct, to ensure that employees clearly understand the Group's operating objectives and jointly create a transparent and honest working environment.

Six Prohibitions on Professional Ethics

- To strictly forbid the accepting entertainment from any unit or individual with interests related to the Group
- Under no circumstances should the Group or any associated entities accept any type of business gift, present or bonus
- To strictly forbid anyone or any members of their family to ask for, or accept, any sort of bribe or have any kind of monetary involvement with partners in any circumstance
- To strictly forbid taking part in any commercial activities that go against the priorities of the Group
- To strictly forbid the misuse or taking control of the Group's property, and the committing of the Group to any external obligations it is not officially responsible for
- To strictly forbid the production and circulation of untruthful information which could harm the Group's reputation and the benefits of others in the organization

Eight Prohibitions against Procurement

- No disclosure of the target cost, estimated price, or bidding unit information
- No business negotiations that are contrary to the Group's regulations
- No bypassing of the system to issue offline orders, which go against regulations
- No falsification of visa application or inflation of project volume
- No falsifying of production values which result in excessive payment for engineering fees
- No splitting of tenders to circumvent the approval process is allowed
- No pre-emptive declaration is allowed
- No setting of specific conditions, nor the rejection or acceptance of specific bidders is allowed during the tendering process



07

GIVING BACK TO THE COMMUNITY

Following the philosophy of “From the community, to the community”, Kaisa actively seeks to understand the needs of the communities in which we operate and takes practical actions to fulfill our corporate social responsibilities while pursuing steady business development. We actively participate in and invest in local social activities, carry out various charity and community building efforts, and use our influence to encourage our employees and partners to care for the community and contribute to society, in the hope to achieve a harmonious and inclusive society.

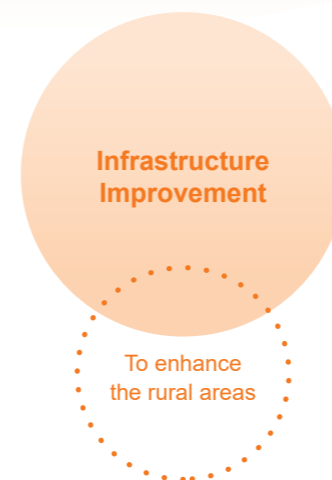




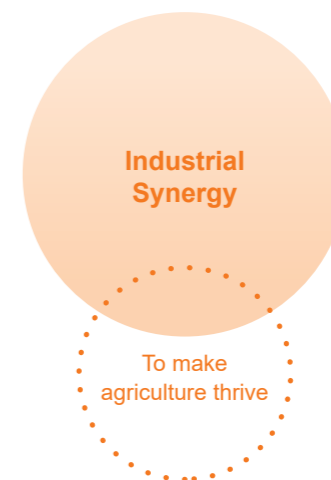
Implementing Rural Revitalization Strategy

The sustainable development of an enterprise cannot be separated from the generous backing of both the community and the public. While developing our own business, Kaisa upholds the social responsibility and continuously practices social welfare, actively helping the harmonious development of the community. Under the regulations of the *Kaisa Group Holdings External Donation Management System* (《佳兆業集團控股對外捐贈管理制度》) formulated according to the *Regulations of the Constitution of Shenzhen Kaisa Charity Foundation* (《深圳市佳兆業公益基金會章程規定》) and the *Regulations on the Management of Foundations* (《基金會管理條例》) of State Council and the clear donation workflow, the Group continues to promote the efficient and smooth operation of external donation activities. Over the years, Kaisa has cumulatively donated more than 80 charitable projects, with a total amount of over RMB1.7 billion.

The Kaisa Group's philanthropy has concentrated its efforts towards improving infrastructure, supporting education, and developing diversified industries. – these 3 objectives which are also what drives our mission to poverty alleviation. Since 2010, the Group has aided in 110 poverty alleviation projects in 15 counties and more than 40 deprived villages in Guangdong, Guangxi, Yunnan, Guizhou, Qinghai and other provinces, benefiting over 100,000 people. This action has proven to be positively productive in the victory of solving the issue of poverty in over 832 counties throughout China. To keep up with the demands of the 14th Five-Year Plan, rural reconstruction has become a central focus of agricultural and rural modernization. The Group continues to gather resources and establish long-term plans to ensure the success.



- **Content:** Start from infrastructure, living environment and public services to realize the transformation of beautiful rural areas
- **Approach:** Adopt the EPC self-donation and self-construction model for higher efficiency, precision, and high quality.



- **Content:** Create a beautiful countryside by establishing the agricultural parks, park landscapes and integration of agricultural tourism
- **Approach:** Empower Kaisa's diverse industrial matrix to build an industrial closed-loop and establish autonomous funding



- **Content:** Protect ancient villages and revive local culture; aid with education and supplementing the gaps in resources allocation of rural education
- **Approach:** Adopt a Replication-Restoration-Revival-Revitalization model to protect ancient villages; establish schools to support farmers and returnees in starting their own businesses

◆ Assisting in the Revitalization of Lingnan Ancient Village

Paishan Village, located in Doumen District, Zhuhai City, Guangdong Province, is an ancient village with a 230-year history. The village has preserved many traditional Lingnan architectural styles and cultural heritage, such as ancestral halls, courtyards, and watchtowers. In 2015, Paishan Village was rated as one of the fourth batch of China's traditional villages. To help Paishan Village achieve rural revitalization, the Group collaborated with the Zhuhai Charity Federation and the district government, selecting Paishan Village as a pilot village for charity donations to support rural revitalization work. In order to address the backwardness of the village, construct and protect the traditional ancient village, and improve the living environment, we invested RMB40 million to carry out a deep transformation and repairs of the core area of the original village.

The renovation and improvement of the environment in Pai Shan Village includes various projects such as the renovation of the original architecture and style of the lane, the ground pavement of the lane, and the new rain and sewage diversion and three lines landing project. Additionally, there is the renovation of the store facade at the south entrance of the village, the creation of a new parking lot, the renovation of the ancestral hall square, and the landscape projects of Longjing Park, Yew Tree Pond Park, and Banyan Tree Park. With the joint efforts of everyone involved, the restoration project was completed in August 2022. These renovations not only gave a new look to Pai Shan Village but also provided a better living and working environment for local residents. The project has become a model for rural revitalization efforts in Zhuhai.



◆ Helping Rural Development by Industrial Poverty Alleviation

The Group has donated RMB10 million to support the rural revitalization work of the Shendushui Yao Ethnic Township in Shixing County, Shaoguan City, Guangdong Province. This donation fully supports the ethnic minority areas in northern Guangdong. The Shendushui Yao Township Agricultural Park modern agricultural industrial base has introduced professional planting, short-chain logistics, and central kitchens and other industrial resources, building a modern agricultural base that covers high-quality ingredients for ethnic minorities in the mountains of northern Guangdong and a short-chain supply system for the Greater Bay Area catering industry. The project has realized a long-term mechanism for sustainable development. By cultivating 78 mu of fallow land and building a water and fertilizer integrated planting base of 132 mu, a cold chain warehouse of 600 cubic meters, and supporting initial processing workshops, as well as technology innovation centers and a demonstration base for dendrobium, the project provides new technology and industrial support for local agriculture. In 2022, the project achieved a collective bonus of RMB120,000 for the village and provided employment opportunities for 40 local villagers.

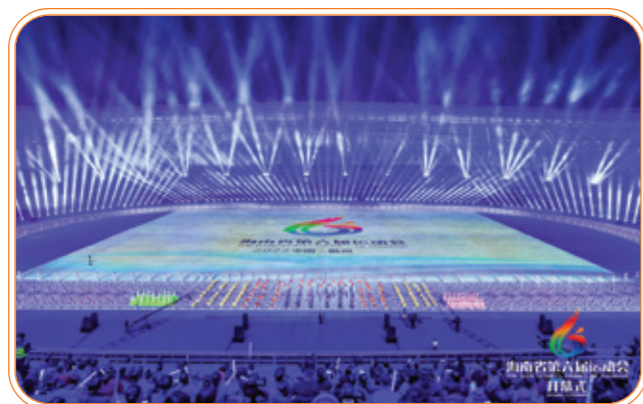
In Shangdong Village, Longmen County, Huizhou City, Guangdong Province, Kaisa Rural Revitalization Company has introduced professional industrial parties to carry out digitization and industrial upgrading of rice cultivation. The project relies on the technical support of Kaisa Village Laboratory to create a regional brand of "whole organic" with the rural fertile soil quality improvement project. The construction of a 400 mu organic rice base is used as the first step in soil improvement, covering 14,000 mu of agricultural production area in the village and enhancing the brand's premium capacity of organic agricultural products in the village. At the same time, the project uses digitization to create a new product matrix with innovative rice as the core selling point, such as humic acid organic rice, sugar-controlled rice, selenium-rich rice, and probiotic germ ecological rice, using the integration of the three industries as a path. These products are high quality and healthy, and also meet consumers' demands for ecological, environmental protection, and healthy diets. The project has brought RMB100,000/year dividends to the village collective, increased 20 direct jobs and 60 indirect jobs, driven more than 20 villagers to plant and achieve stable poverty alleviation, and played a positive role in promoting local economic development and social progress.



Actively Undertaking Sports Events to Support the Development of Sports Industry

Kaisa Culture Sports & Technology Group, a subsidiary of Kaisa, utilizes the advantages of its integrated platform for cultural and sports industry resources to promote the development of China's sports industry and nationwide fitness, enriching the public's cultural, sports, and healthy lifestyles. Currently, we operate 23 iconic cultural and sports venues in 14 cities, covering a total area of approximately 1.95 million square meters. In 2022, these venues hosted approximately 217 cultural and sports events, and organize nearly 220 cultural and artistic activities.

Starting with the promotion of youth sports activities, we promote fitness for all while helping to develop the foundation of sports reserve talents. In August 2022, Kaisa hosted a branded tournament for youth swimming programs in Guangdong Province. This event is the second leg of the Guangdong Youth Swimming U Series and took place at the Gaoming District Sports Center swimming pool in Foshan City. The tournament aims to promote the training of swimming reserve talents.



Kaisa ensures the smooth provision of services for large-scale sports events through careful organization and meticulous planning. In November 2022, the 15th Guangxi Zhuang Autonomous Region Games were grandly opened at the main stadium of the Guigang Sports Center, which is operated under Kaisa. Kaisa worked closely with the Games Organizing Committee to renovate the venue, provide personnel security, and manage the event, ensuring the smooth execution of the Games. In December 2022, the 6th Hainan Provincial Games were opened at the Danzhou Sports Center, which is also operated under us. As the venue operation support unit, Kaisa actively cooperated with the Games Organizing Committee to carry out various tasks and ensure that all venue service support work proceeded in an orderly manner.

Carrying Out Public Welfare Works and Undertaking Social Responsibilities

Kaisa has always been enthusiastic about sports and public welfare, actively promoting fitness for all, providing national fitness services, and developing new forms of sports training. The gymnasiums operated by Kaisa are open all year round, providing soccer, basketball, badminton, table tennis, volleyball, tennis, and swimming services to the whole society. In 2022, we provide a total of 16,850 hours of open time for free, receive more than 250,000 free visits from the public each year, and guarantee the execution of 112 public welfare activities in the city.

In mid-2022, the "Basketball Classroom" public welfare project, jointly organized by the Shenzhen City Sports Development Foundation and Kaisa, was launched at Longgang Middle School in Shenzhen. We invited a team of well-known freestyle basketball athletes to perform and teach at Shenzhen campuses, enhancing students' interest in basketball and promoting active physical exercise to improve physical fitness. We hope that this event will serve as an opportunity to explore new paths for the development of health and physical education for Shenzhen youth, also call for more social forces to participate in sports public welfare and make more contributions to the development of sports in Shenzhen.



In addition, Kaisa's venues actively support the epidemic prevention efforts of local government authorities by providing ongoing assistance for nucleic acid testing, new title vaccinations, and daily epidemic prevention measures. Specifically, our Nanshan Cultural and Sports Center, Zhili Cultural and Sports Center, Haian Sports Center, Luohu Tennis Indoor Stadium, and Yancheng Sports Center take the responsibility as nucleic acid testing sites, vaccination sites, and mobile cabin hospital, respectively. In 2022, we have eight cultural and sports venues supporting the epidemic prevention and control work, with a total of 1,196 days of support and 11.04 million people served, continuing to assist with epidemic prevention and control work until the community is fully reopened.

08

GATHERING TALENTS FOR MUTUAL IMPROVEMENT

Employees are a crucial driving force for the sustainable development of enterprises. Kaisa is committed to creating a safe, positive, equal, and respectful working environment. We prioritize the rights and physical and mental health of our employees while helping them invest in their work and tap into their personal potential and talents to enhance the cohesion of the enterprise. To attract and retain outstanding talent, we provide competitive salaries and benefits, as well as invest resources in employee training and career development. By offering fair and diversified development opportunities, we cultivate a professional team of talent to support employee career development and the business development of the Group, and so as to grow together.



The Rights of Employees

The Group has always viewed talents as an important element for long-term and stable development, and is committed to creating a positive, legal and equal working environment with opportunities for our employees. In addition to complying with the laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), and the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the Group has also formulated internal policies such as the *Kaisa Group Holdings Welfare Management System* (《佳兆業集團控股福利管理制度》), the *Kaisa Group Holdings Remuneration Management System* (《佳兆業集團控股薪酬管理制度》), and the *Kaisa Group Holdings Recruitment Management System* (《佳兆業集團控股招聘管理制度》), and the relevant regulations are listed in the *Employee Handbook* (《員工手冊》) for employees to review and reference.

Recruitment, Promotion and Dismissal

- To strictly adhere to the principle of "ability first" when recruiting, taking into consideration the applicant's adaptability and potential for development, and prohibiting any unequal decisions based on gender, age, race, religious beliefs, etc.
- To rely on independent recruitment and standardize the recruitment and selection process to ensure fairness and compliance, in accordance with the principle of "avoidance of relatives" which prohibits employees with family relationships to work in the same company to further strengthening fairness
- To clearly define the functional requirements and promotion conditions of each position, and regularly evaluate the performance, ability and attitude of employees according to the mechanism specified in the *Kaisa Group Holding Employee Performance Management Regulations* (《佳兆業集團控股員工績效管理辦法》), *Kaisa Group Holding Reward and Punishment Management System* (《佳兆業集團控股獎罰管理制度》), and *Employee Comprehensive Evaluation Form* (《員工綜合評價表》), *Employee Quarterly Performance Assessment Form* (《員工季度績效考核表》) and *Employee Assessment Appeal Form* (《員工考核申述表》), in order to make promotion, bonus payment or salary adjustment
- To clearly stipulates the procedures for employee departure, protecting the rights of employees, in the *Kaisa Group Holding Employee Entry and Exit and Formalization Management System* (《佳兆業集團控股員工入離職及轉正管理制度》); to terminate the employment relationship according to the corresponding procedures if employees violate the established internal control system or requirements

Welfare and Rights

- To outline the working hours and vacation arrangements for employees, including paid leave such as marriage leave, bereavement leave, maternity leave, nursing leave, and family visit leave, in internal policy documents, such as the *Kaisa Group Holdings Attendance Management System* (《佳兆業集團控股考勤管理制度》) and *Employee Handbook* (《員工手冊》)
- To provide overtime pay or compensatory time off to ensure employees receive appropriate compensation for their overtime work according to the requirements and mechanisms stated in the *Kaisa Holdings Employees' Overtime Work Management System* (《佳兆業集團員工加班管理制度》)
- To provide welfares and additional benefits, including social security, provident fund, commercial insurance, holiday allowance, meal allowance, and property discounts, to employees according to the *Kaisa Group Holdings Remuneration Management System* (《佳兆業集團控股薪酬管理制度》) and the *Kaisa Group Holdings Welfare Management* (《佳兆業集團控股福利管理制度》), and regularly review and adjust their salary and benefits, with performance bonuses issued in a timely manner

Equal Opportunities, Diversity and Anti-discrimination

- To adhere to the principles of fairness and justice in recruitment, promotion, and dismissal processes, prohibiting any form of discrimination and decisions based on personal gender, age, religion, and background, and strive to create a diverse talent pool by recruiting from campuses and the community, and hiring people from different backgrounds and experiences
- To strive to implement an anti-bureaucratic system and create an equal working environment by providing employees with an equal platform for work exchange through regular anti-bureaucratic meetings
- To protect the legitimate rights and interests of female employees, including guaranteeing their maternity leave and breastfeeding leave, abiding by the *Special Provisions on Labor Protection for Female Employees* (《女職工勞動保護特別規定》)
- To establish a diverse board structure to provide equal opportunities for people of different genders, ages, religions, and other backgrounds according to the *Board Diversity Policy* (《董事會成員多元化政策》)

Labour Standards

- To strictly adhere to international, governmental and internal regulations, such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Provisions on the Prohibition of Using Child Labor* (《禁止使用童工規定》), the *Employment of Children Regulations* (《僱用兒童規例》), the *Employment of Young Persons (Industry) Regulations* (《僱用青年(工業)規例》), *International Labour Organization Convention No. 29 on Forced Labour* (第29號公約《強迫勞動公約》), the *Kaisa Group Holdings Recruitment Management System* (《佳兆業集團招聘管理制度》) and the *Kaisa Group Holdings Employees' Overtime Work Management System* (《佳兆業集團員工加班管理制度》), to ensure that child labor or forced labor is prohibited in our operations
- To verify the valid identity documents of applicants during the recruitment process to guarantee their employment eligibility
- To clearly state the terms of employment, including the work location, working hours, wages and benefits, in the employment contract or agreement



Nurturing the Talents

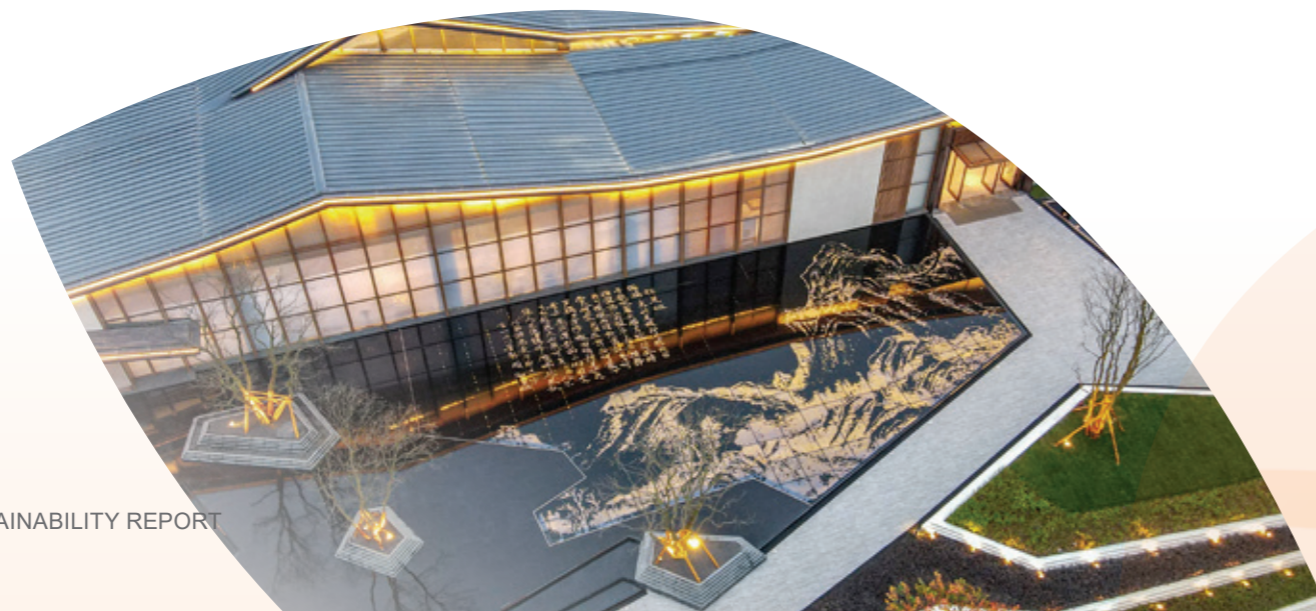
The continuous development of the corporate talent pool helps to meet the ongoing demand for talent in the daily operations of the Group. We believe that different types of training activities can not only enhance employees' professional skills and development prospects, help to uncover their potential, but also assist us in building a professional and stable operational team.

The internal policies of the Group, such as the *Kaisa Group Holdings Talent Ladder Construction System* (《佳兆業集團控股人才梯隊建設制度》) and the *Kaisa Group Holdings Training Management System* (《佳兆業集團控股培訓管理制度》), clearly define the requirements of training plans, assessment, curriculum library construction and development processes, which provides clear guidance for course training related work. At the same time, the *Kaisa Group Holdings Course and Lecturer Management Regulations* (《佳兆業集團控股課程及講師管理辦法》) regulates the training mechanism for potential and elite personnel, helping to build a systematic operational team. For the Group' mentor system, we select employees with rich experience and excellent performance to participate in the "Mentorship Program" through the *Kaisa Group Holdings Mentor Management System* (《佳兆業集團控股導師管理制度》), providing guidance for new comers and potential and elite personnel, and striving to train professional talents.

The Three Training Series



In order to further implement talent training and provide a learning platform, the Group established the "Kaisa College" in 2009, aiming to assist employees in improving their performance and ability and realizing their career planning through diversified training courses and resources.



Safe Guarding Our Employees

The personal safety and health of our employees has always been an important issue for the Group. Based on relevant laws and regulations such as the *Law of the People's Republic of China on Safety in Production*, the *Regulations on Safety Management in Construction Projects*, the *Regulations on Reporting and Investigating of Production Safety Accidents*, the *Law of the People's Republic of China on Safety in Production* (《中華人民共和國安全生產法》), the *Regulations on Safety Management in Construction Projects* (《建設工程安全生產管理條例》), the *Regulations on Reporting and Investigating of Production Safety Accidents* (《生產安全事故報告和調查處理條例》), the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》), the *Regulations on Workrelated Injury Insurance of the People's Republic of China* (《中華人民共和國工傷保險條例》), the *Regulations on Occupational Health Supervision and Management in Workplaces* (《工作場所職業衛生監督管理規定》), and the *Catalogue and Classification of Occupational Diseases* (《職業病分類與目錄》), the Group has formulated internal management policies such as the *Kaisa Group Holdings Safety Management Rules for Construction Projects* (《佳兆業集團控股地產項目施工安全管理辦法》), the *Kaisa Group Holdings Safety and Civilization Construction Album* (《佳兆業集團控股地產項目安全文明施工圖冊》), the *Kaisa Group Holdings Safety Production Supervision and Management Rules* (《佳兆業集團安全生產監督管理辦法》), the *Emergency Response Plan for On-going Projects* (《在建項目應急處置方案》), and the *Kaisa Group Holdings Smoking Management Regulations* (《佳兆業集團控股禁煙管理辦法》), which lay out the relevant guidelines and measures for safe construction and office work, thus ensuring a safe working environment and the personal health of our employees.

“Safety First, Prevention-oriented, and Comprehensive Governance”

- | | |
|-------------|---|
| Pre-stage | <ul style="list-style-type: none"> To set annual safety and civilization construction management goals To identify and manage hazards sources throughout the life cycle of the project |
| Inter-stage | <ul style="list-style-type: none"> To conduct quarterly and monthly project safety management checks To investigate on significant safety risk sources To call for quarterly and monthly safety reporting meetings |
| Post-stage | <ul style="list-style-type: none"> To establish a systematic safety production emergency management system and emergency plans To set up a system for handling safety accidents and penalties |

The Group adheres to the safety management policy of “safety first, prevention-oriented, and comprehensive governance”, establishes a sound safety management work mechanism, and comprehensively manages the construction safety of the project in the early, middle and later stages. Prevention is our primary concern, and staff are educated on how to use any related work equipment correctly and safely by arranging safety supervisors to manage the safety of the project construction and setting clear guidelines. In order to identify any risks during the early stage of projects, we develop proactive measures that are monitored and managed to ensure that any incidents are responded to in a timely manner. In addition, the engineering departments and branches will regularly arrange safety meetings to report and review the project operation and safety management. In the event of any safety accidents or that pose potential risks to the personal safety of employees, the relevant departments will handle the matters according to the alarming system and emergency measures, and strive to reduce personnel or property losses. The Group will also make targeted responses based on the relevant incident reports, supervise the rectification and rectification of the incident, and impose corresponding penalties on the responsible parties for the accident.

In addition to personal safety on the construction site, Kaisa also attaches importance to the physical and mental health of our employees, and has formulated relevant policies and measures. Our *Kaisa Group Holdings Smoking Management Regulations* (《佳兆業集團控股禁煙管理辦法》) clearly stipulate that employees are strictly prohibited from smoking in the office area, and promote the culture of smoking cessation to create a healthy and clean working environment. At the same time, Kaisa has also set up different sports associations such as the Fitness Association, Football Association and Badminton Association to encourage employees to develop the habit of regular exercise, improve their personal physical health quality and reduce the risk of illness. For the prevention and rehabilitation of occupational diseases, Kaisa has set up the Kaisa Group Holdings Health Room, equipped with health officers to provide medical rehabilitation and prevention services to reduce relevant risk. Kaisa also provides employees with regular annual physical examinations, commercial insurance, and medical boxes in the workplace to help them regularly review their health and provide medical assistance.





09

OVERVIEW OF KEY PERFORMANCE INDICATORS

Environmental KPIs

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
A1.1 Emissions ²	Nitrogen oxides (NO _x)	kg	4.52	179.57	35.10
	Sulphur oxides (SO _x)	kg	0.53	6.74	1.43
	Respirable Particulate Matter (RSP)	kg	0.36	4.76	0.66
A1.2 Greenhouse gases ³	Scope 1: Direct emission of greenhouse gas				
	Deduction of greenhouse gas by the newly planted tree ⁴	tonnes of CO ₂ e	/	-0.87	-23.54
	Total direct carbon dioxide equivalent emissions	tonnes of CO ₂ e	42.79	168.94	178.92
	Total direct carbon dioxide equivalent emissions intensity	tonnes of CO ₂ e/m ²	0.001	0.001	0.01
	Scope 2: Indirect emission of greenhouse gas				
	Total indirect carbon dioxide equivalent emissions	tonnes of CO ₂ e	1,489.30	6,872.22	1,969.21
	Total indirect carbon dioxide equivalent emissions intensity	tonnes of CO ₂ e/m ²	0.04	0.03	0.13
	Scope 3: Other indirect emission of greenhouse gas				
	Waste paper discarded in landfills ⁵	tonnes of CO ₂ e	/	/	5.81
	Electricity consumed by governmental authorities for handling drinking water and sewage ⁵	tonnes of CO ₂ e	/	/	112.49
	Employees' business trips by airplane ⁶	tonnes of CO ₂ e	/	11.57	11.45
	Total other indirect carbon dioxide equivalent emissions	tonnes of CO ₂ e	/	11.57	129.75

² The emissions sources included non-road mobile sources, road mobile sources and stationary sources. The references for calculation mainly include the *Provisional Technical Guidelines for Road Mobile Sources Emission*, *Provisional Technical Guidelines for Non-road Mobile Sources Emission*, *Technical Guidelines for Compilation of Emission Inventory of Atmospheric Particulate Matter Primary Sources*, and *Industrial Boiler (Heat Production and Supply Industry) Industry Coefficient Manual of the Second National General Survey on Pollution Sources Production and Emission Calculation Coefficient Manual* published by the Ministry of Ecology and Environment of PRC, the *First National General Survey on Pollution Sources of Urban Domestic Source Production and Discharge Coefficients Manual* by General Survey on Pollution Sources Office. The estimation of vehicle driving distance refers to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Road Transport Enterprises (Trial)* issued by the Office of the National Development and Reform Commission of PRC.

³ The emission sources included non-road mobile sources, road mobile sources, stationary sources, refrigerants, electricity purchased and business travel. The references for calculation mainly include *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Units (Trial)* published by Office of the National Development and Reform Commission of PRC and Appendix 2: Reporting Guidance on Environmental KPIs from How to prepare an ESG Report of HKEx.

⁴ No statistics for tree planting of projects was established during the Reporting period. However, data recording and disclosure will be gradually improved in the future.

⁵ Referring to Appendix 2: Reporting Guidance on Environmental KPIs from How to prepare an ESG Report of HKEx, the category is not included in the scope of greenhouse gas emissions accounting and reporting for 2022 and 2021.

⁶ No statistics for business travel of projects was established during the Reporting period. However, data recording and disclosure will be gradually improved in the future.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
A1.3 Total hazardous waste	Battery	tonnes	0.0002	2.40	0.01
	Fluorescent bulb	tonnes	/	0.01	0.01
	Waste toner	tonnes	0.008	0.001	0.03
	Waste cartridge	tonnes	0.02	1.00	0.05
	Waste lightbulb	tonnes	/	0.01	0.08
	Waste activated carbon	tonnes	/	/	<0.01
	Total hazardous waste	tonnes	0.03 ⁷	3.43 ⁸	0.18
	Total hazardous waste intensity	tonnes/m ²	0.000003	0.002	0.00001
A1.4 Non-hazardous waste	Waste paper	tonnes	2.24	48.20	1.09
	Plastic	tonnes	0.80	17.00	0.06
	Computer and equipment	tonnes	/	/	0.01
	Food waste	tonnes	5.11	36.00	13.20
	Foam	tonnes	/	/	0.01
	Metal	tonnes	0.80	24.00	/
	Total non-hazardous waste	tonnes	8.95 ⁹	125.20 ¹⁰	14.37
	Total non-hazardous waste intensity	tonnes/m ²	0.0007	0.12	0.0009

⁷ Only includes data for Zhuhai Lake View Waldorf Garden, Xuzhou Thriving Spring Villa, and Dongguan Le Grand Bleu projects. No statistics for hazardous waste of other projects was established during the Reporting Period. However, data recording and disclosure will be gradually improved in the future.

⁸ Only includes data for Chengdu Kaisa Yuefu, Shenzhen Kaisa Future City, Chengdu Kaisa Imperial Jade and Nanjing Kaisa Eminent Residence projects. No statistics for hazardous waste of other projects was established during the Reporting Period. However, data recording and disclosure will be gradually improved in the future.

⁹ Only includes data for Zhuhai Lake View Waldorf Garden, Dongguan Le Grand Bleu, Guangzhou Sky Villa and Pengzhou Kaisa Golden Metro projects. No statistics for non-hazardous waste of other projects was established during the Reporting Period. However, data recording and disclosure will be gradually improved in the future.

¹⁰ Only includes data for Huludao Suizhong Kaisa Dongdaihe, Qingyuan Kaisa City Plaza and Nanjing Kaisa Eminent Residence projects. No statistics for non-hazardous waste of other projects was established during the Reporting Period. However, data recording and disclosure will be gradually improved in the future.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
A2.1 Energy	Direct energy consumption				
	Coal gas	'000 kWh	/	0.58	11.02
	Diesel	'000 kWh	/	5.18	6.91
	Gasoline	'000 kWh	18.32	506.04	224.79
	Natural gas	'000 kWh	/	/	28.76
	Liquefied petroleum gas	'000 kWh	15.00	13.74	/
	Direct energy consumption	'000 kWh	33.32	525.54	271.48
	Direct energy consumption intensity	'000 kWh/m ²	0.001	0.002	0.02
	Indirect energy consumption				
	Electricity purchased	'000 kWh	2,566.52	11,770.30	3,227.68
	Heat purchased		44.91	57.95	/
	Renewable energy		/	10.17	/
	Indirect energy consumption	'000 kWh	2,611.43	11,838.42	3,227.68
	Indirect energy consumption intensity	'000 kWh/m ²	0.07	0.05	0.21
Total energy consumption					
Total energy consumption	'000 kWh	2,644.75	12,363.96	3,499.16	
Total energy consumption intensity	'000 kWh/m ²	0.07	0.05	0.23	
A2.2 Water consumption	Total water consumption	m ³	315,392.00	624,998.12	206,126.40
	Total water consumption intensity	m ³ /m ²	8.29	2.54	13.59

Social KPIs

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
B1.1 Total workforce by gender, employment type, age group and geographical region	Total number of employees	person	15,881	18,650	15,723
	By employment type				
	Full-time	person	15,845	18,650	15,610
	Part-time	person	36	0	113
	By gender				
	Male	person	9,305	11,096	10,763
	Female	person	6,576	7,554	4,960
	By position				
	Entry-level employee	person	15,222	17,695	14,666
	Middle-level employee	person	563	786	670
	Management	person	96	169	387
	By age				
	30 or below	person	2,685	3,695	6,950
	31-40	person	4,304	5,955	6,618
	41-50	person	2,999	3,138	1,767
	51 or above	person	5,909	5,862	388
	By geographical region				
	Pearl River Delta region	person	4,626	6,842	9,336
	Yangtze River Delta region	person	8,493	8,298	1,498
	Central China region	person	680	711	1,199
Western China region	person	1,304	1,627	2,059	
Pan-Bohai Bay Rim	person	634	980	1,476	
Other region ¹¹	person	144	192	155	

¹¹ Including Hainan Island and Hong Kong.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
B1.2 Employee turnover rate ¹² by gender, age group and geographical region	Employee turnover rate	%	33%	34%	19%
	By gender				
	Male	%	37%	37%	18%
	Female	%	27%	30%	22%
	By position				
	Entry-level employee	%	34%	35%	19%
	Middle-level employee	%	4%	27%	20%
	Management	%	32%	14%	14%
	By age				
	30 or below	%	56%	57%	21%
	31-40	%	41%	39%	21%
	41-50	%	28%	23%	8%
	51 or above	%	4%	3%	9%
	By geographical region				
	Pearl River Delta region	%	51%	45%	20%
Yangtze River Delta region	%	9%	12%	21%	
Central China region	%	52%	57%	16%	
Western China region	%	39%	43%	14%	
Pan-Bohai Bay Rim	%	47%	46%	20%	
Other region ¹¹	%	37%	35%	32%	
B2.1 Number and rate of work-related fatalities occurred in each of the past three years	Number of work-related fatalities	person	2	0	0
	Rate of work-related fatalities ¹³	person/100 persons	0.01	0	0
	Lost days due to work injury	day	2,675	480	0
B3.1 The percentage of employees trained by gender and employee category	Percentage of trained employees	%	100%	100%	100%
	By gender ¹⁴				
	Male	%	59%	59%	68%
	Female	%	41%	41%	32%
	By position ¹⁵				
	Entry-level employee	%	96%	95%	93%
	Middle-level employee	%	4%	4%	4%
Management	%	1%	1%	2%	

¹² Turnover rate = number of employees lost / (total number of employees + number of employees lost) × 100%.

¹³ Rate of work-related fatalities = Number of work-related fatalities / Total number of employees × 100.

¹⁴ The percentage of trained employees by gender = (Trained male or female employees / Total number of trained employees) × 100%.

¹⁵ The percentage of trained employees by positions = (Number of trained employees in a specific position category / Total number of trained employees) × 100%.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
B3.2 The average training hours completed per employee by gender and employee category	Average training hours completed per employee	hour	34	30	18
	By gender				
	Male	hour	33	27	15
	Female	hour	35	33	19
	By position				
	Entry-level employee	hour	34	29	14
	Middle-level employee	hour	31	32	36
	Management	hour	11	34	20
B5.1 Number of suppliers by geographical region	Number of suppliers	suppliers	11,700	10,702	29,724
	By category				
	Survey and Design	suppliers	1,267	1,034	2,775
	Consulting Services	suppliers	1,000	879	2,512
	Marketing	suppliers	3,323	2,936	8,773
	Engineering	suppliers	4,659	4,093	9,853
	Materials and Equipment	suppliers	1,140	1,198	3,031
	Administration	suppliers	311	562	3,163
	Others	suppliers	0	0	1,137
	By geographical region				
	Pearl River Delta region	suppliers	3,986	3,517	11,424
	Yangtze River Delta region	suppliers	2,662	2,362	6,734
	Central China region	suppliers	1,989	1,894	2,589
	Western China region	suppliers	1,787	1,687	2,323
Pan-Bohai Bay Rim	suppliers	923	864	6,421	
Other region ¹¹	suppliers	353	378	233	

No. of Key Performance Indicator	Key Performance Indicator	Unit	2022	2021	2020
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Percentage of total products sold or shipped subject to recall for safety and health reasons	%	0	0	0
B7.3 Description of anti-corruption training provided to directors and staff	Number of anti-corruption training courses	number	4	7	10
	Anti-corruption training course hours	hour	4	8	10
	Number of directors attending anti-corruption training	person	6	12	20
	Number of employees attending anti-corruption training	person	3,000	3,000	1,000



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SEHK ESG REPORTING GUIDE CONTENT INDEX

◆ Environmental

Subject Areas, Aspects, General Disclosures and KPIs	Chapters (Pages)	Remarks
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Harmonious Development and Green Operations (34-35) The Group is subject to various significant laws and regulations, including the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on Prevention and Control of Water Pollution. These laws and regulations establish clear requirements for emissions of exhaust and greenhouse gases, discharges to water and land, and the generation of hazardous and non-hazardous waste. Failure to comply with these laws and regulations may result in fines, suspension of operations, and/or legal action against the Group by regulatory authorities. The Group adheres to the relevant laws and regulations and did not identify any emission-related violations during the Reporting Period.
A1.1	The types of emissions and respective emissions data.	Overview of Key Performance Indicators (65)
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Overview of Key Performance Indicators (37, 65)
A1.3	Total hazardous waste produced and intensity.	Overview of Key Performance Indicators (66)
A1.4	Total non-hazardous waste produced and intensity.	Overview of Key Performance Indicators (66)
A1.5	Description of emission target(s) set and steps taken to achieve them.	Harmonious Development and Green Operations (34-36)
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.	Harmonious Development and Green Operations (34-37)

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
A. Environmental			
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Harmonious Development and Green Operations (35)	
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Overview of Key Performance Indicators (36, 67)	
A2.2	Water consumption in total and intensity.	Overview of Key Performance Indicators (67)	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Harmonious Development and Green Operations (35-36)	
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.	Harmonious Development and Green Operations (35-37)	During this Reporting Period, the Group's water was supplied by the municipal network, and there were no issues in sourcing water that is fit for purpose.
A2.5	Total packaging material used for finished products and per unit produced.		The Group operations generate very little packaging material.
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Harmonious Development and Green Operations (33-34)	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Harmonious Development and Green Operations (33-34)	
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Harmonious Development and Green Operations (37)	
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.	Harmonious Development and Green Operations (37)	

◆ Social

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Gathering Talents for Mutual Improvement (58-59)	The Group is subject to various significant laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Special Provisions on Labour Protection for Female Workers, and the Employment Ordinance of Hong Kong. These laws and regulations cover requirements related to remuneration, dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, treatment, and benefits. Employers also have statutory obligations and responsibilities under these laws and regulations.
			The Group adheres to the relevant laws and regulations and did not identify any employment-related violations during the Reporting Period.
B1.1	Total workforce by gender, employment type, age Group and geographical region.	Overview of Key Performance Indicators (68)	
B1.2	Employee turnover rate by gender, age Group and geographical region.	Overview of Key Performance Indicators (69)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Gathering Talents for Mutual Improvement (62-63)	<p>The Group is subject to various significant laws and regulations, including the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, the Work Injury Insurance Ordinance of the People's Republic of China, the Fire Services Law of the People's Republic of China, the Regulations on the Supervision and Administration of Occupational Health in Workplaces, the Construction Work Safety Production Management Ordinance, the Production Safety Incident Reporting and Investigation Ordinance and the Hong Kong Occupational Safety and Health Ordinance. These laws and regulations impose specific requirements on production and operation units and employers to provide a safe working environment and to protect employees from occupational hazards.</p> <p>The Group adheres to the relevant laws and regulations and did not identify any health and safety related violations during the Reporting Period.</p>
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Overview of Key Performance Indicators (69)	
B2.2	Lost days due to work injury.	Overview of Key Performance Indicators (69)	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Gathering Talents for Mutual Improvement (62-63)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Gathering Talents for Mutual Improvement (60)	
B3.1	The percentage of employees trained by gender and employee category.	Overview of Key Performance Indicators (69)	
B3.2	The average training hours completed per employee by gender and employee category.	Overview of Key Performance Indicators (70)	
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Gathering Talents for Mutual Improvement (59)	<p>The Group is subject to various significant laws and regulations, including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Regulations on the Prohibition of Child Labour, the Employment Ordinance of Hong Kong, the Employment of Children Regulations, the Employment of Young Persons (Industry) Regulations and the International Labour Organization Convention No. 29 on Forced Labour. These laws contain clear provisions on the prevention of child labour or forced labour and elaborate on the legal responsibilities of employers.</p> <p>The Group adheres to the relevant laws and regulations and did not identify any labor standards related violations during the Reporting Period.</p>
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Gathering Talents for Mutual Improvement (59)	
B4.2	Description of steps taken to eliminate such practices when discovered.		During the Reporting Period, there were no instances of non-compliance observed in the Group's operations.

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Services and Stakeholder Cooperations (44-45)	
B5.1	Number of suppliers by geographical region.	Overview of Key Performance Indicators (70)	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality Services and Stakeholder Cooperations (44)	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Quality Services and Stakeholder Cooperations (44-45)	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality Services and Stakeholder Cooperations (45)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
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.	Quality Services and Stakeholder Cooperations (40, 43)	The Group is subject to various significant laws and regulations, including the Regulations of the People's Republic of China on Quality Control of Construction Projects, Construction Law of the People's Republic of China, Law of the People's Republic of China on Protection of Consumer Rights and Interests, Trademark Law of the People's Republic of China Law of the People's Republic of China on Product Quality, Copyright Law of the People's Republic of China, Advertising Law of the People's Republic of China, Real Estate Advertising Release, Computer Software Protection Ordinance, Buildings Ordinance and Personal Data (Privacy) Ordinance of Hong Kong, the Computer Software Protection Ordinance, the Hong Kong Buildings Ordinance and the Personal Data (Privacy) Ordinance. These laws and regulations impose specific requirements on health and safety, advertising and privacy matters in relation to products and services. The Group adheres to the relevant laws and regulations and did not identify any product responsibility related violations during the Reporting Period.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Overview of Key Performance Indicators (71)	
B6.2	Number of products and service-related complaints received and how they are dealt with.		During the Reporting Period, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on our operations.
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality Services and Stakeholder Cooperations (43)	
B6.4	Description of quality assurance process and recall procedures.	Quality Services and Stakeholder Cooperations (40-42)	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality Services and Stakeholder Cooperations (43)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Quality Services and Stakeholder Cooperations (45-46)	<p>The Group is subject to various significant laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Temporary Provisions on Prohibition of Bribery in Business, the Prevention of Bribery Ordinance of Hong Kong and the Securities and Futures Ordinance. These laws provide clear provisions for the prevention of bribery, extortion, fraud and money laundering and set out everyone's legal responsibility to uphold the integrity and fairness of society and to stop improper competition.</p> <p>The Group adheres to the relevant laws and regulations and did not identify any anti-corruption related violations during the Reporting Period.</p>
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.		During the Reporting Period, there were no corruption proceedings initiated or concluded against the Group or its employees.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Quality Services and Stakeholder Cooperations (46-47)	
B7.3	Description of anti-corruption training provided to directors and staff.	Overview of Key Performance Indicators (71)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters (Pages)	Remarks
B. Social			
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to the Community (50)	
B8.1	Focus areas of contribution.	Giving Back to the Community (50-55)	
B8.2	Resources contributed to the focus area.	Giving Back to the Community (50-55)	



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