



LEADING HOLDINGS GROUP LIMITED

領地控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 6999

2023

**ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT**

CONTENTS

1. ABOUT THE REPORT	2
1.1 Scope of the Report	2
1.2 Reporting Standard	2
1.3 Reporting Principles	2
1.4 Information and Feedback	2
2. ESG GOVERNANCE	3
2.1 Stakeholder Engagement	3
2.2 Materiality Assessment	5
3. PROTECTING OUR ENVIRONMENT	7
3.1 Environmental Protection as a Property Developer	7
3.2 Environmental Sustainability Policy	8
3.3 Emissions Management	9
3.4 Climate Change	11
3.5 Waste Generation	12
3.6 Resources Conservation	13
4. CARING FOR OUR EMPLOYEES	15
4.1 Employee Recruitment and Dismissal	15
4.2 Health and Safety	16
4.3 Training and Development	18
4.4 Employee Welfare	20
5. OPERATING OUR BUSINESS	21
5.1 Supply Chain Management	21
5.2 Product and Service Quality	22
5.3 Advertisements Management	23
5.4 Intellectual Property Rights and Privacy Protection	23
5.5 Anti-corruption	24
6. CONTRIBUTING TO COMMUNITY	26
APPENDIX: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE	27



1. About the Report

The Environmental, Social and Governance (“**ESG**”) Report published by Leading Holdings Group Limited (the “**Group**”) highlights the achievements in promoting sustainability by the Group and its subsidiaries (collectively the “**Group**” or “**we**”). In keeping with the spirit of creating long-term value for our customers and stakeholders, the Group has placed considerable emphasis on sustainable development. The ESG Report elaborates on the various works of the Group in fully implementing the principle of sustainable development and its performance of social and governance.

1.1 SCOPE OF THE REPORT

The ESG Report focuses on the performance of environmental management and social responsibilities of the Group’s core business for the period between 1 January 2023 and 31 December 2023 (the “**Year**”). The key performance indicators as disclosed in the ESG Report are based on the performance of the Group’s headquarter in Chengdu and main subsidiaries in 9 regions, including Chengdu region, South Sichuan region, Great Bay Area region, Guangnan region, Central China region, Xichang region, Korla region, Urumqi region and Mianyang region, across various cities and provinces in the People’s Republic of China (the “**PRC**”)¹. For details on corporate governance, please refer to the Corporate Governance Report on pages 43 to 61 of Annual Report 2023.

1.2 REPORTING STANDARD

The ESG Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix C2 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

1.3 REPORTING PRINCIPLES

Materiality

Material issues are identified and prioritised according to a materiality assessment conducted through stakeholder engagement. The key issues shall be utilised as a reference for determining goals, developing various strategies and compiling the ESG Report. Relevant methodologies shall be disclosed in the “ESG GOVERNANCE” section below.

Quantitative

The Group’s ESG performance shall be reflected by the disclosure of environmental and social key performance indicators (“**KPIs**”). Particular standards, methodologies, assumptions and references adopted shall be presented in respective sections in the ESG Report.

Consistency

The methodologies of KPI calculations shall be kept consistent as far as practicable. Any changes made would be presented and explained in detail in respective sections in the ESG Report.

Balance

The Group’s performance during the reporting period has been presented in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.

1.4 INFORMATION AND FEEDBACK

The Group highly values your opinions on the ESG Report. If you have any opinions or suggestions regarding the ESG Report, or expect to know more about the Group in fulfilling its corporate social responsibility, please feel free to email us through the following address: ldkf@leading-group.cn.

1 The cities and provinces include the provinces of Sichuan, Henan, Hebei, Jiangsu, Hunan, Hubei and Guangdong, cities of Chongqing, and Xinjiang Uygur Autonomous Region.

2. ESG Governance

The Group believes that good ESG governance strategies and practices share an inseparable relationship with corporate success. The Board of Directors takes full responsibility for supervising the Group's sustainable development strategies, ESG governance, and risk management. Also, the Board of Directors has delegated authority to the management in the execution of the ESG policy. The Board is also responsible for reviewing the overall ESG performance of the Group on a regular basis, and monitoring the formulation of the annual ESG report, as well as developing ESG-related visions and strategies for the business.

In order to better manage the ESG risks, the Board oversees the risk evaluation process of ESG-related issues and respective risk mitigation plans. Different departments are involved in the ESG risk management process in order to improve the Group ESG strategy. Besides, the Board is accountable for monitoring the quality of ESG-related training for staff to ensure their knowledge and practices are in alignment with the Group's ESG development.

Various communication channels have been built between the Group and different stakeholders of the Group. The Board regularly reviews the communication and engagement in between to ensure effective information delivery. Moreover, an independent ESG consulting firm is involved in conducting material assessments to identify and prioritise ESG issues that are significant to the business and stakeholders. The Board would review the result, thus developing respective management strategies.

To precisely track and improve the Group ESG performance, the Board has set goals and targets, and implemented relevant policies according to the identified material issues and Group strategies. Furthermore, the Board would review the ESG performance as well as progress made against the goals and targets set regularly through Board meetings.

2.1 STAKEHOLDER ENGAGEMENT

The active engagement of employees across various departments within the Group is crucial for assessing and enhancing the sustainability performance of the Group. Thoughtfully gathered and meticulously analyzed data highlights the Group's sustainable initiatives for the Year and the Group's long-term sustainability strategy. The Group is committed to persistent efforts to step up the involvement of stakeholders via constructive conversation, aiming to establish a path toward long-term prosperity.

The Group has enlisted the assistance of an independent third-party consultant in the collection of internal stakeholders' opinions relating to ESG issues during the preparation of the ESG Report. In the future, the Group will further extend the involvement of stakeholders in order to gather more constructive feedback and enhance its governance practices.

Meanwhile, the Group places great emphasis on maintaining supportive and trusting relationships with its stakeholders. Through diversified communication channels, the Group can effectively comprehend and address the expectations and requirements of different stakeholders, fostering stronger connections and mutual understanding.

2. ESG Governance

Stakeholders	Requirements and Expectations	Means of Communication and Response
Governments and Regulators	<ul style="list-style-type: none"> • Compliance with National Policies, Laws and Regulations • Support for Local Economic Growth • Contribution to Local Employment • Tax Payment in Full and on Time • Production Safety 	<ul style="list-style-type: none"> • Regular Meetings with Regulators • Regular Information Reporting • Examinations and Inspections
Shareholders	<ul style="list-style-type: none"> • Returns • Compliant Operations • Rise in Group Value • Transparency and Effective Communication 	<ul style="list-style-type: none"> • Shareholders Conferences • Announcements • Email, Telephone Communication and Group Website
Partners	<ul style="list-style-type: none"> • Operation with Integrity • Equal Rivalry • Performance of Contracts • Mutual Benefits 	<ul style="list-style-type: none"> • Review and Appraisal Meetings • Business Communications • Exchanges and Discussions • Engagement and Cooperation
Customers	<ul style="list-style-type: none"> • Outstanding Products and Services • Health and Safety • Performance of Contracts • Operation with Integrity 	<ul style="list-style-type: none"> • Customer Service Centre and Hotlines • Customer Feedback Surveys • Customer Communication • Social Media Platforms
Environment	<ul style="list-style-type: none"> • Compliance Emission • Energy Saving and Emission Reduction • Ecological Protection 	<ul style="list-style-type: none"> • Communication with Local Environmental Department • Communicate with the Locals • Reporting
Industry	<ul style="list-style-type: none"> • Establishment of Industry Standards • Drive Industry Development 	<ul style="list-style-type: none"> • Participation in Industry Forums • Visits and Inspections
Employees	<ul style="list-style-type: none"> • Protection of Rights • Occupational Health and Safety • Remunerations and Benefits • Career Development • Humanity Cares 	<ul style="list-style-type: none"> • Employee Communication Meetings • House Journal and Intranet • Employee Mailbox • Training and Workshops • Employee Activities
Community And The Public	<ul style="list-style-type: none"> • Improve Community Environment • Participation in Charity • Information Transparency 	<ul style="list-style-type: none"> • Group Website • Announcements

2.2 MATERIALITY ASSESSMENT

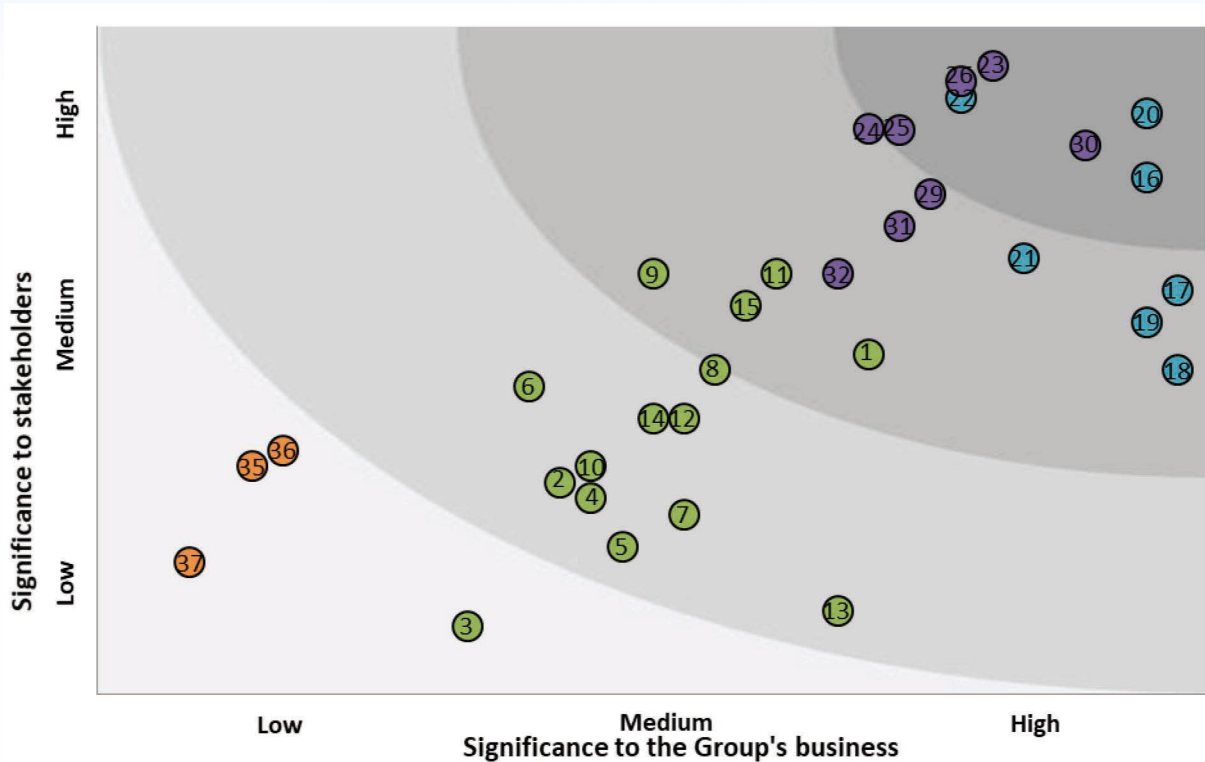
In order to develop ESG management approach in a clear and effective manner, the Group has entrusted an independent third-party consultant to conduct a materiality assessment during the Year to identify ESG issues critical to its business and stakeholders. This materiality assessment is based on stakeholder questionnaires and implemented in three main phases:

- (i) To identify 37 potential material issues that may affect the Group's business or stakeholders at environmental, social and governance levels based on relevant national and local standards and policies, industrial features and the Group's own development;
- (ii) To invite internal and external stakeholders (including employees, management, directors, customers, suppliers and the community) to complete online questionnaires so as to collect and examine their awareness of each of the issues; and
- (iii) To analyze the eligible questionnaires and form a two-dimensional matrix of "Importance to the Group's Business" and "Importance to Stakeholders" to determine the priorities for potential material issues.

Environment	Labour Practices	Operating Practices	Community Investment
1. Environmental Compliance	16. Employment Compliance	23. Operational Compliance	35. Charity
2. Air Pollutant Management	17. Employees' Remuneration and Benefits	24. Managing Environmental Risks of Supply Chain	36. Promotion of Community Development
3. Fleet Emissions Management	18. Employees' Working Hours and Rest Periods	25. Managing Social Risks of Supply Chain	37. Poverty Alleviation
4. Wastewater Management	19. Diversity and Equal Opportunity	26. Procurement Practices	
5. Greenhouse Gas Emission	20. Occupational Health and Safety	27. Quality Management	
6. Waste Management	21. Training and Education	28. Customer Health and Safety	
7. Energy Consumption	22. Prevention of Child Labour and Forced Labour	29. Responsible Sales and Marketing	
8. Use of Water Resources		30. Customer Service Management	
9. Ecological Protection		31. Intellectual Property Protection	
10. Responding to Climate Change		32. Information Security	
11. Prevention and Handling of Environmental Incidents		33. Customer Privacy Protection	
12. Noise Management		34. Anti-corruption	
13. Green Office			
14. Green Building			
15. Soil Contamination Management			

2. ESG Governance

Below is the materiality matrix analyzed based on the results of the questionnaires.



By analyzing the results of questionnaires, the Group identified 7 material issues which are disclosed in detail in the Report.

Aspects	Material Issues
Labour Practices	16. Employment Compliance 20. Occupational Health and Safety 22. Prevention of Child Labor and Forced Labor
Operating Practices	23. Operational Compliance 25. Managing Social Risks of Supply Chain 26. Procurement Practices 30. Customer Service Management

3. Protecting our Environment

The Group is committed to progressively enhancing environmental performance by reducing emissions and conserving resources. The Group strictly complies with all relevant environmental laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Regulations on the Administration of City Appearance and Environmental Sanitation, the Provisions on the Administration of Urban Construction Garbage, the Assessment Standard for Green Building (GB/T 50378-2019), the Management Code for Green and Protection Construction of Building (DB 65/T 4060-2017).

3.1 ENVIRONMENTAL PROTECTION AS A PROPERTY DEVELOPER

As one of the leading property developers in the PRC, the Group places great importance on the protection of the environment. Although the Group is principally engaged in the development and sales of residential and commercial properties, it is not involved in any direct construction processes in business operations, which is done by external contractors of the Group. However, besides strictly abiding by the laws and regulations regarding environmental protection, the Group also actively takes the initiative to minimise the environmental impact caused by the Group's business operations, as well as the constructions that the Group has built.

To ensure compliance with environmental protection laws and regulations and prevent significant environmental impacts resulting from the Group's construction activities, the Group has proactively engaged licensed independent third-party environmental consultants. Consultants are responsible for conducting thorough environmental impact assessments for each construction project. The assessments are then submitted to relevant governmental authorities for approval prior to the commencement of development.

The environmental impact assessments serve multiple purposes. Firstly, assessments provide comprehensive information about the existing environmental conditions at the construction site. Additionally, assessments include detailed analysis and recommendations on the protection of the environment during and after construction. By considering the recommendations, the Group aims to minimize any adverse environmental effects. The Group can only proceed with construction after receiving approval from the authorities for the submitted environmental impact assessment. This ensures that the Group operates within the legal framework and adheres to environmental protection guidelines.

Upon the completion of construction work, the Group conducts acceptance checks of the environmental protection facilities that were implemented. These checks verify that the facilities are functioning as intended and effectively mitigating any potential environmental harm. Subsequently, an acceptance report is issued, documenting the successful implementation of the environmental protection measures.

Through these rigorous processes, the Group demonstrates its commitment to environmental stewardship and strives to minimize its environmental footprint during construction activities.

3. Protecting our Environment

Green Building Showcase — Leading Center

The Group's Leading Center in Chengdu of the PRC has obtained the gold level of LEED-CS 2009 system pre-certification as its overall planning, design and construction level have fulfilled the rating standards of LEED-CS 2009 under The U.S. Green Building Council in the assessment of seven aspects, including sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, innovation in design and regional priority. To promote sustainable transportation, the Leading Center provides a garage for bicycles and charging stations for electric vehicles, as well as expands the area for plantings by reducing parking space as far as possible. For resource conservation, we aim to save 30% of water consumption and around 15% of energy consumption by purchasing efficient sanitary wares and electrical appliances. The glass curtain walls have also been adopted to make full use of sunlight. We also select suppliers which are geographically near the constructions to reduce carbon footprints during transportation.



LEED-CS 2009 Certification for Leading Center

3.2 ENVIRONMENTAL SUSTAINABILITY POLICY

Environmental sustainability is a vital aspect of the Group's long-term business development and growth. As such, the Group has established an Environmental Sustainability Policy, demonstrating the Group's commitment towards environmental sustainability. The policy covers all operation sectors, laying out the Group's approach to reducing the direct and indirect environmental impacts induced by the Group's business operations. Measures of the Environmental Sustainability Policy are embedded into the Group's management practices and principles, which include:

- i. Raising awareness of environmental issues among employees;
- ii. Encouraging corporate engagement in environmental causes and contribution to raising awareness;
- iii. Encouraging employees to adopt environmentally friendly practices; and
- iv. Carrying out purchasing activities and interactions with vendors in an environmentally responsible manner.

To ensure that employees are informed and in line with the Group’s Environmental Sustainability Policy, the Group will guide and lead in reducing resource consumption and increasing environmental awareness among the employees, to ensure that the staff upholds the Environmental Sustainability Policy standards set by the Group.

This Year, environmental sustainability targets were set out by the Group:

Environmental Areas	Objectives
Air and Greenhouse Gas Emissions Management	— Avoid unnecessary road and air travel through telephone or video conferencing to reduce greenhouse gas emissions.
Waste Management	— Minimize the use of printing paper to reduce waste generation. — Save approximately 15% of energy consumption by purchasing efficient sanitary ware and appliances.
Energy consumption	— Continuously reduce energy consumption by adopting LED tube lights and intelligent control lighting systems.
Water resource utilization	— Adopt energy-saving toilets and smart water valve switches to improve water efficiency. — Increase the number of water pump frequency converters to achieve higher water efficiency. — Save 30% of water usage by purchasing efficient sanitary ware and appliances.

3.3 EMISSIONS MANAGEMENT

The Group is dedicated to effectively managing and controlling the air emissions resulting from the operations. As the Group’s business activities do not encompass direct construction processes, the generation of significant air pollutants that could potentially raise environmental concerns is limited. The primary source of air pollutants within the Group stems from vehicle usage. Therefore, our focus lies in reducing air pollutant emissions derived from the operation of our Group fleet.

To achieve this objective, the Group implements various measures, including contacting stakeholders through phone and email to reduce unnecessary business travel, prioritizing the employment of local suppliers, and prioritizing the use of environmentally friendly technology products that meet the Group’s requirements.

These include maintaining our Group fleet in optimal condition through regular tuning, conducting routine inspections and inflation to ensure correct tyre pressure, and strictly prohibiting idling vehicles with running engines. By adhering to these practices, we aim to mitigate the release of air pollutants into the environment.

During the Year, the Group has closely monitored its air pollutant emissions. Through ongoing efforts and the implementation of best practices, we strive to reduce the environmental impact associated with our vehicle operations and contribute to improved air quality.

3. Protecting our Environment

During the Year, the Group's air pollutant emission is as follows:

Air Pollutants (Note 1)	2023	2022
Nitrogen oxides (NO _x) (kg)	8	28
Sulphur oxides (SO _x) (kg)	0.10	0.37
Particulate matter (PM) (kg)	1	2

Note:

1. The calculation of air pollutant emission is based on the emission factors provided in the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the National Development and Reform Commission ("NDRC") of the PRC, and "Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

The Group acknowledges that the generation of dust at construction sites during operations is inevitable, and may cause severe impacts on the environment and the community nearby, as well as the health of construction workers. Therefore, the Group and its contractors have formulated construction dust control policies to implement different measures for regulating dust in construction sites. Besides putting in place dust control measures like spraying water over the floor to prevent dust on the floor from rising and using waste transportation vehicles that are equipped with automatic covers to cover the dust, different measures specific to the different stages of construction are adopted.

1. Perimeter setting stage

Fences set around the construction perimeter are required to be at least 1.8m tall, while water is sprayed on machinery that may produce dust to minimise dust raised.

2. Foundation construction stage

Throughout the digging processes for setting the foundation of the construction, dirt and dust dug up from the ground are immediately transported away from the construction site, while the exposed ground is properly sealed off, to prevent dust and dirt from rising.

3. Structural construction stage

Commercial or readily-mixed concrete and mortar are strictly used during the construction process to reduce unnecessary dust, while water is sprayed on each floor during cleansing so that dust and dirt are not raised.

4. Decoration construction stage

Due to the use of multiple different materials at this construction stage, any material in powder form must be kept in bags, while the use of finished wooden and stone products is prioritised to avoid dust emission from cutting wood and stone. Waste is categorised properly, especially for dust and dirt-related waste, while the incineration of waste is strictly prohibited.

5. General construction stage

During the installation of pipelines, digging and installation processes are sectioned where the holes are filled up immediately after the installation. Dug-up dirt is compressed and covered using green nets to prevent dust emissions. Fences are not allowed to be removed before all construction work is done.

3.4 CLIMATE CHANGE

Climate change has been one of the major challenges to businesses around the world in recent years. Given this, the Group has recognised the potential risks and impacts of the changing climate that may adversely affect the Group's business and financial performance.

The Group may suffer from physical risks such as severe extreme weather events and the change of precipitation pattern, which may affect the safety of the employees and the Group's properties as well as the supply chain of the business. Thus, the maintenance costs of facilities will probably increase. Climate change may also pose transition risks to the Group due to the increase in operation costs because of low-carbon technology investment. Moreover, with the increasing awareness of climate change, customers' preferences may shift. The more stringent regulations on products and services could also increase the investment capital of the Group on purchasing and building new facilities to meet the requirements.

In response to climate change, the Group evaluates and monitors the climate-related risks on a regular basis. The Group has also consulted and involved climate risk professionals in the risk identification process. To mitigate the impacts of climate risks, the Group enhances the resilience of the physical structure of properties through design and proper maintenance.

We continuously assess and improve our processes to minimize our GHG emissions and mitigate the environmental impact. To address this issue, the Group is committed to implementing measures that reduce GHG emissions across all aspects of our operations. GHG emissions of the Group are classified into three different scopes: Scope 1 — direct emissions comprise emissions from use of vehicles and refrigerant and removals from planted trees; Scope 2 — energy indirect emissions include emissions from purchased electricity; and Scope 3 — other indirect emissions includes emissions from landfill disposal of paper waste, electricity used for fresh water and sewage processing by local government and business travel by employees.

The Group is aiming to prioritize environmental sustainability and take proactive steps to reduce GHG emissions, the Group seeks to adopt sustainable practices, explore energy-efficient alternatives, and embrace innovative technologies. We actively encourage our employees to contribute to water and electricity conservation efforts, as well as reduce paper usage. Additionally, we promote the use of low-carbon ingredients in our corporate entertainment activities. Through various channels such as email, posters, internal networks, and other media, we provide education and promote awareness among our employees about effective emission reduction measures. Besides, the Group conducts monthly electricity statistics by monitoring and managing the electricity consumption. By doing so, we aim to make a significant and positive contribution to the global fight against climate change.

During the Year, the Group's GHG emissions are as follows:

GHG Emissions (Note 1)	2023	2022
Total GHG emission (tonnes CO ₂ e)	3,595	3,671
Scope 1 — direct emission (tonnes CO ₂ e) (Note 2)	51	124
Scope 2 — energy indirect emission (tonnes CO ₂ e) (Note 3)	3,360	3,305
Scope 3 — other indirect emission (tonnes CO ₂ e) (Note 4)	185	242
Intensity of GHG emissions (tonnes CO ₂ e/million RMB of revenue)	0.45	0.26

3. Protecting our Environment

Notes:

1. The Group's GHG inventory includes carbon dioxide, methane and nitrous oxide. The global warming potential (GWP) used is referenced from the "Sixth Assessment Report" provided by the Intergovernmental Panel on Climate Change (IPCC). For ease of reading and understanding, GHG emissions data is presented in carbon dioxide equivalent (CO₂e).
2. The calculation of Scope 1 — direct emission takes reference from the emission factors in the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the National Development and Reform Commission ("NDRC") of the PRC and the "Sixth Assessment Report" provided by the Intergovernmental Panel on Climate Change (IPCC).
3. The calculation of Scope 2 — energy indirect emission is based on the emission factors provided by the National Development and Reform Commission of the PRC.
4. The calculation of Scope 3 — other indirect emissions takes reference from emission factors in "Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the International Civil Aviation Organization Carbon Emissions Calculator.

3.5 WASTE GENERATION

Apart from air pollutants and greenhouse gas emissions, the Group also produced both hazardous and non-hazardous waste. Non-hazardous waste mainly comprises wooden product waste, waste paper, kitchen waste and general waste from daily office operations, while hazardous waste includes batteries, lamp tubes and toner cartridges from printers.

Throughout the Year, the Group ensured compliance with relevant laws and regulations that have a significant influence on the Group, including the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste. In order to prevent detrimental impacts on the environment, non-hazardous waste was collected and processed collectively by the local environmental hygiene department and the designated parties. While hazardous waste was handled by qualified companies.

The wastes generated by the Group during the Year are as follows:

Wastes	2023	2022
Total non-hazardous waste generated (tonnes) (<i>Note 1</i>)	39	67
Intensity of non-hazardous waste generated (tonnes/million RMB of revenue)	0.00	0.00
Total hazardous waste generated (kg)	138	244
Intensity of hazardous waste generated (kg/million RMB of revenue)	0.02	0.02

Note:

1. Non-hazardous waste data are based on estimates. Emissions data relating to non-hazardous waste takes reference from the volume-to-weight conversion factors provided by the Beijing Environmental Sanitation Administration.

Further to the abovementioned waste disposal and management measures, the Group also implements strict waste management procedures at construction sites to properly manage construction waste. Designated storage sites for waste disposal are stringently assigned, where the disposal of waste in any other area is prohibited. Any waste that may cause secondary pollution should be stored separately and marked with labels as a precaution for workers. Construction waste is regularly sent to government-specified facilities for further treatment, while recyclable waste is sent to be recycled.

In our commitment to waste reduction, we prioritize the following waste management strategies: replace, reduce, reuse, recycle, and dispose. We have implemented various measures to encourage staff to utilize resources efficiently and minimize wastage.

We encourage staff to reuse paper whenever possible and promote double-sided printing. Electronic communication technology is encouraged to transmit information and reduce paper usage. In our procurement, we prioritize printing paper, toilet paper, and tissues made from recycled materials. Discarded paper sheets, excluding those with confidential information, are sent to a recycling company for appropriate treatment. During holidays, we utilize electronic greeting cards instead of traditional paper cards. We promote the reuse of envelopes, binders, archive cards, and other stationery items. For proper disposal, specific recycling bins are provided for used batteries. To minimize waste, we actively reduce the use of disposable and non-recyclable products. When it comes to printer supplies, we opt for recyclable toner/ink cartridges whenever available. Regular evaluations of material usage are conducted to prevent excessive inventory and minimize waste. Through these measures, we aim to foster sustainable resource management practices and minimize waste generation in our operations.

3.6 RESOURCES CONSERVATION

The Group endeavours to promote sustainable development by adopting numerous measures to reduce resource consumption, as well as raising the environmental awareness of employees and encouraging them to take part in environmental protection.

To reduce electricity consumption, the Group encourage employees to turn off lights and other electronics, such as printers and computers when not in use. Maximizing the use of sunlight whenever possible, and ensuring cleanliness and improved energy efficiency of lighting fixtures. Independently controllable lighting switches are installed in different areas, and dynamic sensors are utilized in less frequently used spaces. To further enhance energy efficiency, the number of electric lights is reduced in areas with excessive brightness. Energy-efficient lighting fixtures, such as T5 fluorescent lamps and LEDs, are utilized throughout the premises. Energy-efficient air conditioners are adopted, locations directly exposed to sunlight are avoided when installing air conditioners, and regular maintenance is conducted to clean filter screens and coil fans. Sealing strips are installed on doors and windows to prevent temperature-controlled air leakage. Additionally, connectors of pressure gauges, pressure hoses, and air compressors are regularly inspected and replaced to reduce the risk of refrigerant leakage. Furthermore, energy-saving measures extend to employee practices. The use of split-type air conditioners with a first-level energy efficiency label is prioritized. Water-cooled air conditioning systems are utilized, and in hot weather, employees are allowed to dress in more relaxed attire, minimizing the need for excessive air conditioning. Casual clothing is encouraged on Fridays when guests are not expected, further reducing the reliance on air conditioning.

Through the implementation of these energy-saving policies, the Group endeavours to promote sustainable energy practices and contribute to the reduction of environmental impact.

3. Protecting our Environment

The energy consumption of the Group during the Year is as follows:

Energy Consumption	2023	2022
Total energy consumption (MWh)	6,345	6,387
Direct energy consumption (MWh) <i>(Note 1)</i>	68	246
Indirect energy consumption (MWh) <i>(Note 2)</i>	6,277	6,142
Intensity of energy consumption (MWh/million RMB of revenue)	0.80	0.46

Notes:

1. Direct energy consumption includes the use of fuel in vehicles and is calculated based on the conversion factors in the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the National Development and Reform Commission ("NDRC") of the PRC.
2. Indirect energy consumption includes the amount of purchased electricity.

In terms of water saving, we have implemented various measures, which include:

Fixing the drip in the faucet: Our maintenance team promptly addresses any dripping faucets to prevent water wastage. Posting water conservation reminder stickers in each restroom: Informative stickers are placed in all restrooms to raise awareness among employees about the importance of water conservation and encourage responsible water usage. Regularly conducting hidden water pipe leakage testing and checking for overflowing water tanks: Routine inspections are carried out to identify any hidden water pipe leaks or overflowing water tanks, allowing us to rectify potential sources of water loss or wastage. Regularly checking the reading of the water meter and checking for any hidden water leaks: We monitor water meter readings to ensure accurate billing and identify any unusual fluctuations that may indicate hidden water leaks. Prompt action is taken to investigate and fix any identified leaks. Using dual flush toilets: Dual flush toilets have been installed to promote water conservation. They provide users with the option to choose between a lower water volume flush for liquid waste and a higher water volume flush for solid waste, reducing overall water consumption.

These measures demonstrate our commitment to minimizing water wastage, promoting responsible water usage, and contributing to sustainable resource management within our facilities.

The water consumption of the Group during the Year is as follows:

Water Consumption	2023	2022
Total water consumption (m ³)	242,137	330,951
Intensity of water consumption (m ³ /million RMB of revenue)	30.56	23.68

4. Caring for Our Employees

The dedication and contributions of employees are essential to the long-term and sustainable development of the Group. We understand that well-established employment policies are crucial for attracting and retaining talent. In addition to complying with the laws and regulations regarding employment, occupational safety and labour standards, including but not limited to the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and Work Safety Law of the People's Republic of China, we are committed to providing a positive working environment that prioritizes the safety and health of employees.

4.1 EMPLOYEE RECRUITMENT AND DISMISSAL

The Group has implemented a comprehensive human resources procedure to regulate and manage recruitment processes, ensuring fair and integrity-driven selection of the most suitable candidates for various positions. The Group makes use of various recruitment channels, including recruitment websites, headhunting services, internal recommendations and school campus recruitment, in a bid to attract and hire the most qualified personnel for each position. Throughout the entire recruitment process, we ensure that every job applicant is entitled to an equal opportunity to be considered for the job offer, regardless of their age, gender, ethnicity, religious belief, marital status and disability. Our focus is solely on evaluating applicants based on their relevant work experience, technical expertise, and qualifications that align with the job requirements.

The Group unequivocally prohibits the employment of forced labour and child labour, maintaining a zero-tolerance policy towards such practices. Prior to hiring, we conduct background checks for new employees to ensure their suitability for the position and to maintain a safe working environment. In addition, we conduct thorough verification of applicant's proof documents, such as ID cards, birth certificates, driver's licenses, household registration books, and education certificates. This verification process helps us ensure that they align with the information provided in their documents.

To protect the rights and interests of our employees and prevent forced labour, we implement a crucial practice of entering into employment contracts with our employees prior to their commencement of duties, these employment contracts serve as a clear and comprehensive agreement that outlines the job duties, working location, and duration of employment.

During the Year, the number of employees of the Group by different categories is as follows:

Employment	2023	2022
Total workforce	685	876
By gender		
Male	374	519
Female	311	357
By age group		
Below 30 years old	111	171
30–50 years old	556	687
Over 50 years old	18	18
By geographical region		
Northern China	0	2
Eastern China	0	1
Southern China	40	39
Central China	75	102
Northwestern China	56	63
Southwestern China	514	669

4. Caring for Our Employees

The Group also has a policy on termination of employees. The Group will consider dismissing employees based on their work performance as a reasonable reason. If such a situation occurs, the Group will comply with relevant laws and regulations to handle salary and compensation issues.

When an employee submits a resignation, the head of the human resources department will conduct an exit interview to gain insights into the reasons behind their decision to leave. This interview serves as an opportunity to understand any concerns or issues the employee may have had during their tenure and to gather feedback that can help improve our organization's practices and policies.

In addition, we actively identify and manage issues related to employee turnover rates. We analyze data and trends to identify patterns and potential causes of turnover. Through this analysis, we strive to address any underlying factors that may contribute to high turnover. By implementing appropriate measures, such as improving employee engagement, providing growth opportunities, and enhancing work-life balance, we aim to mitigate turnover and promote long-term employee retention.

During the Year, the employee turnover rate of the Group by different categories is as follows:

Turnover Rate	2023	2022
By gender		
Male	60%	73%
Female	59%	65%
By age group		
Below 30 years old	79%	85%
30–50 years old	55%	67%
Over 50 years old	39%	22%
By geographical region		
Northern China	0	50%
Eastern China	0	300%
Southern China	1%	41%
Central China	4%	98%
Northwestern China	23%	48%
Southwestern China	2%	69%

4.2 HEALTH AND SAFETY

The health and safety of employees during business operations and construction work is always the top priority for the Group. During the Year, we strictly conformed to the relevant laws and regulations, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. We have continuously implemented different safety guidelines in various aspects of construction sites, including fire safety, sanitation management, safety during working from heights, and facility usage safety. The Group has set its bottom line for occupational safety precautions, and punishments and penalties will be made in case of violation.

To ensure the safety of construction workers at our sites, the Group maintains a strong commitment to maintaining a safe environment. We have established a comprehensive system of safety checks and inspections at each construction site to identify and mitigate potential hazards. These safety checks and inspections are conducted regularly by various levels of the Group. Daily routine safety meetings are held by project companies, while monthly safety inspections are carried out by Engineering Management Department. During these inspections, photographs and videos are taken to document any safety issues that may be discovered.

4. Caring for Our Employees

Prompt corrective measures are expected to be implemented to prevent any potential safety accidents. In cases where safety issues remain unresolved, appropriate punishments and penalties are imposed on the construction site. This ensures accountability and emphasizes the importance of adhering to safety protocols. Furthermore, specific safety measures are required to be implemented and displayed as a model in the designated safety model area. These measures are subject to review and evaluation. Only projects that pass the evaluation are fully implemented at the construction site to ensure compliance with safety requirements.

The Group has formulated an emergency management policy, which sets out the necessary measures to be taken in case of any emergencies regarding occupational health and safety, including but not limited to fire, gas leakage, natural disasters, and work safety accidents. The policy classifies safety emergencies into three levels, each with varying degrees of severity, and has put in place different procedures corresponding to each level. After promptly dealing with the emergencies, the Group thoroughly investigates the reasons that led to the emergency and will take corrective measures accordingly to prevent it from repeating.

To effectively respond to potential emergencies, the Group has implemented a comprehensive system of emergency training, including fire and flood prevention training. These trainings are designed to familiarize personnel with their roles and responsibilities during emergencies and ensure they are well-prepared to execute the evacuation plan when necessary.



Fire emergency training

4. Caring for Our Employees

In addition, the Group has organised safety trainings which comprise training about safety techniques and education on safety knowledge and awareness for contractors and construction works. Occupational health and safety-related training are generally classified into two types:

1) Pre-construction training for contractors

Prior to the start of construction, the Group provides training to all construction contractors and managers regarding the environmental, health and safety requirements by the Government, as well as regulations at construction sites. New construction workers are required to attend a safety exam to ensure that they understand the safety requirements and are aware of the importance of occupational health and safety.

2) Regular safety training for construction workers

The Group consistently conducts safety training sessions at different stages of construction. Participants are required to take safety exams to ensure construction workers are familiar with the construction process and enhance their ability to identify potential safety hazards. Furthermore, the lectures incorporate case studies to illustrate real-life examples of safety incidents, enabling employees to understand the severity and consequences of neglecting safety protocols. In addition to risk awareness, emergency preparedness is a key focus of the training. Emergency points within the construction site are identified and communicated to all employees, ensuring their awareness of the nearest exit routes and assembly areas in case of an emergency. The training also provides comprehensive emergency response measures, equipping employees with the knowledge and skills required to handle various emergencies effectively. These training sessions emphasize the importance of taking necessary safety precautions to mitigate risks effectively. Through these safety training lectures, the Group prioritizes the well-being and security of its employees, striving to create a safe working environment throughout the construction project.

In addition, the Group actively organises occupational health and safety-related activities to promote workplace safety, raising the safety awareness of construction workers. Depending on the stage of construction, as well as season and weather, promotional themes and materials may differ, ranging from safety booklets, banners and comic strips, to “safety production month” activities. Furthermore, a Safety Committee from the Engineering Management Department of the Production and Operation Center is established to monitor the safety production of the projects, and conduct safety inspections on the group’s construction projects from time to time. If any problems are found, the responsible personnel needs to be rectified within the specified time. If the rectification cannot be completed on time, measures and solutions must be listed. Failure to respond within the deadline will result in a penalty for the project general manager and engineering team. By continuously reinforcing safety practices and emergency protocols, the Group aims to minimize accidents and ensure the overall construction safety of its workforce.

In the past three years, there were no work-related fatalities. During the Year, there were no lost days due to work injury, thanks to the effort put by the Group in creating an injury-free business environment.

4.3 TRAINING AND DEVELOPMENT

Recognizing the importance of fostering promising career paths for our employees, the Group places great emphasis on their professional development, considering it a crucial factor in our overall business success. We firmly believe that investing in the growth and advancement of our employees contributes to the long-term prosperity of both individuals and the organization as a whole. To nurture and harness internal talent, the Group has implemented a robust and comprehensive training system. Education subsidies and tuition reimbursement are provided.

4. Caring for Our Employees

By establishing effective channels for talent development and growth, we ensure a steady supply of skilled professionals to support the Group's expanding business operations. The training system encompasses both external and internal training programs, providing employees with a diverse range of learning opportunities.

To ensure a smooth integration of new employees into the Group, we have implemented a comprehensive orientation program. This program includes a series of induction training sessions, specifically designed to familiarize new employees with the Group's policies, system operations, and the daily workflow of various departments. The orientation program serves as a foundational step in acquainting new employees with the Group's organizational structure, values, and overall work culture. Through these training sessions, new hires gain a solid understanding of the policies and guidelines that govern our operations, ensuring they align their work practices accordingly. Furthermore, the induction training provides valuable insights into the specific functions and responsibilities of different departments within the Group. This knowledge equips new employees with a comprehensive understanding of how various teams collaborate and contribute to the Group's daily operations. By familiarizing themselves with the workflow of different departments, new hires can better comprehend the interdependencies and synergies that drive the Group's success.

By implementing this comprehensive training system, the Group strives to create a supportive environment that fosters continuous learning and professional growth. We believe that by investing in the development of our employees, we empower them to reach their full potential and contribute significantly to the success of the organization.

In addition, to standardize the Group reward and penalty management and establish clear operational procedures for rewards and penalties, we aim to strictly enforce the execution of various rewards and penalties. This approach aims to incentivize employees' performance in their day-to-day work, prevent and rectify instances of noncompliance and negligence, and ensure that rewards and penalties are administered promptly, fairly, openly, and justly. Therefore, we have formulated this policy to outline the guidelines for rewards and penalties within the Group.

Furthermore, in order to assist new employees in integrating into the Group more smoothly, all employees are assigned dual mentors during their probationary period. This includes one HR mentor and one business mentor. The HR mentor is designated by the HR Administration Center, while the business mentor is selected and appointed based on specific criteria. The responsibilities of the HR mentor include regular communication with the employee's department supervisor and business mentor on a monthly basis. They also engage in monthly communication with the employee to supervise and ensure the completion of tasks related to the OA system. The HR mentor participates in various assessments of employees, providing opinions and suggestions regarding the probationary period assessment for new employees. Additionally, the HR mentor is involved in the overall development plan and assessment of trainees (if applicable). The business mentor's responsibilities include providing a work meal, conducting an onboarding discussion, and delivering training on the employee's first day. They introduce the department's organizational structure, functions, personnel, job responsibilities, and requirements. The business mentor also provides timely guidance on work processes and methods to the employee. The assignment of dual mentors aims to provide comprehensive support to new employees, allowing them to receive guidance and assistance from both HR and business perspectives. This approach facilitates a smooth onboarding process, enabling employees to become productive and knowledgeable about their roles and responsibilities in a timely manner.

4. Caring for Our Employees

Additionally, our Group follows a policy of prioritizing internal promotions over external hiring. We value and recognize employees for their significant contributions, exceptional job performance, and technical expertise, providing them with appropriate rewards and incentives. To ensure continuous improvement and development, we conduct regular employee assessments to evaluate their performance and identify areas for growth. Furthermore, we have established a comprehensive competency model specifically designed for our outstanding employees. This model serves as a framework to assess and enhance their skills and capabilities. As part of our commitment to fostering a culture of excellence, we organize an annual Elite Program that recognizes and celebrates the achievements of our top-performing employees. Based on internal and external reference standards, our remuneration structure is annually reviewed so as to maintain competitive remuneration offered to employees.

Overall, our commitment to robust training and career development reflects the Group's dedication to the growth and prosperity of both our employees and the Group as a whole.

During the Year, the percentage of employees trained and average training hours of employees are as follows:

Training	2023	2022
Percentage of employee trained		
By gender		
Male	64%	100%
Female	57%	100%
By employment category		
Senior	25%	100%
Middle	47%	100%
Junior	65%	100%
Average training hours completed per employee		
By gender		
Male	1.79	25.20
Female	1.52	24.87
By employment category		
Senior	0.25	25.00
Middle	1.81	23.60
Junior	1.17	25.34

4.4 EMPLOYEE WELFARE

Employees are valuable assets of the Group, therefore it provides employees with attractive benefits. We strive to ensure the working hours and remuneration of employees are compliant with the requirements of relevant laws and regulations, in which our employees are entitled to the right to take vacation leaves, such as maternity leave, marriage leave and funeral leave.

All employees who have signed labour contracts with the Group are entitled to employee benefits provided by the Group. Employee benefits are categorized into statutory benefits, which include social insurance, medical insurance, and housing provident fund as mandated by national laws, and Group benefits, which encompass both material benefits (gifts, allowances) and non-material benefits. Additionally, the Group provides a computer allowance for employees who bring their own computers, an expatriate allowance for employees on overseas assignments, and other allowances such as secondment allowance, home visit leave, and rental allowance.

Moreover, the Group advocates help and care among employees and propagates the building of a corporation of happiness and harmony. During the Year, we have organised a wide variety of cultural and sports entertainment activities to enrich employees' social lives as well as promote physical and mental health, such as Group celebration activities, as well as festival activities.

5. Operating Our Business

An enterprise's level of sustainable development highly hinges on the quality and efficiency of its business operations. The Group spares no effort in optimising its operations and maintaining its reputation by properly managing its supply chain, earnestly serving its customers and behaving ethically in the market.

5.1 SUPPLY CHAIN MANAGEMENT

To thoroughly fulfil our environmental and social responsibility, it is crucial to effectively manage our business operations, including the supply chain. We place great importance on partnering with reputable suppliers, such as long-established and renowned enterprises, to ensure the delivery of high-quality products. We have established comprehensive procurement and supplier management policies and systems that serve as guidelines for supplier selection and management. During the selection process, suppliers are evaluated mainly based on their project quality, project progress, on-site management and cooperation, cost control and safety. Our evaluation criteria encompass product quality, delivery performance, production capacity, and compliance. Only suppliers that meet these standards are considered eligible for inclusion in our qualified supplier list. We also take into account the environmental, health, and safety performance of suppliers during the screening process. It is mandatory for suppliers to have written policies that govern the conduct and behaviour of their employees. By incorporating environmental and safety commitments into procurement contracts and requirements, the Group ensures that products meet its quality, safety, and environmental standards. Besides, training is provided to employees responsible for supply chain management to ensure they have sufficient knowledge, including relevant legal regulations, to accurately assess suppliers. If a supplier's behaviour is found to be inconsistent with Group policies, cooperation with the supplier is suspended until improvements are made. Supplier evaluations are conducted annually, and suppliers that fail to meet the established criteria are removed from the qualified supplier list.

The Group always considers environmental and social risks throughout the supply chain. The procurement policy provides a detailed outline of the expectations, requirements, and management processes for potential suppliers, with a strong emphasis on collaborating with sustainable suppliers. Suppliers are expected to comply with national, regional, and industry environmental standards and use production materials responsibly. Priority is given to suppliers holding certifications such as ISO 50001 Energy Management System, ISO 14001 Environmental Management System and Low Carbon Product Certification. Suppliers undergo environmental assessments through methods such as questionnaires, visits, or on-site inspections to evaluate their adherence to environmental regulations, environmental protection practices, resource conservation, and overall commitment to sustainable development. Effective environmental communication, knowledge sharing, and training initiatives are conducted with suppliers. The Group establishes a green supply chain, which considers environmental factors across various stages, including product design, procurement, production, packaging, logistics, sales, service, and recycling or reuse processes. Environmental requirements, including energy efficiency, are explicitly stated during tendering, acceptance, and other relevant processes, while suppliers' environmental performance is comprehensively reviewed. Suppliers are required to sign an environmental commitment agreement, ensuring that the raw materials they supply comply with relevant environmental protection laws and regulations.

Furthermore, we endeavour to select environmentally friendly products and services during procurement. For example, we prioritize the procurement of eco-friendly products that are energy-efficient or made of recyclable materials, such as refillable pens and recycled paper. Additionally, we promote awareness among our staff regarding product expiration dates and encourage them to use products purchased earlier to minimize unnecessary waste. Besides, we strive to reduce our carbon footprint by giving preference to local suppliers or those geographically close to our Group.

5. Operating Our Business

During the Year, all suppliers were governed by the abovementioned supplier management procedures. The number of suppliers by geographical region is as follows:

Suppliers	2023	2022
Total number of suppliers	557	959
By geographical region		
Northern China	17	57
Eastern China	0	50
Southern China	429	92
Central China	18	720
Northwestern China	48	40

5.2 PRODUCT AND SERVICE QUALITY

The Group is devoted to delivering excellent products and customer services to our clients. We place a strong emphasis on strict compliance with laws and regulations, such as the Product Quality Law of the People's Republic of China, the Construction Law of the People's Republic of China and the Law of the People's Republic of China on Protection of Consumer Rights and Interests. Besides, the Group has developed a Group Construction Management Manual, which defines the regulation of the construction process, quality, progress, and counterclaim and data management. The manual undergoes annual revisions to ensure its relevance and effectiveness.

We strive for continuous improvement in the quality of our properties and services through internal processes, aiming to optimize their overall performance. To ensure the satisfactory quality of constructed and developed properties, the Group has implemented a construction inspection management policy. This policy outlines the personnel and measures involved in construction inspections, in order to ensure that properties constructed and developed are of satisfactory quality. Under this policy, project companies are responsible for regular monitoring of construction progress carried out by contractors. They also ensure that contractors strictly adhere to health and safety regulations. These effects enhance the Group's overall management of construction projects.

Furthermore, the Group has integrated property quality with employee performance, putting inspection personnel directly accountable for any quality issues during construction and for the property, acting as a means to urge inspection personnel to firmly uphold the necessary standards to improve the quality of construction. In order to improve employee skills related to property quality, the Group offers comprehensive training programs for employees, encompassing various crucial areas. These training sessions include quality control management, key design focus training, key landscape design and construction focus training, training and knowledge exchange regarding exterior quality control, as well as training on anti-seepage measures for post-pouring strips.

During the Year, the Group has no property sold to be recalled due to safety and health reasons.

To meet the needs of our customers, the Group is dedicated to improving customer service and ensuring customer satisfaction. As part of these efforts, the Group has released Customer Complaint Management Measures. Customer complaints are carefully categorized based on their severity and promptly directed to the relevant departments for resolution. Our customer service team diligently investigates the underlying cause of each complaint and takes quick remedial and preventive action in response to the complaints from our customers. Moreover, we offer comprehensive maintenance services to our customers within the warranty period as part of our after-sales service, and responsible departments respond to customer inquiries and service requests promptly through various channels.

During the Year, the Group received 676 complaints, including but not limited to property management, property sales and facility maintenance. The Group assigned responsible personnel to follow each case and had a 100% response rate to customer complaints. Most cases are resolved by active communication, refund, and performing maintenance.

5.3 ADVERTISEMENTS MANAGEMENT

The Group takes a very serious approach to managing its advertisements and messages to the public. The Group strictly abides by relevant laws and regulations, including the Advertising Law of the People's Republic of China. In order to standardize the management and dissemination system of news content for the Group, the Brand Management Department of the Group has formulated the news management and dissemination policy. The Group's News Management and Communication Policy ensures standardized management and dissemination of news content. The policy covers news releases, spokespersons, communication guidelines, and dissemination channels. The Brand Management Department serves as the exclusive authority for releasing news articles related to the Land brand, with designated spokespersons maintaining consistency in messaging. Communication guidelines are unified across the organization, and information is classified into three categories. News is primarily distributed through official channels such as WeChat, websites, and enterprise communication platforms. The policy also establishes a correspondent system to manage news dissemination and requires regular submissions from projects for ranking and public disclosure. By implementing this policy, the Group aims to enhance brand consistency, streamline news management, and ensure effective communication across the organization and its subsidiaries.

Implementing the News Management and Dissemination Policy establishes a standardized and centralized approach to managing and releasing news content, ensuring consistent messaging throughout the organization. This helps to build a strong and cohesive brand image. Furthermore, the policy ensures that news articles related to the Land brand undergo a thorough approval process, enhancing the accuracy and reliability of information shared with the public. By involving the Brand Management Department in the review process, the policy helps to maintain the integrity of the Group's news releases. Moreover, by designating spokespersons and establishing communication guidelines, the policy ensures that external communications align with the Group's strategic objectives and brand messaging. This helps to protect the reputation of the Group and maintain a professional image in media interactions. The News Management and Dissemination Policy demonstrates the Group's commitment to effective communication, brand consistency, and the responsible sharing of information with internal and external stakeholders.

5.4 INTELLECTUAL PROPERTY RIGHTS AND PRIVACY PROTECTION

In order to promote the protection of the Group's trademarks, standardize the use and management of the Group's trademarks, and promote the protection and utilization of trademarks throughout the Group, in accordance with the provisions of the Trademark Law of the People's Republic of China (hereinafter referred to as the Trademark Law, the Implementation Rules of the Trademark Law of the People's Republic of China) and other management measures, the Territory Group Trademark Management Measures are hereby formulated.

5. Operating Our Business

In addition to the News Management and Dissemination Policy, the Group places great importance on the usage of legitimate software that complies with license agreements. This commitment to software compliance ensures the organization operates ethically, legally, and responsibly in its technological practices. By using legitimate software, the Group safeguards against potential legal and financial risks associated with unauthorized software usage. Compliance with license agreements also promotes respect for intellectual property rights, encouraging a culture of integrity and fair business practices. By adhering to software license agreements, the Group demonstrates its commitment to ethical and responsible business operations, protecting itself and its stakeholders while upholding legal and industry standards in the digital landscape.

Meanwhile, to protect customer interests, the Group signs confidentiality agreements with employees. The agreements require employees to keep all business and technical information related to the Group's operations confidential, prohibiting its disclosure or theft. In case of job changes or contract termination, employees must promptly return confidential materials and complete handover procedures. The Group reserves the right to change job positions within three months prior to employment contract termination. Violation of the agreement results in employees being liable for civil damages. Employees are prohibited from part-time work in the same industry, and any income from such work belongs to the Group. For core trade secrets, additional agreements are signed for non-disclosure and non-compete terms.

In addition, we collect and utilize customer information in compliance with applicable laws and regulations. The usage of customer information is strictly limited to the purposes specified in our contracts. We inform our employees about the proper handling of customer information, emphasizing the need to access such information only when there are valid justifications. To safeguard the confidentiality and integrity of customer information, we have implemented robust security measures for our computer databases. We continuously monitor and conduct tests to assess and mitigate potential privacy risks.

5.5 ANTI-CORRUPTION

With integrity being a central part of the Group's business ethics, we strictly comply with the relevant laws and regulations, including but not limited to the Criminal Law of the People's Republic of China. In order to uphold ethical standards, we have formulated a comprehensive code of conduct encompassing the management of conflicts of interest, information confidentiality, bribery prevention, anti-corruption measures, and equal opportunity. Furthermore, we have implemented an anti-corruption policy, established a whistleblowing system, and created channels for reporting corruption incidents. We are committed to maintaining the confidentiality of whistleblowers' identities. Employees are expected to promptly report any instances of bribery, corruption, or violations of the code of conduct to their respective superiors. In addition, to strengthen integrity in our business operations, regulate activities, prevent illegal and unethical behaviour aimed at seeking undue benefits, and protect the legitimate rights and interests of both parties, our employees shall sign an agreement to avert bribery and corruption in any kinds and to regulate the behaviours of the parties, aiming to uphold the integrity and be self-disciplined.

In order to enhance employee awareness and promote a culture of integrity, the Group has conducted comprehensive anti-corruption training through videos and face-to-face meetings. The training primarily covered topics such as reporting suspected cases, internal audit and codes of conduct. Specifically, new employees were provided with dedicated integrity training upon joining the organization. Employees are actively encouraged to report any suspected misconduct or violations of policies and regulations. During the Year, the Group had no concluded legal cases regarding corrupt practices.



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举报公告

举报范围

- 1.集团各级员工或合作单位侵害公司利益的违法犯罪、营私舞弊、重大违规等行为；
- 2.集团各级员工违反公司管理制度和领地奋斗精神的不作为、乱作为等履职不当行为。

责任义务

举报人应遵守国家法律法规，举报内容客观真实，不得捏造事实、陷害他人。公司将对实名举报的个人信息及举报内容严格保密，并对调查结果给予及时反馈。

举报奖励

举报内容经集团公司查实后，我们将根据事件性质和价值大小，按照公司相关规定对举报人予以一定的经济奖励。

举报范围

- 1.集团各级员工或合作单位营私舞弊等违规、违纪行为；
- 2.集团各级员工不作为、乱作为等履职不当行为。

责任义务

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举报奖励

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Poster about reporting corruption

6. Contributing to Community

With our commitment to both business development and the collective well-being of society, we are pleased to contribute to the thriving growth of our community. Encouraging our employees to actively participate in volunteer work and charitable activities. As an enterprise with a strong social responsibility, the Group has actively participated in various activities, focusing on public welfare and providing assistance to the elderly. We have actively organised charitable activities, such as providing heat relief products for labourers working under high temperatures and donating money and food for those endangered animals.

Appendix: Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicators	Overview	Sections	Page no./ Explanation/ Reasons for Omissions
Environmental			
A1 Emissions	General disclosure	3.3 Emissions Management	9
A1.1	The types of emissions and respective emissions data.	3.3 Emissions Management	9
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	3.3 Emissions Management	9
A1.3	Total hazardous waste produced and, where appropriate, intensity.	3.3 Emissions Management	9
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	3.3 Emissions Management	9
A1.5	Description of emission targets set and steps taken to achieve them.	3.3 Emissions Management	9
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	3.2 Environmental Sustainability Policy	8
A2 Use of Resources	General disclosure	3.6 Resources Conservation	13
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	3.6 Resources Conservation	13
A2.2	Water consumption in total and intensity.	3.6 Resources Conservation	13
A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	3.6 Resources Conservation	13
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	3.6 Resources Conservation	13
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	N/A	Due to the business nature, the Group does not involve the use of packaging material.
A3 Environmental and Natural Resources	General disclosure	3.1 Environmental Protection as a Property Developer; 3.3 Emissions Management; 3.6 Resources Conservation	7 9 13
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1 Environmental Protection as a Property Developer; 3.3 Emissions Management; 3.6 Resources Conservation	7 9 13
A4	General disclosure	3.4 Climate Change	11
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.	3.4 Climate Change	11

Appendix: Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicators	Overview	Sections	Page no./ Explanation/ Reasons for Omissions
Social			
B1 Employment	General disclosure	4.1 Employee Recruitment and Dismissal	15
B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Employee Recruitment and Dismissal	15
B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Employee Recruitment and Dismissal	15
B2 Health and Safety	General disclosure	4.2 Health and Safety	16
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.2 Health and Safety	16
B2.2	Lost days due to work injury.	4.2 Health and Safety	16
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.2 Health and Safety	16
B3 Development and Training	General disclosure	4.3 Training and Development	18
B3.1	The percentage of employees trained by gender and employee category.	4.3 Training and Development	18
B3.2	The average training hours completed per employee by gender and employee category.	4.3 Training and Development	18
B4 Labour Standards	General disclosure	4.1 Employee Recruitment and Dismissal	15
B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Employee Recruitment and Dismissal	15
B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employee Recruitment and Dismissal	15
B5 Supply Chain Management	General disclosure	5.1 Supply Chain Management	21
B5.1	Number of suppliers by geographical region.	5.1 Supply Chain Management	21
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.	5.1 Supply Chain Management	21
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Supply Chain Management	21
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Supply Chain Management	21

Appendix: Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicators	Overview	Sections	Page no./ Explanation/ Reasons for Omissions
Social			
B6 Product Responsibility	General disclosure	5.2 Product and Service Quality;	22
		5.3 Advertisements Management;	23
		5.4 Intellectual Property Rights and Privacy Protection	23
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	5.2 Product and Service Quality	22
B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Product and Service Quality	22
B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.4 Intellectual Property Rights and Privacy Protection	23
B6.4	Description of quality assurance process and recall procedures.	5.2 Product and Service Quality	22
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.4 Intellectual Property Rights and Privacy Protection	23
B7 Anti-corruption	General disclosure	5.5 Anti-corruption	24
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.	5.5 Anti-corruption	24
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.5 Anti-corruption	24
B7.3	Description of anti-corruption training provided to directors and staff.	5.5 Anti-corruption	24
B8 Community Investment	General disclosure	6 Contributing to Community	26
B8.1	Focus areas of contribution	6 Contributing to Community	26
B8.2	Resources contributed to the focus area.	6 Contributing to Community	26