美的置业

Midea Real Estate
2023 Environmental,
Social and Governance Report

About this Report

Scope of Report

This report is the sixth Environmental, Social and Governance ("ESG") Report produced by Midea Real Estate Holding Limited, which discloses the vision, strategies and practices in respect of environmental, social and governance of Midea Real Estate Holding Limited and its subsidiaries from 1 January 2023 to 31 December 2023 (the "reporting period") in a comprehensive and objective manner for stakeholders to have a better understanding of the Company's sustainability performance. In order to make this report more comparable and forward-looking, some contents are extended. Unless otherwise specified, the scope of this report is consistent with that of the 2023 annual report of the Company.

Basis of Compilation

This report is compiled in accordance with Appendix C2 of "Environmental, Social and Governance Reporting Guide" (the "ESG Reporting Guide") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The detailed index of the ESG Reporting Guide is set forth in the Appendix section of this report for quick reference.

Source of Data

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

Appellation Statement

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

Approval of Report

This report was considered and approved by the Board of Directors of the Company on 27 March 2024 in accordance with the materiality principle of the ESG Reporting Guide. It will be released upon approval.

Availability of Report

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

Feedback

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

Address: 34/F, Midea Real Estate Plaza, No.1, Chengde Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC

E-mail: investor@mideazy.com

Statement on Responsibility

Facing the rapidly-changing industry and market trends, Midea Real Estate has always adhered to the path of new real estate, insisted on the overall planning and coordination of business for stable development, consolidated its service capabilities in the residential development, property services, commercial operations, and real estate technology, keenly captured market opportunities, and accelerated the consolidation of advantages in the comprehensive services for smart and healthy life. We strictly fulfill the responsibilities and obligations that shall be fulfilled by listed companies, improve corporate governance, and standardize business decisions. Furthermore, we continuously strengthen risk control and internal control management, improve the ESG management system development, maintain sound corporate governance, and practice the concept of sustainable commercial development, in the hope of contributing to the sustainable development of social economy.

Striving for Excellence – Persevering in High Quality and Professionalism

Midea Real Estate strives to empower more people's lives by upholding the philosophy and spirit of lean management and delivering honest and meticulous service. We stand firm on the technology iteration guided by user needs, and lay out the space technologies to achieve ideal future life of urban residents with respect to smart homes, smart communities, and smart cities. We have launched a community infrastructure quality improvement campaign and upgraded it to edition 2.0 in 2023. On the basis of optimizing and upgrading 7 high-frequency streamlines and 12 key space modules, we have added 3 main themed spaces, achieving a leap in the infrastructure quality for 49 projects. We believe that the delivery quality fulfills our own commitment and demonstrates the strength of brand reputation, and probe into all-round measures to ensure product quality and service at the delivery stage of various projects. We popularize "visible construction" in projects nationwide, and realize customers' experiential perception of high product quality and excellent product capabilities through actions such as showcasing Chengyijia process, opening up construction sites, cloud supervision, and owners' representatives as "Community Responsibility Officer". In 2023, the Company completed delivery of over 90,000 high-quality apartments, with early delivery accounting for 70% and delivery results ranking among the top in the industry.

Pursuing Sustainability - Adhering to Original Aspiration

Guided by China's "Carbon peaking and carbon neutrality" strategy, Midea Real Estate sticks to green and low-carbon development, fulfills its commitment to environmental protection, and strives to forge an all-round sustainable development system covering aspects such as green design, green construction, and green operation. Remac Building Technology, a subsidiary of Midea Real Estate builds a business mode of "Integration of digital design + prefabricated industry", and delivers full-value chain scenario services of green building space to mid- to high-end market. We consistently ramp up our product, service and innovation strength, develop healthy new materials, and create MiC integrated space products by virtue of our full-chain capacity of "Prefabricated buildings and interior decoration". Meanwhile, we accelerate the deployment in domestic and overseas markets, and render low-carbon and efficient solutions to the world. The certified green building area of Midea Real Estate reached 461,000 m^2 in 2023.

Strength of Sincerity - Holding Fast to Altruism

Midea Real Estate holds that house delivery is not the end point, but rather the home base to explore a happy life from multiple angles. It always, from the customer's perspective, identifies optimization points for improving housing, provides full cycle services, and makes users feel the power of trust. In 2023, Midea Real Estate launched the "Gold Owner" equity upgrade plan, integrating high-quality resources from Midea Real Estate's ecosystem channels, covering multiple dimensions such as clothing, food, housing, and transportation, and rendering considerate community living experience. Midea Real Estate has implemented Chengyi service into multiple dimensions of owners' daily lives, focusing on the four major themes of Parent-Child, Sports & Wellness, Old Friend, and Public Service. In 2023, it organized 1,097 activities, involving 98,240 households, delivering a warm community life and a warm community with a shared future, and deeply co-creating a wonderful community lifestyle for sustained growth. In addition, guided by the culture of "fellow traveler", we closely cooperate with stakeholders including employees and suppliers. We provide a platform for employees to give full play to their strengths and realize their ideals and values, establish sound cooperative relationships with suppliers, and enthusiastically build a community with shared value, so as to build a harmonious ecosystem of value co-creation.

In the future, Midea Real Estate will continue to uphold the long-termism, establish a solid industrial foundation, and deliver greater value for the widest range of stakeholders in a high-quality, realizable, and sustainable manner.

Contents

02

Company Overview

Company Profile

Midea Real Estate Holding Limited (the Company) and its subsidiaries (the Group) or (Midea Real Estate) (Stock Code: 3990.HK), listed on the Stock Exchange, is one of the Top 100 private real estate enterprises in Guangdong Province, which is included in the constituent stocks of Hang Seng Stock Connect Hong Kong Index. The Group was founded in 2004. Guided by the development positioning of being a "smart and healthy life service provider", it has built a composite development ecology of "development + operation + real estate technology", continuously and steadily moving towards high-quality development.

With the manufacturing foundation and reputation of the brand, the Company always regards the essence of the real estate career as an industry closely related to people's life. Focusing on the residential development business, the Company sticks to the policy of "intensive development in focused areas and strategy upgrade", devotes itself to lay out in the first- and second-tier cities with high potential, orients to the middle-class and high-net-worth improvement target customers who seek housing improvement, and holds fast to the route of "high quality, new technology, and excellent service". Centring on the users, the Company is committed to creating a nice living experience that is technological and intelligent, green and energy saving, healthy and versatile.

In terms of the operational business of property services and commercial management, the Company concentrates on strengthening the light asset operating capabilities, expanding third-party businesses through operational innovation, delivering excellent customer management, and achieving quality growth. As regards the real estate technology industry that carries the Company's transformation and upgrading strategy, we give full consideration to the full life cycle needs of good houses, good communities, and good services, advocate the development of green prefabricated industry and spatial intelligent industry, and rely on the key variables of technological innovation to constantly promote the industrial, digital and green transformation and upgrading of the Company's industrial ecology.

Corporate Culture

Reform and innovation
Innovate, explore and discover, always remain forward-looking, and constantly keep ourselves updated, committed to becoming a service provider of happy life and smart space.

Long-termism
Advocate culture of sustainability through cooperation, adhere to steady development, and oppose sacrifice of core values for short-term benefits.

Customers-centered
Start from customer needs and deliver high-quality products and services to customers, to win customers and market and achieve high customer conversion rate.

Results-oriented
Dedicated to solving problems, with results taken as evaluation standards, promote and encourage value contribution.

Efficient execution
Efficiently follow through with the strategies and targets and promote the implementation. Reasonably utilize the time and resources, and maximize performance and accomplishments.

Core values

Responsibilities and Achievements

Award Winning Company	Award Name	Presented by
Midea Real Estate	Top 12 Best Employers in Organizational Strength in China's Real Estate Industry of 2023	Keyan Think Tank
Midea Real Estate Service	Top 22 China Property Service Enterprises in Comprehensive Strength of 2023	CPMRI & CRIC Property Management
	2023 Leading Company of China in Industrial Park Property Service	
	2023 Top 10 Chinese Enterprises in Public Building Property Service Strength	

Award Winning Company	Award Name	Presented by
Remac Intelligent	China's Leading Enterprise in Green Building Technology Services	EH Consulting
	Award for Top 10 Whole House Smart Home Brands of 2023	Qianjia Zhike
	Red Dot Award: Brands & Communication Design of 2023	German Red Dot GmbH
	National Intellectual Property Excellent Enterprise of 2023	China National Intellectual Property Administration
	Included in Top 10 receiving Jinglong Award for China Real Estate Fine Decoration Residential Components and Accessories of H1 2023	AVC

Award Winning Company	Award Name	Presented by
Remac Building Technology	Enterprise in Intelligent Construction and Environmental Protection of 2023	Foshan Association of Prefabricated Building and Intelligent Construction
	Advanced Enterprise of 2023	
	Excellent Enterprise in Technology Innovation in Guangdong Province's Building Materials Industry	Guangdong Association of Building Materials Industry
	Demonstration Unit of Carbon Neutrality Commitment in China's Bidding Field	Carbon Neutrality Service Platform in China's Bidding Field
	Innovative Small/Medium-Sized Enterprise in Guangdong Province	Department of Industry and Information Technology of Guangdong Province

Key Performance in 2023

Financial Performance

Total Assets
201.6 billion

Total Equity
50.1 billion

Revenue
73.6 billion

Operating Profit
4.3 billion

Profit for the year
2.1 billion

Profit Attributable
to Owners of the Company **0.9** billion

Product Service

Delivery during the year
Over **90,000** units

Rate of delivery
95 %

Prefabricated building area
2.38 million m²

Valid Patents
469

Customer Satisfaction
85 points

Compliant Employment

Total Workforce
10,152

Proportion of Female Employees
39 %

Labor Contracts Signing Rate
100 %

Safety and Health

Employee Physical Exam-
ination Coverage Rate **100** %

Average time of Work
Safety Training Sessions **38** hours

Training and Development

Number of Employees Trained
9,763

Total Investment in Training
5.78 million

Charity

Total Charity Investment
22.79 million

Energy Conservation and Emission Reduction

GFA of newly certificated green buildings
461,000 m²

Intensity of Carbon Dioxide Emissions
0.04 tCO_2e/revenue in RMB (million)

Intensity of Energy Consumption
0.07 MW·h/revenue in RMB (million)

Intensity of Water Consumption
113.6 m³/revenue in RMB (million)

03

Special Feature of the Year

Community Vision, Livable City

Community Vision, Livable City

Midea Real Estate, relying on its deep manufacturing foundation and technological accumulation, unremittingly explores the infinite possibilities of "Smart Manufacturing of Home", and deeply understands people's pursuit for higher residential quality. Inspired by the daily life scenes, it closely combines community needs in the Internet era to make continuous innovations, and continues to create a wonderful and healthy home model so that users can enjoy a convenient and efficient, comfortable and healthy, beautiful and smart life. To meet the deeper needs of the community, Midea Real Estate has launched a community infrastructure quality improvement campaign and upgraded it to edition 2.0 this year. On the basis of optimizing and upgrading the 7 key high-frequency streamlines and 12 key space modules, it added 3 new themed spaces, committed to creating a green, intelligent, and healthy community living circle.

Returning home by walking

Returning home by car

Leisure and sports

Community infrastructure

Returning home by non-motorized vehicles

Garbage collection and transfer

Bulk cargo/ emergency

Take-out/ express

Seven high-frequency streamlines

We focus on improving the quality of seven high-frequency streamlines of the community infrastructure, fully leveraging on the Midea Real Estate's core advantages in the social technology field, and bringing a more convenient and intelligent living experience for residents.

Returning home by walking	• Realize the diversion of people and vehicles from the commercial facilities outside the community, ensuring a safe and comfortable experience for pedestrians by using pressure-resistant lanes for vehicles and anti-slip floor tiles for pedestrians.
	• To empower residences with technology, introduce the face recognition, doors with electric induction, and automatic calling for elevator to achieve intelligent and smooth traffic along the whole route and improve the convenience of residents' life.
Returning home by car	• Equipped with anti-glare lights at the ramp of entrance and radar sensor lights in the parking area, ensuring sufficient brightness on the way to home.
	• The garage is equipped with a five-layer guidance system and zoned painted walls, and also sets with a dedicated sidewalk to guide the separation of people and vehicles, improving the efficiency and order of the parking area.
Returning home by non-motorized vehicles	• Parking sheds and charging equipment are set up around the community entrance, empty space and underground garage to ensure safe charging, and monitoring equipment is also equipped to eliminate electric leakage and fire disaster.
Take-out/express	• Set up independent logistics channels and loading areas, standardized distribution routes to maintain a clean and tidy public area for the community.
	• Introduce delivery robot to provide contactless delivery and take into account a variety of express stations and logistics modes.
	• Install 24-hour express monitoring and exclusive lane for express to improve the anti-theft and anti-loss capabilities and protect the property safety of owners.
Bulk cargo/ emergency	• Set up temporary parking areas for trucks and loading and unloading areas outside the area, with ultra-wide entrances and accessible park roads to ensure smooth arrival of goods.
	• Guide the flow of trucks, prevent the occupation of lanes or emergency fire lanes, facilitate the travel of owners, and safeguard community safety.
Garbage collection and transfer	• Take into account the ground and underground garbage drop-off points, and add air filtration equipment for underground drop-off points to meet the drop-off needs in bad weather, while avoiding the spread of peculiar odors.
	• Daily and bulky garbage transfer points are arranged along the periphery, and garbage collection trucks are not allowed to enter the central part of community. In the meantime, transferring and cleaning of garbage shall be done at the periphery to ensure that the community is clean and beautiful.
Leisure and sports	• Build a diabetes service center, and provide professional exercise guidance through Joyrun APP to encourage owners to pursue a healthy life.
	• Make an appointment for the changeable open floor M-BOX to hold various community activities such as birthday parties and aerobic exercises, providing residents with diverse leisure and entertainment choices.

12 Key Space Modules

Midea Real Estate is committed to enabling the community space to serve residents, listening to residents, understanding their needs, and addressing their troubles. We focus on the 12 key space modules, namely, the urban facade, community entrance, home garden, all-age activity area, entrance lobby and front area, standard floor public area, open floor, basement entrance lobby and front area, basement entrance/exit, non-motorized vehicle parking area, underground parking area, and garbage collection point, to meet the evolving residential needs of users.

Case: Building "Smart Garage 3.0"

In view of the problem of parking faced by property owners, Midea Real Estate adopts the concept of refined and friendly community infrastructure to comprehensively improve the quality of garage services. We have installed an unobstructed home returning system at the entrance of the garage to achieve automatic license plate recognition and create a relaxing home returning experience for property owners. To reduce the dazzling effect of property owners caused by switching between indoor and outdoor, we have installed anti-glare ramp lighting facilities and warm light lamps for lobbies to create a warm and pleasant garage lighting system without dead corners. Giving full consideration to the safety of the underground garage, we adopted a five-level guidance sign system, and set up dedicated sidewalks, accessible parking spaces, etc. to guarantee safety for property owners and their families.

Three Themed Spaces

This year, we added three new themed spaces: Resources Center, Sports & Wellness Ring 2.0, and All-Around Foyer. The Resources Center gathers diverse community resources, Sports & Wellness Ring 2.0 presents a brand-new sports experience, and All-Around Foyer opens up a warm and multi-functional entrance sheltered from wind and rain. The three highlights complement each other, representing Midea Real Estate's ultimate pursuit of living experience and innovative interpretation of modern residential concepts.

Resources Center

Gathering the community resources such as entertainment facilities, sports spaces, transportation hubs, and life services, it has been piloted in the Panyu project and will be gradually promoted to more projects.

Sports & Wellness Ring 2.0

In 2023, we comprehensively upgraded Sports & Wellness Ring 2.0, defined as an integrated gymnasium embedded in the community, and added Sky Sports & Wellness Ring and Lower Floor Sports & Wellness Ring to the existing community sports system. The Sky Sports & Wellness Ring fully utilizes the open floor and roofs, and cleverly lays out the runway, fitness space, and rest area; the Lower Floor Sports & Wellness Ring is closely integrated with the Resources Center, creating sports venue not affected by wind and rain, and providing residents with more abundant sports experience.
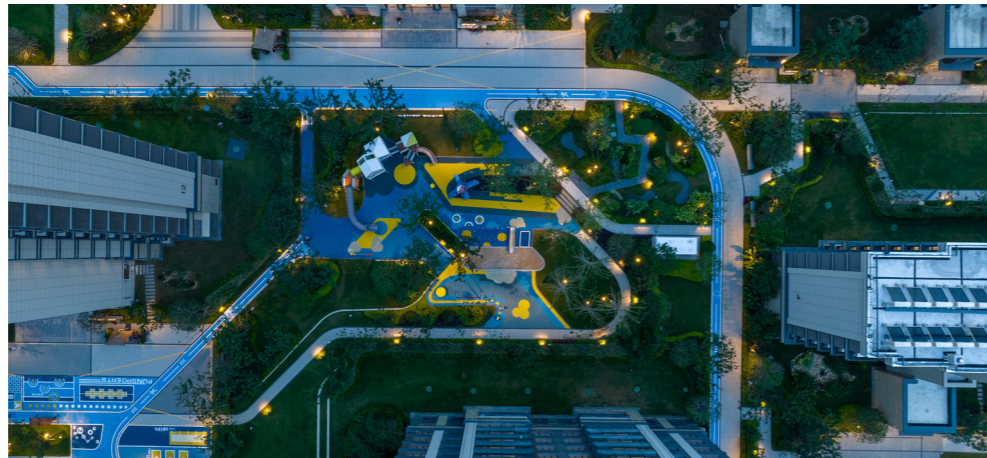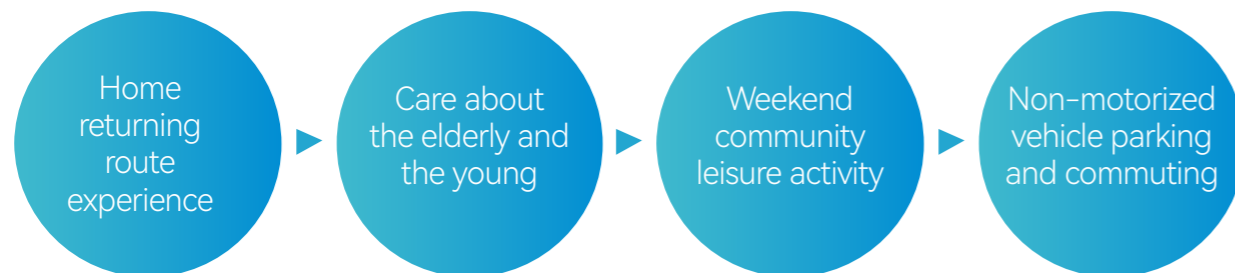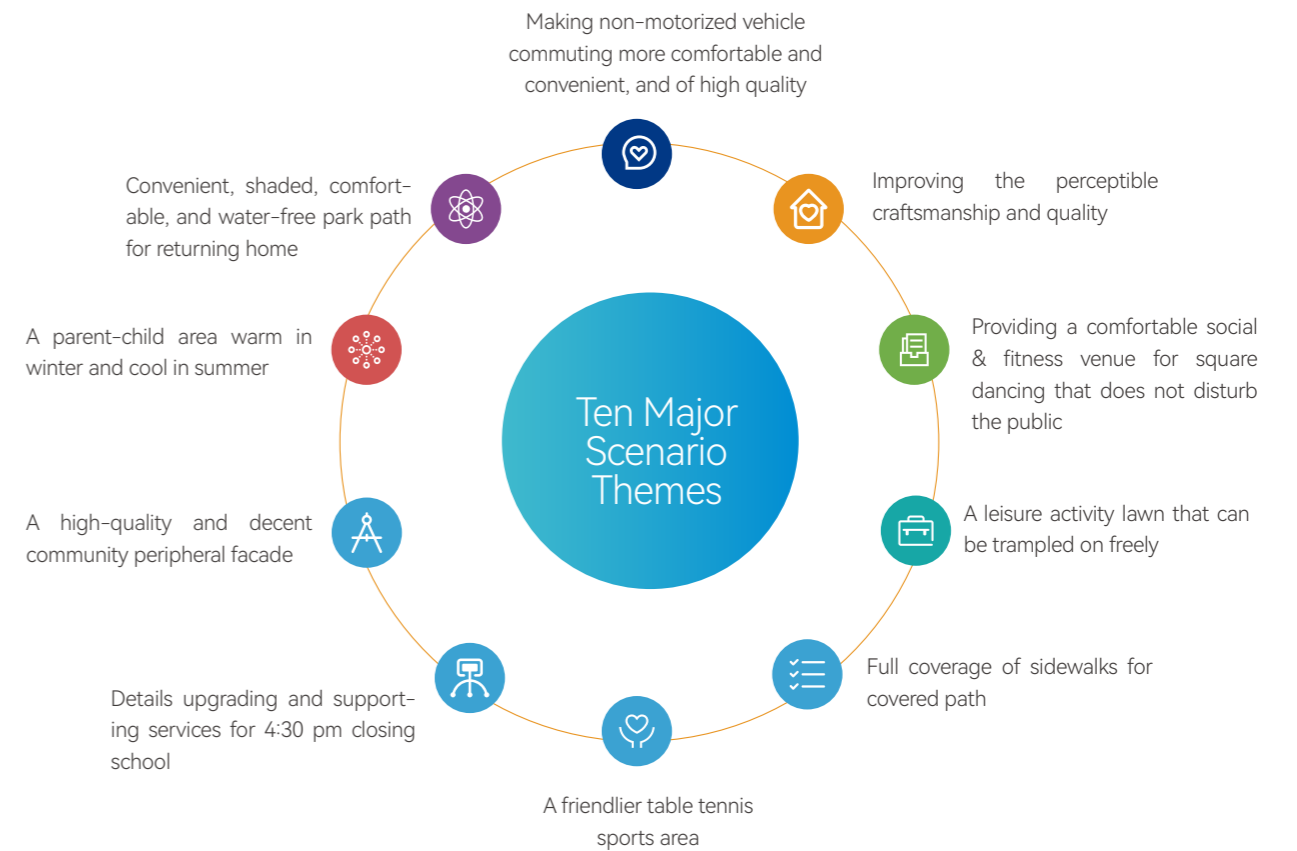

All-Around Foyer

We empowered residential buildings with technologies to achieve intelligent and unobstructed pass along the whole route, and combined the Resources Center to redefine the home returning experience for residents. To accommodate more living scenarios, the All-Around Foyer takes into account the new demands of the times and introduces business models to enhance services for property owner.

Based on property owner investigations, community development needs, and on-site community observations, we upgraded the quality and experience of four major scenario categories and ten major scenario themes regarding the research on user experience in the last mile home.

Four Major Scenario Categories

Home returning route experience ▶ Care about the elderly and the young ▶ Weekend community leisure activity ▶ Non-motorized vehicle parking and commuting

Ten Major Scenario Themes

Making non-motorized vehicle commuting more comfortable and convenient, and of high quality

Improving the perceptible craftsmanship and quality

Convenient, shaded, comfortable, and water-free park path for returning home

Providing a comfortable social & fitness venue for square dancing that does not disturb the public

A parent-child area warm in winter and cool in summer

Ten Major Scenario Themes

A leisure activity lawn that can be trampled on freely

A high-quality and decent community peripheral facade

Full coverage of sidewalks for covered path

Details upgrading and supporting services for 4:30 pm closing school

A friendlier table tennis sports area

04

Sustainable Development Management

Midea Real Estate is committed to achieving the integration and unification of corporate value and social value, adhering to the inspiring vision of promoting sustainable development of the industry, working together with all stakeholders to fulfill their responsibilities, and actively probing into the path of sustainable development for the enterprise.

Board Statement

The Company's Board of Directors places a high value on sustainable development management, deeply understands the strategic value of sustainable development management, and has established a set of effective ESG management mechanism and built an ESG governance structure with clear levels and division of work.

As the operating and management decision-making body of Midea Real Estate, the Board of Directors assumes overall responsibility for the Group's ESG work. It is responsible for formulating and supervising the Group's ESG development direction and strategies, as well as identifying, evaluating and managing ESG risks related to the Group's business. The Board of Directors regularly receives briefings from the ESG Working Committee, ESG Working Office or other relevant managements, and reviews and approves the Company's ESG management policies and the Environmental, Social and Governance Report.

The Company earnestly follows the Listing Rules and has formulated key ESG targets covering greenhouse gas (GHG) emissions, pollutant emissions, resource consumption, etc. The Board of Directors has reviewed and discussed these targets and regularly reviewed the attainment of relevant ESG targets to adapt to the latest developments of the external environment and the Company's business.

ESG Governance Structure

Midea Real Estate has defined the responsibilities and division of labor at each level to effectively promote the Group's ESG governance work. As the Company's decision-making level, the Board of Directors is responsible for formulating ESG management strategies, reviewing and evaluating the Group's annual ESG performance, and providing suggestions and requirements for the next step. As a body set under the Board of Directors, the ESG Working Committee is responsible for promoting ESG-related work and effectively implementing various management measures. An ESG Working Office, set up under the ESG Working Committee, is responsible for preparing annual ESG reports, tracking the attainment of relevant ESG goals, and assisting in reporting ESG work to the Board of Directors.

ESG Working Levels	Key Responsibilities	Staffing
ESG Working Committee	• Directly reporting to the Board of Directors, as the coordination body under the Board of Directors. • Undertaking various ESG-related management work and coordinating ESG-related business promotion, plan implementation and information collection. • Regularly reporting to the Board of Directors on the ESG implementation and work plans.	Composed of relevant functions such as product management, project management, bidding and procurement, audit and supervision, human resources.
ESG Working Office	• Responsible for preparing the Company's annual ESG report. • Responsible for following up on the attainment progress of ESG-related goals. • Assist the working committee in reporting ESG work to the Board of Directors.	Composed of relevant functions such as securities affairs and brand management.

Stakeholder Communication

Midea Real Estate continues to improve its communication methods with stakeholders, builds diversified internal and external communication platforms, establishes a long-term effective communication mechanism, disseminates the Company's sustainable development concept and latest performance of responsibilities to stakeholders, to enhance their understanding and support of the Company. The Company conducts in-depth research on issues of concern to stakeholders, accurately responds to the opinions and expectations of all parties regarding the Company's sustainable development work, and incorporates the opinions of stakeholders into the Company's decision-making process, transforming them into the direction and driving force of the Company for the sustainable development.

| Stakeholders	Demands & Expectations	Ways of Communication
Shareholders & investors	Transparent disclosure Safeguard shareholders' rights Compliant corporate governance	Regular disclosure of business information General meeting of shareholders Investor conference & roadshow
Governments & regulators	Law-abiding and compliant business operation Fully implement national policies Anti-corruption and anti-bribery Support local development	Regular reporting and communication Forums and exchange events Formulate relevant policies Participate in local development actively
Property owners/customers of malls & office buildings	High-quality products and services Effectively respond to customer complaints Safeguard customer's safety Customer's privacy protection	Effective complaint channels and responses Satisfaction surveys Disclosure of fee information Property/commercial service activities
Employees	Talent attraction and retention Development and training Safety and health Benefits and care	Regular communication Regular training session Employee activities Fair compensation
Environment	Energy conservation Pollutant emission reduction Effective utilization of materials	Green production and green office Environmental information disclosure Forums and exchanges
Suppliers	Win-win cooperation for mutual benefit Good faith and contract performance	Regular daily communication Supplier conferences Procurement activities
Industry association/-chamber of commerce	Comply with the industrial norms Promote industry innovation	Strengthen industrial exchange Strengthen innovative research and development
NGO & the public	Local community development & care Support social service	Public service activities Community services Information disclosure

Analysis of Substantive Issues

In order to better respond to the expectations and demands of internal and external stakeholders, and clarify the Group's ESG practice direction and key points of information disclosure, we continue to carry out materiality issue analysis, and form a material issue matrix of the Group through the steps such as issue identification, stakeholder survey, and issue analysis, so as to respond to the key concerns of various stakeholders and disclose the Company's ESG work progress completely and accurately.

In 2023, since the Group's operating business and sustainability management system have not undergone significant changes, we have combined the assessment criteria of various material issues with the actual business operation of the year. By taking the ESG Reporting Guide of the Stock Exchange as the basis, referring to MSCI-ESG ratings, SASB (Sustainability Accounting Standard Board) and other standards related to sustainable development management of the real estate industry, through the review and evaluation of ESG material issues in 2022, we have decided to use the analysis results of material issues in 2022 as the basis for the preparation of this report, and made key disclosures herein.

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

Issue Materiality Analysis Matrix of Midea Real Estate in 2023

Moderately important issues

Highly important issues

Generally important issues

Materiality to stakeholders

Materiality to the development of Midea Real Estate
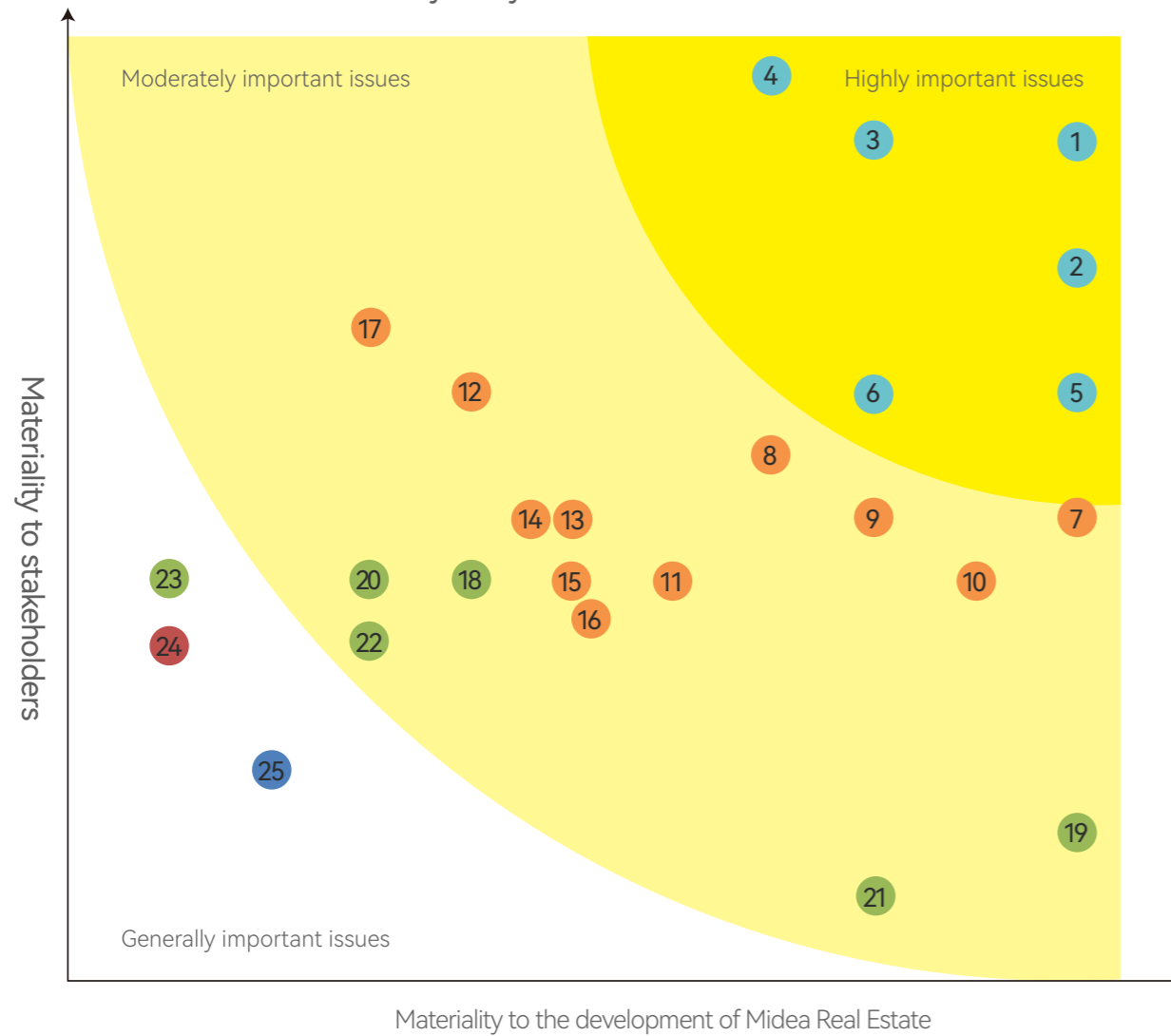
05

Deep Cultivation and Operation and Building Dreams with Quality

Standardize Corporate Governance

Strengthen Compliance Foundation

Dedicated to Quality Life

Enjoying High-Quality Services

Introduction

Timely response rate of
complaints reaches over **97**%

Customer satisfaction
not less than **84** points

Complaint closure
rate not less than **98**%

Current progress

97%
achieved

85 points
of customer satisfaction

98.4%
of complaint closure rate

KPIs

Valid patents obtained
469

Trademarks obtained
1,265

Copyrights obtained
199

R&D investment
RMB**80** million

Average intellectual
property training duration
2 hours

Number of directors and employees
participating in anti-corruption training
200

Employee signing rate
of integrity agreement
100%

Response to SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Standardize Corporate Governance

The Company continues to improve its internal governance structure, builds a systematic, scientific and standardized system with effective operation and strong supervision, and seeks higher-quality development with more efficient organization and management.

Organizational structure

The Board of the Company has set up the Audit Committee, the Remuneration Committee and the Nomination Committee to form a scientific and effective division of responsibilities, improve the operational efficiency of the Board, and continuously improve our own operation and management level. As of the end of the Reporting Period, the actual situation of our corporate governance met the relevant requirements of the normative documents on the governance of listed companies issued by the China Securities Regulatory Commission, the Stock Exchange and other institutions. In 2023, the Company held 1 general meeting and 4 Board meetings in total.

Board diversity

The Company regards the increasing diversity at the board level as a key element in promoting the sustainable development of the Company, and has formulated the Board Diversity Policy, which fully considers the diversity of the Board when appointing and electing the Board members, taking into account dimensions including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure, so as to provide professional leadership guarantee for the development of the Company. As at 31 December 2023, the Board of directors comprises 9 directors, including 4 executive directors, 2 non-executive directors and 3 independent non-executive directors. They have rich experience in the real estate industry, outstanding operation and management capabilities, as well as professional knowledge and skills in the fields of finance and law, which are conducive to the Company's decision-making and business innovation and growth. In addition, in order to achieve gender diversity at the board level, the Company has set a goal of adding one female director by 2024.

Strengthen Compliance Foundation

The Company takes operating in accordance with the law as the basic principle, strictly abides by the Company Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition and other laws and regulations, follows business ethics, and realizes high-quality development through the management of enterprises in accordance with laws and regulations.

Business ethics

The Company adheres to the business philosophy of integrity, coordinates multiple departments to jointly escort the Company's compliance development, and ensures the legalization and standardization of the Company's business activities.

Construction of compliance system

Midea Real Estate abides by the Corporate Governance Code, and has formulated the Legal Affairs Management Manual of Midea Real Estate to clarify the requirements of compliance management and provide a solid institutional guarantee for the promotion of compliance management. The legal sharing platform publishes the New Regulations Express and Risk Control Cases Monthly through the Group's publishing channels every month, focusing on the interpretation of the new laws/regulations related to the industry issued by various departments in the current month, with an employee coverage rate of 100%. For cooperative project companies, we have issued the Administrative Measures for the Meetings of Shareholders, Board of Directors and Board of Supervisors of Cooperative Projects of Midea Real Estate to standardize the management of the meetings and resolutions of these three types of meetings of the Group's regional cooperative project companies to ensure that these meeting procedures are legal and compliant.

The Company conducts compliance training for employees, covering multiple dimensions such as interpretation of laws and regulations, specific practical guidelines, risk prevention and response, etc., to improve employees' awareness of compliance management. As of the end of 2023, Midea Real Estate has conducted a total of 33 training sessions for relevant personnel of the Group, regional companies and business units, with an average of 3 to 4 training sessions per month, with 6,455 participants.

Anti-corruption

Midea Real Estate adopts a zero-tolerance attitude towards commercial corruption, strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition and other laws and regulations, clarifies the ten red lines and the quantitative principles of punishment for employees' red-line behaviors in the Measures for Accountability Management, formulates the Anti-Corruption Practices applicable to all employees of the Group, and requires all employees to sign the Integrity Agreement to strictly control the integrity and self-discipline of employees and create a clean and honest corporate culture. In 2023, 100% of employees signed the Integrity Agreement, and 1 corruption case was raised and concluded. In addition, the Company has been implementing a variety of training activities such as integrity education, value publicity, code of conduct, and publicity and implementation of laws and regulations, and has carried out anti-corruption training for a total of 200 directors and employees, so as to continuously strengthen the awareness of compliance and integrity among all employees.
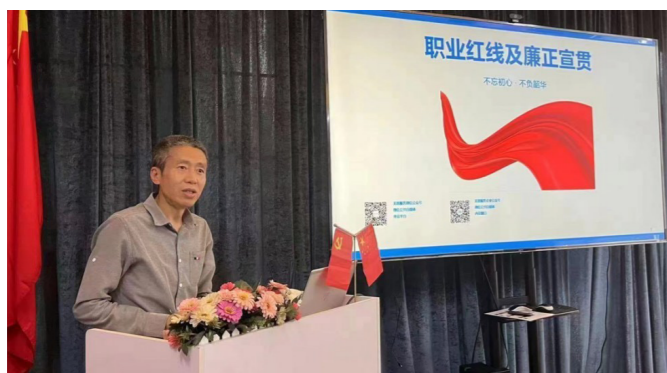
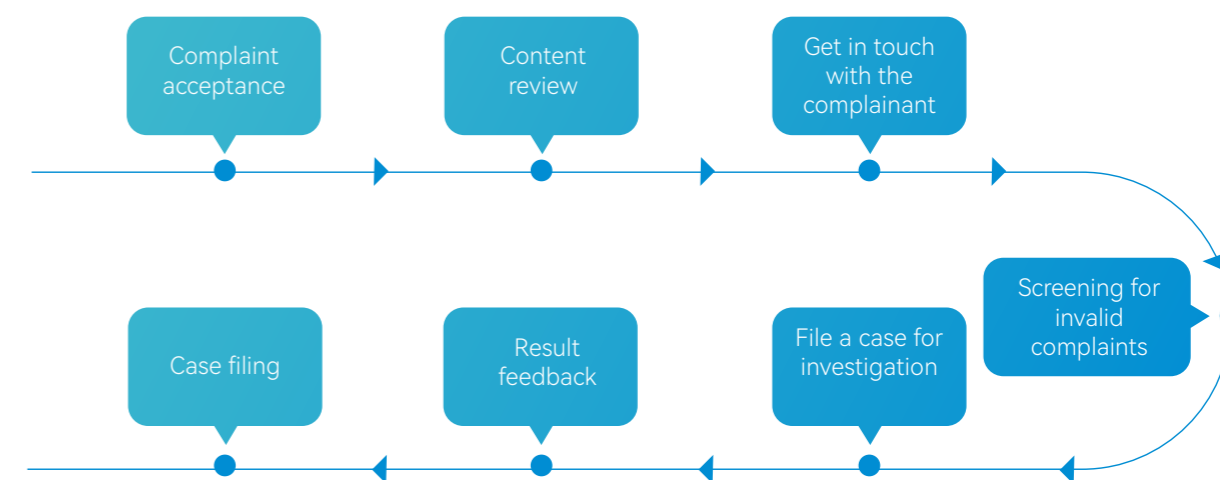Offline Course Training for Integrity Practice

Midea Real Estate Promoted as a Standing Executive Member of Enterprise Anti-Fraud Alliance

Whistleblowing management

The Company has formulated the Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violations, clarifying the normative requirements for the management of whistleblowing and complaints, and encouraging employees to supervise and report any fraudulent and illegal behavior that harms the interests of the Company. The Company receives reports through multiple channels, including hotline, email, QQ, WeChat official account, letter mailing, face-to-face reporting, and entrusting others to report, and accepts complaints and feedback from internal and external stakeholders. Midea Real Estate has established a dedicated agency responsible for daily management of reporting matters, formulating a standardized complaint handling process, arranging special personnel to carry out investigations, and timely following up and investigating suspected fraud incidents to ensure the proper handling of whistleblowing and management incidents.

The Company keeps the name, home address, telephone number and other information of the whistleblower highly confidential, and the reporting materials and records are included in the confidential management by special personnel in a timely manner, and the closed cases are kept confidential and filed in a timely manner, so as to prevent any retaliation against the whistleblower. We have set up a reward system for whistleblowing, which divides the reports provided by employees into three categories: "clues", "evidence" and "confrontation", and provide cash rewards of different amounts, with a maximum of RMB 1 million for each case.

◎ Whistleblowing process

```
Complaint          Content            Get in touch
acceptance    →    review        →    with the
                                      complainant
                                          ↓
                                      Screening for
Case          ←    Result        ←    File a case for ←  invalid
filing             feedback           investigation      complaints
```

◎ Reporting channels:

Whistleblowing hotline: 0757-2660 7621
Email of Audit and Risk Control Center: gcjc@mideazy.com.cn
Email of President: hhle@mideazy.com.cn
QQ: 2634332033
Wechat official account and QR code: Midea Real Estate with Integrity and Honesty (廉潔誠信美的置業)
Mailing address: Audit and Supervision Function34/F, Midea Real Estate Plaza, Beijiao Town, Shunde District, Foshan City, Guangdong Province

QR code for Whistleblowing

Intellectual property protection

Midea Real Estate puts a high value on the operation and management of brand assets and the management and protection of intellectual property rights, strictly abides by the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and other relevant laws and regulations, comprehensively standardizes the protection of intellectual property rights, and effectively protects the interests of the enterprise itself, partners, customers and other relevant parties through trademark registration, patent application, copyright registration, training and supervision.

Establish protection mechanism

Midea Real Estate has formulated guidance documents such as the Measures for Copyright Management, Measures for Patent Management, Measures for Trademark Management, Rules on the Implementation of Measures for Patent Management , and the Legal Guidelines on Rights Protection in Trademark and Trade Name Infringement Cases, and has set up dedicated legal personnel of intellectual property to clarify management responsibilities and respond in a timely and efficient manner when intellectual property rights are infringed. The Company has developed a special online intellectual property management system to manage the whole process of application, operation, maintenance and authorization of intellectual property assets. In 2023, Midea Real Estate did not experience any infringement of intellectual property rights.

Continuous monitoring and management

The Company regularly monitors the registration of core trademarks and has issued the Guidelines on the Publication of Corporate Brand Value Concept and Trademark Application to ensure the correct use of trademarks. In the event of a trademark dispute with another entity, the Company usually engages a third-party organization to cooperate in resolving the intellectual property dispute, and entrusts a third party to monitor trademarks, copyrights and other violations. As members of the Foshan Copyright Industry Development Alliance, three subsidiaries of the Company, Remac Intelligent, Remac Industrialisation and Remac TY, have passed the Intellectual Property Management System Certification (GB/T29490-2013), and in the Year, Remac Intelligent was recognized as a "National Intellectual Property Advantage Enterprise" by the China National Intellectual Property Administration. As of the end of 2023, the Company has obtained 469 valid patents, 1,265 trademarks, and 199 copyrights.

Carry out training and publicity

In order to continuously improve employees' awareness of intellectual property protection and standardize intellectual property protection, in 2023, Midea Real Estate carried out 5 intellectual property-related training sessions (including the Project Patent Mining and Layout Training, the Basic Patent Knowledge Training and the Overseas Trademark Application Process Training) mainly for the personnel of the business departments of Remac Intelligent and Remac Building Technology, covering risk identification of product infringement to others, internal trademark protection, etc., with 250 participants and an average training time of 2 hours.

Information security

The Company strictly abides by the Cybersecurity Law of the People's Republic of China, the Personal Data (Privacy) Ordinance and other laws and regulations, and has formulated the Information Security Management Specification and other systems applicable to all employees of Midea Real Estate, and updated the terms of customer privacy commitments, etc. During the year, our CEO (Chief Executive Officer) took the lead, and our CIO (Chief Information Officer) was responsible for the implementation of the information security system and verified the implementation of data security, privacy security protection, and other major areas throughout the Group. In 2023, the Company did not experience any information security emergencies or information leakage incidents.

Information security management

In 2023, the Company joined the Information Security Support Mechanism for Key Enterprises in Shunde to quickly grasp and respond to relevant early warning information, and implemented more than 15 internal information security response measures such as patch upgrades and anti-virus publicity. In terms of responding to information leakage, Midea Real Estate has formulated preliminary plans including network isolation at the technical level. The Company has carried out the normalization of information security testing, requiring all newly launched systems in 2023 to pass the code inspection and pre-launch testing for information security, and all high-risk vulnerabilities/hidden dangers and medium and low risks must be resolved within one week before and after the launch, respectively. During the year, we also conducted a red-blue confrontation test in Midea's system with the participation of major internal virtual hosts, reviewed the Company's information security reinforcement, and completed relevant rectification and upgrade according to the test results.

We have strengthened the management of customer information and supplier information, focusing on strengthening the protection of databases, and strictly controlling the access rights of customer and supplier information through digital database access authorization management, desensitization of data used in the test environment, and isolation of data in the production environment from office networks, so as to protect their privacy from being leaked.

Information security training

Midea Real Estate has carried out regular information security training for all employees, mainly combined with information security cases, and reminded all employees through emails and WeChat mass messaging, including prevention of phishing emails and ransomware, etc., which has been implemented more than 10 times in 2023. In addition to regular information security training, the Company also conducted special training for full-time information security management personnel such as employees of the digital team to improve the information security awareness, security skills and security vision of professionals, and completed two training sessions in the year.
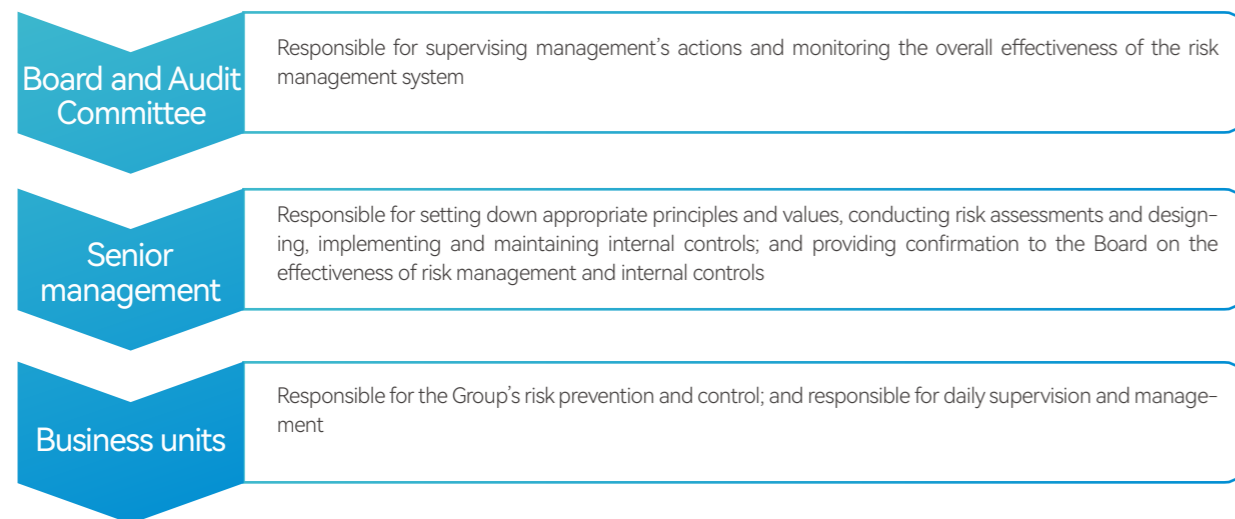
Risk management

Midea Real Estate has always put the prevention and resolution of major risks in an important position, and has gradually improved the internal control system and risk management mechanism in strict accordance with the requirements of relevant laws and regulations and the Articles of Association, and improved the risk management and prevention system.

The Company has established a three-tier risk management structure, which is led by the Board and the Audit Committee, guided and supervised by senior management, and implemented by various business units. We have formulated the Management Measures for Auditing and Supervision, carried out audits for key risks, improved the internal control and supervision functions of the Audit Department, identified and analyzed risk points before project initiation, and processed all approval processes and audit recommendations online, so as to achieve closed-loop management of major risks, and the closure rate of audit issues reached 93%. The Company divides risk management into four steps: risk identification, risk assessment, diagnosis and response, and supervision and improvement, forming a standardized and stable risk handling model and promoting the construction and improvement of the risk management process. In 2023, we focused on sorting out legal risk events and conducting research and analysis, forming a "sales list" of legal risk management and control in various fields, and improving the awareness of legal risk prevention and control among all employees by continuously updating contract templates, relevant systems/guidelines, and strengthening training and publicity.

Board and Audit Committee	Responsible for supervising management's actions and monitoring the overall effectiveness of the risk management system
Senior management	Responsible for setting down appropriate principles and values, conducting risk assessments and designing, implementing and maintaining internal controls; and providing confirmation to the Board on the effectiveness of risk management and internal controls
Business units	Responsible for the Group's risk prevention and control; and responsible for daily supervision and management

Investor management

Information disclosure is an important window for investors and the public to obtain relevant information about listed companies, and it is also the basis for communication between the two parties. Midea Real Estate discloses relevant information to all shareholders, investors and the public in a timely and accurate manner, and strives to disclose information truthfully, accurately, completely, timely and fairly, so that investors can fully understand the Company's finance, operation, human resources and other major matters.

The Company has always adhered to the attitude of integrity, responsibility and respect for investors, carried out communication with investors, regularly released results and annual results reports on a quarterly basis, and issued other announcements when necessary, established a normalized communication mechanism and diversified communication channels, and continued to pay attention to the information needs of investors, striving to enable investors to have a more comprehensive and in-depth objective understanding of the Company's development status and future strategic planning. In 2023, Midea Real Estate conducted a total of 27 roadshows, 8 reverse roadshows, 18 daily exchanges, and participated in 16 industry strategy meetings.

Dedicated to Quality Life

In the context of diversified consumer demands, achieving steady progress and forming unique product advantages turn out to be critical to corporate success. Midea Real Estate will combine "precision and intelligence" to continuously create "hard power" products that can stand the test of the market, providing property owners with a healthier and better ideal lifestyle.

Valuing product quality

Midea Real Estate insists on holding itself to high standards, building a foundation of quality life with high quality, creating an atmosphere of craftsman culture that strives for excellence, strictly controlling the quality and safety throughout the entire life cycle of buildings, and making great efforts to become a practitioner of boutique projects.

Midea Real Estate's Standards for Products

In 2023, Midea Real Estate released Midea Real Estate's standards and regulations formulated for product quality and services such as the Pavement Design Standardization Manual (2023 Edition), Plant Cultivation Standardization Manual (2023 Edition), Full Process Control Standards for Curtain Wall Landing Quality (2023 Edition), Basement Quality Improvement Product Manual of Midea Real Estate – 2.1 Edition, and Landscape Standardization Guidelines Manual, and updated the Group's framework for Midea Real Estate's standards to improve the standardization level of products.

The Company has established a feedback mechanism for landing inspection to conduct monthly project tracking, carry out spot checks on construction drawings, and regularly conduct on-site inspections and summaries of projects. The Company has integrated Midea Real Estate's standard system into its business processes and associated Midea Real Estate's standards with relevant business nodes to implement inspection, enabling the construction personnel to become more proficient in key points, processes, and quality acceptance criteria in the working procedures, and effectively ensuring construction safety and quality.

Midea Real Estate's Standards System 3.0 for Projects (Partial)

Engineering Management Procedure

| Management behaviors	Technical standards	Auxiliary tools
• Engineering Management Planning methods • Joint Review Measures for Construction Drawings • Management Measures for Material Models and Material Acceptance • Management Measures for Working Procedure Models and Working Procedure Acceptance • Management Measures for Evaluation of Construction Models • Management Measures for Project Handover and Acceptance • Management Measures for Engineering Quality and Safety Process Assessment • Management Measures for Internal Project Acceptance • Management Measures for Delivery Assessment • Post-Project Evaluation Management Measures	• Measures for Civil Engineering Management • Measures for Electromechanical Engineering Management (Integrated) • Measures for Fine Decoration Engineering Management (Integrated) • Measures for Landscape Engineering Management (Integrated) • Measures for On-site Safe and Civilized Implementation • Measures for Exterior Facade Coating Management • Measurement Measures for Finished Product Protection	• Engineering Data Management Measures • Engineering Asset Management Measures • Management Measures for Water and Electricity Fees of Projects • Management Measures for Third Party Units Introduced into Projects • Management Measures for Engineering Quality and Safety Accidents • Management Measures for Engineering Quality and Safety Control • Engineering "Chengyijia" Management Measures • Gong Jiang Jia Management Measures • Management Measures for Renovation and Expansion Projects

Quality Supervision

Midea Real Estate adopts the "Cloud Supervisor" platform to promote "visible construction" in projects across the country and accept supervision from consumers and the market. The "Cloud Supervisor" mode realizes the embedded system of televisions, which realizes play online anytime and anywhere, supports fixed-point live streaming, factory-wide carousel, multi-screen live streaming, and other modes, displays the construction progress and quality in real time, and fully displays the materials, techniques, and quality control of the building construction process to the property owners in a comprehensive and authentic manner, presenting the details of the entire delivery process in the most realistic scenario, allowing the property owners to see, touch, and feel the process, and strengthening the understanding and confidence of home buyers in the quality of Midea Real Estate's precision craftsmanship.

Chengyijia Cloud Supervisor

Quality Control Mechanism

Remac Building Technology adopts product quality control throughout the whole production process, develops quality strategies and goals, and breaks it down into process goals, finished product goals and customer satisfaction goals for goals management and appraisal. The factories of Remac Building Technology stepped up the quality control in 2023, and the first pass yield of the finished products of Huizhou Factory was around 99.2%.
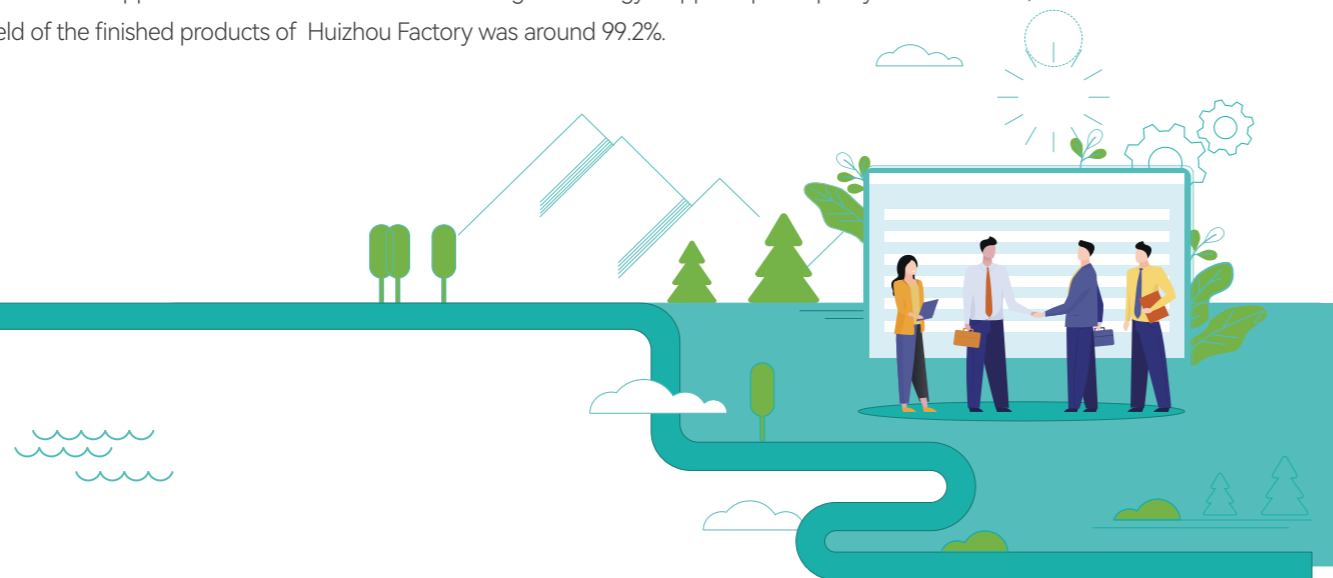
Control Standards	Formulate standards for product production, transport, construction and the like, ensure that operations at each link comply with unified standards, and reduce the impacts of human factors. In 2023, we laid down 11 standards for interior decoration products, including Measures for the Protection and Administration of Finished Products, Standards of Integrated Wallboard Technology Quality, as well as handbooks of standard construction and inspection procedures for steel structure MiC products. Moreover, we revised 16 standards for acceptance of prefabricated structure products.
Product Inspection	• Raw material inspection: the factories carry out spot checks on incoming materials in accordance with national standards and specifications, and send samples to third parties for inspections at a higher frequency than the requirements of national and industrial standards. In the meanwhile, we determine the quality standards for incoming raw materials acceptance, and retain raw material samples for self-inspection, ensuring the quality of the materials. • Production inspection: we perform standard inspection on products at each link from production to delivery, in addition to real-time whole-process product quality control.
Digital Platform	We control quality inspections with information technology, save inspection results in the cloud, and ensure traceability of production process quality, by using the quality inspection function of the MES system.

Technological Innovation

The Company gives top priority to innovation in corporate development, builds and continuously improves its R&D platform and innovation system, relies on intelligent technologies to innovate in commercial value, and injects an impetus into sustainable development.

Remac Intelligent has established a R&D management work mechanism centering on a product manager responsibility system and supported by the three major project management processes of independently-developed products, ecological products, and platform software products, fulfilling the systematic implementation of R&D work. Remac Intelligent continuously improves its R&D and innovation organization structure, builds a talent system, explores the skill advantages of all kinds of talents, and encourages outstanding talents to lead and participate in innovative R&D projects. In 2023, Remac Intelligent's RAMAC Home OS received the German Red Dot Design Award.

Remac Intelligent Received
the German Red Dot Design Award

Practicing smart operations

In the era of continuous development of digital technology, the modern life continues to rapidly develop towards intelligence, and smart technology has become a powerful driving force for real estate enterprises to enhance their comprehensive strength. Midea Real Estate adheres to empowering the industry by virtue of the power of technology, leading the ideal living with wisdom, meeting customer needs by providing more efficient and high-quality services, and turning the product strength into the cornerstone for stable development of the enterprise.

Smart Home

Starting from the real needs and lifestyle of users, Remac Intelligent creates a multi-format spatial intelligence solution, uses the AIoT platform, AI technology, and digital twin technology to build the industry's first integrated platform from scenario planning to final installation, commissioning, and landing, iterates Smart Home 5.1, attaches importance to improving ease of use and interaction experience, pays attention to the experience suitable for both the young and the old, and provides users with "6 smart spaces, 12 lifestyles, and 5 categories", and 8 major housekeeper systems to create a smart and warm home that can be perceived.

6 smart spaces

| Smart porch | Smart living room | Smart balcony | Smart kitchen | Smart dining room | Smart bedroom |

12 lifestyles

Return home at ease, refreshing and healthy
Safe kitchen, one-stop supply, warm dining
Immersive movie watching, sports and leisure
Smart washing and drying, integrated housekeeping
Comfortable sleep, perfect dressing, exclusive enjoyment of audio and video

5 supporting categories

| Smart devices | Smart electrical appliances | Smart cabinets | Smart building materials | Smart soft decoration |

Upgrade of 3 major systems with AI capabilities:

AI Air Housekeeper

By actively monitoring the indoor and outdoor air environment data and in combination with the human body sensing data and user behavior habits, it realizes active thinking and judgment to meet the needs of various spaces and people. Moreover, it, through outdoor recognition of weather conditions, actively adjusts the temperature and humidity, efficiently removes formaldehyde, purifies air, and provides an all-weather comfortable indoor air environment.

AI Light and Shadow Housekeeper

Thanks to the combination with smart lighting and lamps, we implement a 20+ ambient light and shadow mode, three major AI hosting strategies, and centralized control of lighting and shading equipment. Users can freely switch the lighting atmosphere of the entire house, creating a personalized and exclusive sense of ceremony at home. The light and shadow in the whole house, by simulating natural light changes, can achieve dynamic lighting throughout the day according to the needs of health rhythms, and improve the sleep quality.

Upgrade of 3 major systems with AI capabilities:

AI Low Carbon Housekeeper

We focus on creating the three major AI algorithm strategies for energy conservation in air conditioning, energy conservation in lighting, and unattended energy conservation, as well as the multi-mode sensing and device linkage centralized control capabilities, achieving full house electricity consumption data visualization, enabling users to view electricity consumption trends and electricity consumption equipment ranking, and setting the abnormal electricity consumption reminder to meet the energy-saving needs of users in daily scenarios of high energy consumption equipment and high-frequency behaviors. The AI low-carbon energy-saving algorithm jointly developed and innovated with the University of Science and Technology Beijing has achieved the goal of 15% energy saving while ensuring comfort.

Case: Science and Technology Balanced Residence 1.0

Midea Real Estate strives to find a solution to balance old-age care and life for mainstream customers in the society, and launches an ideal scientific and technological residence meeting intergenerational support needs - Science and Technology Balanced Residence 1.0, which provides a living space for effectively managing time and reasonably arranging family activities, and has been implemented in the Jewel Crown.

Smart Community

The Company actively integrates new information technologies such as Internet of Things, cloud computing, and big data, and conducts digital management and coordination for the life of community residents, committed to creating an integrated community solution, realizing smart community management and enriching residents' life experience.
(* For details of community infrastructure construction, see the description of special features)

Improving the lifestyle of community users:

Pedestrian Traffic

Set up the owner's one-code/one-face pass system in the public area and personal private area. Visitors can use the QR code to pass, and the elevator control system is connected to realize automatic elevator calling through face recognition.

Define children's restricted safety areas, inform parents in time, ensuring safe and convenient life in the community.

Vehicle traffic

Create an integrated network ecology of "lot + space + pile + owner + car". After entering the parking lot, fuel car owners can be guided to the empty parking space nearest the pedestrian entrance, and new energy car owners can reserve a one-stop charging parking space, and complete navigation, fast charging, fee settlement, and other operations.
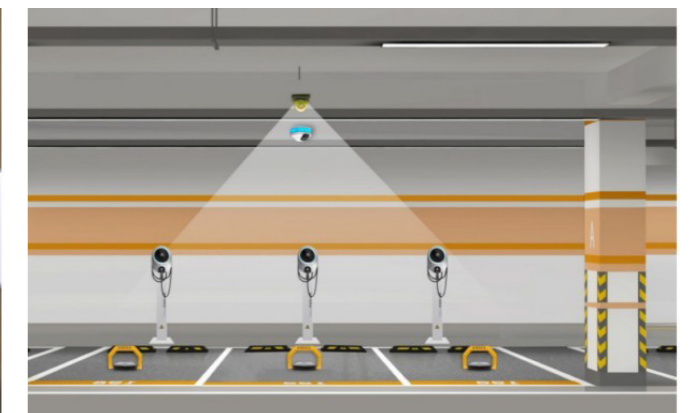
Security

Monitor visitors' staying/high-altitude throwing all the time, and remind the person in charge to deal with problems in time.

Equipment

Connect the smart water and electricity meters in an all-round way, realize remote one-key reading, generate monthly bills, and push them to the owners.
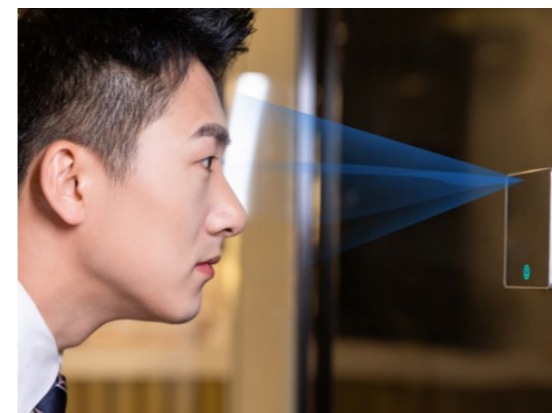
Face Recognition for Owners

Charging Parking Spaces of the Community

Energy Management

Set up an energy management system for smart communities, launch the four energy conservation solutions, namely, "lighting energy conservation", "intelligent charging pile", "photovoltaic energy storage", and "rainwater collection system", connect the smart devices, monitor energy consumption, track energy consumption all the time, and export monitoring charts, so as to realize automatic system analysis and intelligent energy conservation regulation.

Charging Pile Management

Intelligent management	Adopt the Internet and Internet of Things technologies to remotely monitor and manage the usage, charging rate, and power consumption of charging piles to realize efficient operation of the charging service.
Peak shaving management	On the premise of balancing supply and demand in the power grid, increase or decrease the charging rate of charging piles according to the power grid load demand, so as to dynamically adjust the power grid load, reduce the power consumption cost, boost the charging efficiency, and improve the power consumption experience of residents. Residents can also check information such as the usage and charging status of charging piles in real time through the APP or other management platforms to improve the convenience and transparency of charging.

Product R&D Base

Midea Real Estate is committed to creating an open enterprise park for citizens to participate in. It replicates technological means, lifestyles, community models, and cooperation with external operating units to showcase spaces such as the All-Around Foyer, Sports & Wellness Ring, Resources Center, and green energy-conservation park, achieving the practical exploration of space plus community. The product R&D base plans to forge zero carbon buildings and provide venues for community operation activities, and has formulated the preliminary energy conservation solution and technological intelligence solution.

Enjoying High-Quality Services

The Company focuses on the real needs of customers and the direction of industry development, improves the customer service management system, optimizes customer service details, creates a full-cycle customer service process from proactively providing after-sales service to actively responding to customer complaints, and comprehensively enhances customer experience.
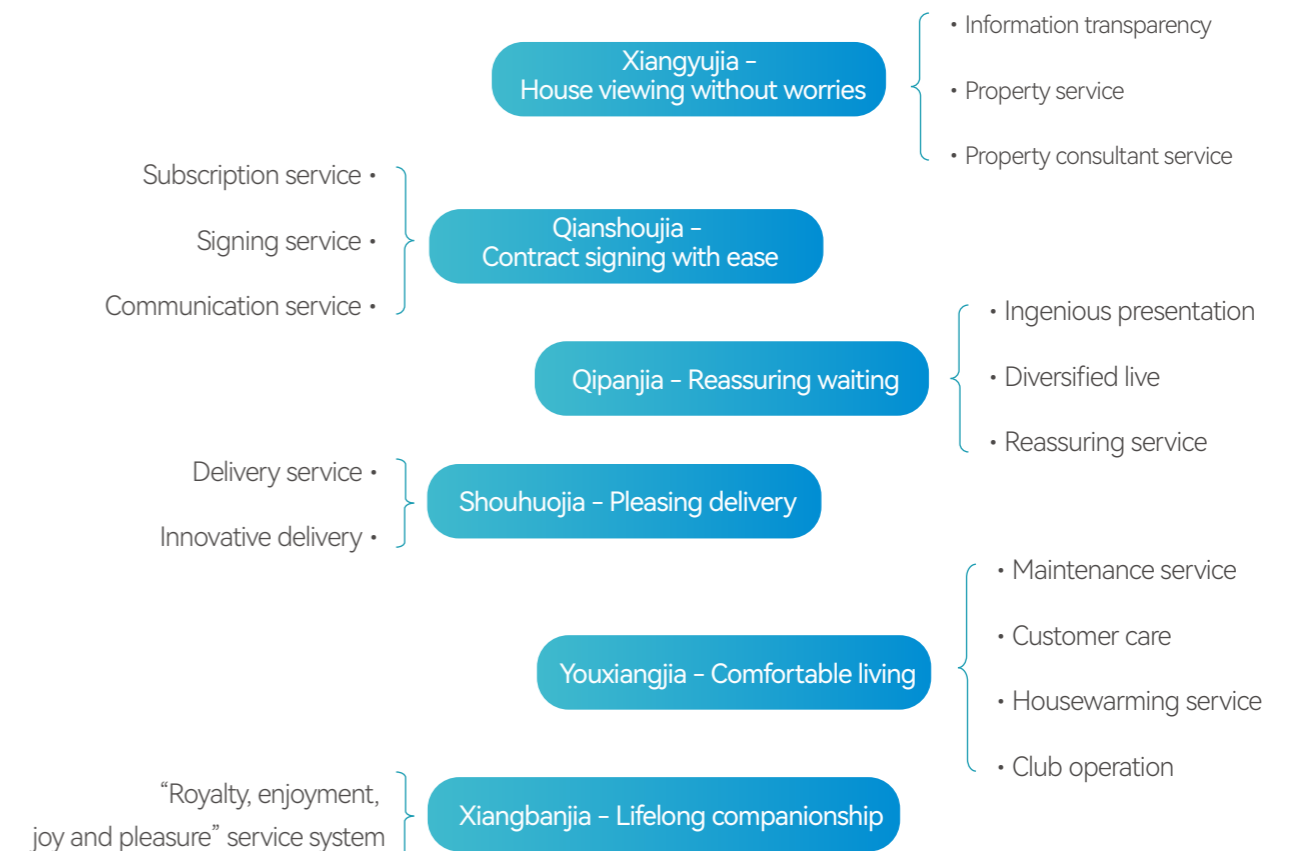
Optimizing service management

Midea Real Estate focuses on controlling service quality, committed to creating high standard services, upgrading core service capabilities in all aspects, utilizing data analysis to achieve refined management, and fully improving the service efficiency.
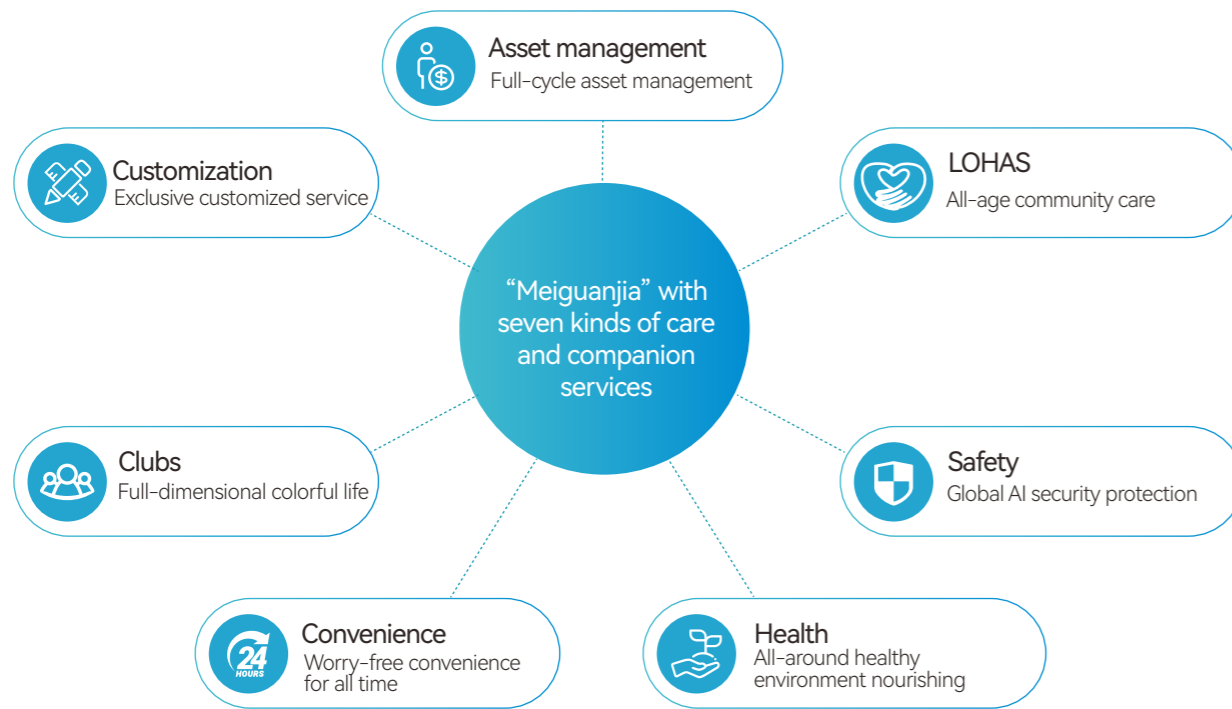
Service System

Midea Real Estate analyzes the real and potential needs of customers, combines its own actual situation to extract standards of the "Company with Sincerity" service system, and launches high-quality services of seven levels, providing Midea Real Estate with a service standard reference of the full lifecycle and experience reference at the business operation end.

Xiangyujia – House viewing without worries
- Information transparency
- Property service
- Property consultant service

Qianshoujia – Contract signing with ease
- Subscription service
- Signing service
- Communication service

Qipanjia – Reassuring waiting
- Ingenious presentation
- Diversified live
- Reassuring service

Shouhuojia – Pleasing delivery
- Delivery service
- Innovative delivery

Youxiangjia – Comfortable living
- Maintenance service
- Customer care
- Housewarming service
- Club operation

Xiangbanjia – Lifelong companionship
- "Royalty, enjoyment, joy and pleasure" service system

"Meiguanjia" with seven kinds of care and companion services

Asset management
Full-cycle asset management

Customization
Exclusive customized service

LOHAS
All-age community care

"Meiguanjia" with seven kinds of care and companion services

Clubs
Full-dimensional colorful life

Safety
Global AI security protection

Convenience
Worry-free convenience for all time

Health
All-around healthy environment nourishing

Intelligent Service Platform

Midea Real Estate continuously improves platform functions such as "Midea Real Estate Cloud", "Yunlin Community", and "Cloud Delivery Platform" to support customer service management through informatization, and improve the enterprise operation efficiency and customer service level.

Midea Real Estate Cloud

Midea Real Estate connects the house purchase recommendation and customer service platform, allowing property owners to enjoy exclusive online services on Midea Real Estate Cloud, and providing one-stop solutions for reported repairs, complaints, consultations, and more services. In 2023, the cloud supervision system was incorporated into Midea Real Estate Cloud, involving some projects only.

Yunlin Community

The Yunlin Community APP and the brand-new Yunlin WeChat mini-program launched by Midea Real Estate Service not only undertake services for all the customers of residential houses delivered by the Group, but also provide digital property services for third-party customers. They have provided online incident and repair reporting, consultation and Q&A, complaint suggestions, gate release, online payment, home service appointment, and other daily services for over a million customers.

Cloud Delivery Platform

The Cloud Delivery Platform has improved its own functions in optimizing the legibility of signed document fonts, supporting individual and batch delivery of parking spaces, one-key export of signed documents in the background, etc. On top of that, the background functions are optimized so that the management personnel can clearly grasp the status of each indicator, making it convenient for staff to manage the delivery progress.

400 Call Center

The call center focuses on continuous exploration of services, and pre-sales consultation, after-sales services, and major complaints are all distributed online and tracked offline through a complete system to achieve closed-loop management. Trigger customer complaint warnings and upgrades by analyzing and integrating customer big data, and coordinate and work with all departments to make services more proactive and efficient. In 2023, the 400 call center system continued to optimize the complaint upgrade ledger, including adding complaint objects, complaint categories, and cumulative progress feedback.

Customer Service System Iteration

Conduct a multi-dimensional and all-round evaluation by business priority, lean dimensions, business maturity, beneficiary group scope, and technical implementation difficulty, mainly including four types: data statistics and analysis, interaction experience optimization, risk control satisfaction promotion, and business operation support.

Feitian Plan

In 2018, the Company launched the Panshi Plan, and completed the digital system reconstruction focusing on real estate development, achieving the full chain integration of business and finance from sales to production, supply chain and R&D. On the basis of the Panshi Plan, the Company combined the trend of digital development and its own business characteristics to render a digital advanced edition of the plan – "Feitian Plan" in 2023, achieving the derivative upgrade of digital capabilities. The "Feitian Plan" achieved unified support for customer-centered service touch points throughout the entire stage, realized digital upgrade of property management, commercial management and other business formats, and leveraged the business synergy among various business formats to provide customers with a better service experience.

Property Sector	The Smart Life system was launched to provide property customers with comprehensive intelligent services based on WeChat touch points, covering a variety of scenarios such as smart parking, smart passing, smart work orders, smart payment, and smart home services, achieving standardization, simplification, and digitization of services, and effectively improving the customer service quality.
Business Management Sector	The Huishang Cloud system was launched to realize digital upgrade for the business operation management process.

Protecting customer rights and interests

While proactively improving the efficiency of our services and responses, the Company safeguards the rights and interests of customers and resolutely protects their privacy, with the aim to meet their expectations by excellent product and service quality.

Customer Privacy Protection

Midea Real Estate strictly complies with relevant laws and regulations such as the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, as well as internal system regulations such as the Midea Real Estate Privacy Protection Policy, Information Security Management Specification, and IT System Data Export Application Process, and provides definite guidance for employees in handling information security management work in their daily work. The Company appoints dedicated employees to manage customer data to ensure its confidentiality, strictly controls the centralized management of customer privacy data, and encrypts electronic files related to customer information. The Company formulates regulations on the registration, entry, collection, and archiving of customer profile information, and requires employees to protect customer privacy, strictly prohibiting disclosure of customer information in any form, and sets information usage permissions. If customer information needs to be exported, it must be approved through the process before exporting by the IT department. The export information is affixed with a watermark, and the designated person for export is the first person in charge, who shall effectively protect customer privacy from infringement.

In 2023, Midea Real Estate saw no disclosure of customer data and privacy.

Customer Complaint Handling

The Company establishes a complaint handling leading group to systematically manage customer complaint work, and formulates guidance documents such as the Operation Guidance for Complaint Handling Management and General Complaint Handling Process to clarify the boundaries of complaint management and designate corresponding responsible departments. The Company establishes a comprehensive customer feedback problem management process, optimizes the customer demand grading and classification management mechanism, and formulates targeted solutions in light of factors such as difficulty in handling events. Complaints can be made through online and offline channels such as the Group's 400 hotline, Midea Real Estate Cloud, WeChat official account of the enterprise, Yunlin Community, and the property management front desk of the community. The Company specifies the requirements for response time and processing time for complaint work orders, and formulates relevant assessment indicators. After complaints are handled, the handling result is confirmed based on the customers' online evaluation or call follow-up, achieving closed-loop management of complaints. In 2023, the timely response rate of complaints reached 97%, and the close rate of complaints reached 98.40%.

Responsible Marketing

Midea Real Estate carries out marketing activities based on the standards of accountability, transparency and compliance, implements responsible marketing in an all-round way, and guides consumers to make rational consumption decisions. The Company has formulated regulations and guidelines such as the Six Red Line Management Measures of Real Estate Group for Customers to clearly prohibit behaviors, such as false sales promotions and promises, and fraud in customer satisfaction survey, ensuring the authenticity, objectivity, and legality of relevant information during the publicity process. The Company conducts transparent disclosure of unfavorable factors in projects, sets up a transparent disclosure board on the site, and provides abundant documents for online display to enhance the transparency of customer information output and protect the customer's right to know. The Company strictly regulates the information output by marketing personnel. It has piloted the production of electronic AI work cards to automatically identify illegal words and reduce the uncertainty of information transmission, and has also established a secret visit system for mysterious customers to promote self-examination of marketing compliance. The external output of the Company's marketing-related documents will be reviewed by the regional legal personnel to ensure that there are no violations of laws and regulations such as the advertising law.

Optimizing service experience

To further improve the quality of life and happiness of customers, Midea Real Estate has set up a special customer service position – Customer Service Ambassador – from the signing of the contract to the delivery, responsible for online communication to assist in handling unsettled matters of the house contract signing, informing the service progress, and supervising the contract service standards to achieve continuous customer service in the full cycle. In 2023, the Customer Service Ambassador entered the stage of normalized service, realizing one-to-one customer service and establishing one account for each customer. It maintains contact with customers mainly through the Wecom, and coordinates resources of each port to fix problems for customers. The Company sets assessment indicators for the Customer Service Ambassador to encourage them to provide customers with professional, timely, and all-dimensional services and assistance, and requires them to contact property owners at least once a month to inquire about their demands and respond to customer inquiries within 24 hours to ensure the effectiveness of services. By the end of 2023, Midea Real Estate has completed the comprehensive layout in 10 regions.

Set Customer Service Ambassadors

Customer satisfaction

Midea Real Estate conducts customer satisfaction surveys for all the contracted property owners on an annual basis. It uses an independently-developed customer satisfaction survey system to collect and analyze customer satisfaction information about the Company, learn the current quality of the Company's services and master the needs and future expectations of customers, taking them as an important reference for subsequent work improvements. The Company continues to benchmark industry standards and collect data through online channels including Midea Real Estate Cloud, Yunlin Community APP, and Yunlin mini-program and call follow-ups. In 2023, Midea Real Estate's customer relationship satisfaction score[1] was 85 points, and the customer satisfaction score in the property field was 89 points.

Note: 1. The Company used an independently-developed questionnaire more suitable for customers' situations, and the satisfaction score was usually lower than that of its peers.

06

Leading Low Carbon and Building Ecology Together

Green Design
Green Architecture
Green Operation
Climate Change

Introduction

Goals set for 2023

To achieve a reduction of in comprehensive energy consumption intensity in administrative office work **5**%(2024)

To achieve a reduction of in greenhouse gas emission intensity **5**%(2024)

To achieve a reduction of in water consumption intensity **5**%(2024)

Current progress

A reduction of comprehensive energy consumption intensity in administrative office work achieved **5**%

A reduction of in greenhouse gas emission intensity achieved **19**%

A reduction of in water consumption intensity achieved **22**%

KPIs

Annual electricity generated from renewable sources: **2.0346** million kW·h

GFA of newly certificated green buildings: **461,000** m²

Prefabricated building area: **2.38** million m²

Response to SDGs:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

Green Design

Midea Real Estate attaches great importance to the application of green and low-carbon philosophy in architectural design. Based on the principle of sustainable development of environment, Midea Real Estate creates zero-carbon technology standard system for the whole life cycle of buildings as guided by the front-end building design, speeds up the promotion of R&D and application of green building-related innovative technologies, and gives impetus to the development of residence environment.

Low carbon building standards

Against the backdrop of the national strategy of carbon peaking and carbon neutrality by 3060, the 14th Five Year Plan for Building Energy Efficiency and Green Building Development, and the Outline of the Healthy China 2030 Plan, Midea Real Estate conducts extensive investigation and research, organizes domestic and overseas excellent practice cases of low-carbon and energy-efficient building, and makes summary of applications of common and cutting-edge technologies, constantly pushing ahead with the design of low-carbon and healthy building products as well as the R&D and application of technology systems. We carry out in-depth analysis of Technical Standard for Nearly Zero-Energy Buildings, Standard for Building Carbon Emission Calculation, LEED v4.1 BD + C and other domestic and overseas relevant design standard and evaluation system. In view of the community ecology characteristics and in combination of thermal zone climates, the Company selects technologies and generates Low-carbon Healthy Residence Technology System 1.0 by focusing on the goals of energy conservation and carbon reduction, health and comfort, low-carbon operations and maintenance and in accordance with customers' sensitivity, technology maturity, cost control and efficiency improvement. In 2023, the "Areas with Hot Summer and Warm Winter – Low-carbon Healthy Residence Technology System Application Research" Program applied for by Remac Building Technology was included in the "Science and Technology Innovation Program Project" initiated by Guangdong Provincial Department of Housing and Urban-Rural Development. Furthermore, Midea Real Estate Yunyue Jiangshan Project won the national level award "Elite Award of Science and Technology – Excellence for Building Planning and Design" thanks to the application of digital design technology throughout the life cycle of buildings.

We implement low-carbon technology management throughout the life cycle of the project, from land selection guidelines and development management strategies at project establishment, implementation of low-carbon and energy-efficient technologies and measures at design, carbon emission control at construction, community environment management at operations and maintenance, to building facility and energy-saving renovation at later renovation. We are committed to achieving various goals such as energy conservation and carbon reduction, improved living experience, and community environmental protection, and building a sustainable and green building ecology.

Building Energy Saving & Carbon Reduction goals of low-carbon healthy residence technology system 1.0:

Basic products: the average buildings designed energy consumption is reduced by ≥ 30%; Carbon emission intensity reduced by ≥ 40% on average, and reduced by > 7 $kgCO_2/(m^2 \cdot a)$

Near-zero energy consumption products: the average buildings designed energy consumption is reduced by ≥ 50%; Carbon emission intensity reduced by ≥ 65% on average, and reduced by > 12 $kgCO_2/(m^2 \cdot a)$

We always stay true to the original aspiration of green and low carbon, and continuously probe into the standards of low-carbon buildings. The following table presents the industrial and local standards we co-edited in 2023.

Standard Name	Participants	Participating Way	Standard Level
Specification for Quality Evaluation of Modular House Production and Supply	Remac Building Technology	Editing (under compilation)	Group standard
Pricing Methods and Tender Specifications for Prefabricated Decoration (Contract)		Co-editing	
Technical Guidelines for Indoor Prefabricated Decoration of Residential Buildings in Foshan City	Remac Industrialisation	Editing	Local standard
Guidelines for Evaluation of Prefabricated Decoration in Foshan City			
Technical Regulations for Prefabricated Integrated Steel Frame Cast-in-place Concrete Structures	Remac TY	Co-editing	Group standard – CECS standard
Design Instructions for Prefabricated Concrete Buildings in Foshan City			Local standard
Atlas of Prefabricated Concrete High-rise Residential Buildings in Foshan City (2022 revision)			
Prefabricated Rate Calculation Book for Prefabricated Building Projects in Foshan City (Reference Template)			
Smart Community Needs and Scenarios YD/T 4437-2023			Industrial standard
Technical Requirements for Smart Community Comprehensive Service Platforms YD/T 4438-2023			Industrial standard
Carbon Neutral Evaluation Guidelines for Real Estate Enterprises		Co-editing (To be co-edited)	Industrial standard
Technical Specifications for Prefabricated Fixed Formwork Shear Walls and Floor Support Plate Structures			Provincial standard
Building Information Modeling (BIM) Delivery Standards			Provincial standard
Technical Requirements for Intelligent Community Building Information Model			Industrial standard

Sponge city

Remac Building Technology has formulated guidance documents such as the Green Building Design Management Guidelines and Sponge City Design Guidelines, introduces the concept of "Sponge City" into project construction in an all-round way, and achieves reuse of cement at the construction end. By combining technologies to build water ecological infrastructure and expanding the community vegetation area, Remac Building Technology enhances the communities' water absorption, storage, seepage and purification capabilities, and creates a healthy and environmentally friendly "sponge community". The phased delivery of sponge communities in East China has been completed, which will be expanded to cities such as Guangzhou and Chengdu. In 2023, Remac Building Technology has completed approximately 600,000 m² of green building, sponge city and other construction projects cumulatively.

The green energy conservation concept of the Nantong Yunzhu project in the Shanghai-Jiangsu-Anhui region involves a great number of fields such as water resources and microclimate. We adopt the "Sponge City" model and use materials such as porous asphalt and permeable plastic flooring to create a "breathable" permeable floor and landscape pavement. Meanwhile, a 5-layer waterproof system has been established for the community to effectively collect and allocate rainwater, retain rainwater and allow it to seep into the soil, provide water for vegetation, effectively regulate the microclimate of the community, improve the urban heat island effect, lower the community temperature, and create a cool and livable community environment for property owners.
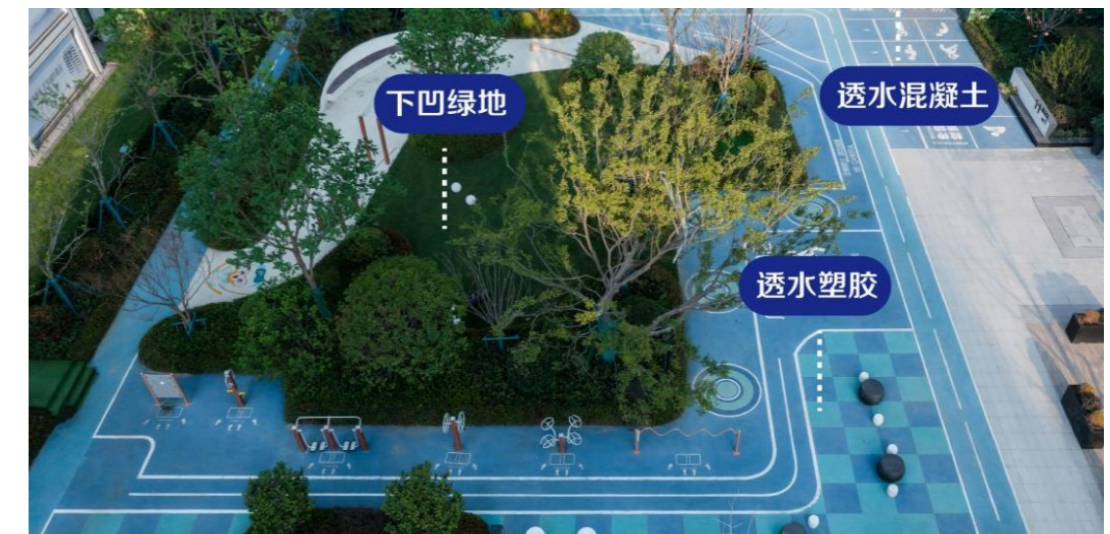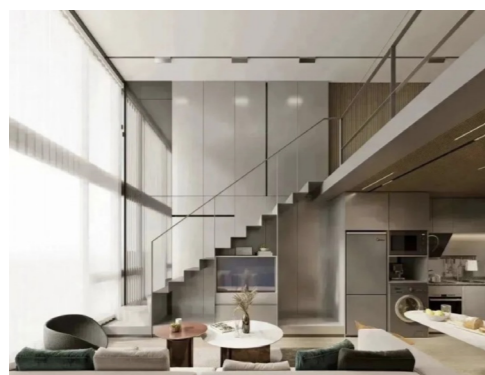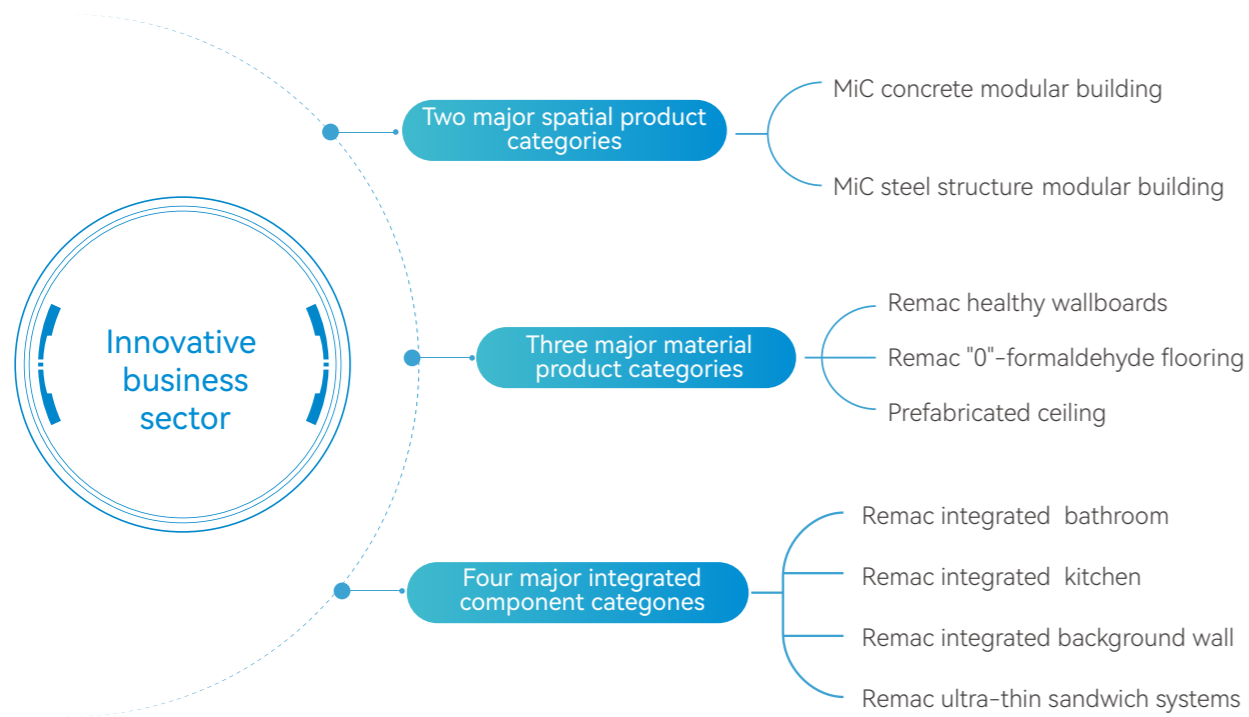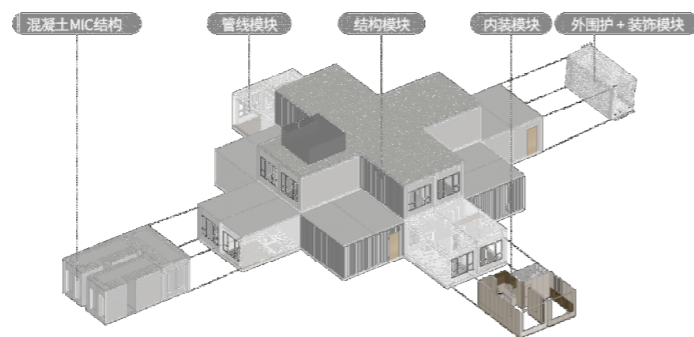

Green Architecture

Midea Real Estate implements digital and refined green exploration and practice throughout the entire construction process, integrating the concept of lean production into the entire life cycle of products, promoting the industrialized, digital, and green transformation and upgrading of the construction industry.

Prefabricated products

In 2023, Remac Building Technology continued to delve into the green prefabricated industry, and kept driving product innovation with building industrialization technologies at the core, forming a product matrix of two major spatial product categories, three major material product categories, and four integrated component categories. As of the reporting period, Remac Building Technology has made a significant step towards deeply tapping into the greater bay area, and signed contracts for the Hong Kong MiC transitional housing project and other public construction projects. Moreover, Remac Building Technology has built a distributor network by diverse development channels, and successfully entered into contracts with Australian distributors.

- **Innovative business sector**
  - **Two major spatial product categories**
    - MiC concrete modular building
    - MiC steel structure modular building
  - **Three major material product categories**
    - Remac healthy wallboards
    - Remac "0"-formaldehyde flooring
    - Prefabricated ceiling
  - **Four major integrated component categones**
    - Remac integrated bathroom
    - Remac integrated kitchen
    - Remac integrated background wall
    - Remac ultra-thin sandwich systems

Prefabricated Interior

MiC Concrete Module Construction

In terms of integrated components, Remac Building Technology conducted in-depth R&D of connection systems and leveling systems for installation of integrated bathroom and integrated kitchen panels in 2023. Remac Building Technology has applied for relevant patent at present, which is accepted. The technology effectuates the independent production capacity and installation process of integrated bathroom and integrated kitchen panels.

With regard to main structure products for prefabricated buildings, the Foshan and Huizhou factories of Remac Building Technology have obtained certificate of QSPSC concrete production and supply quality specification, respectively, and completed multiple system standards certification according to Hong Kong market standards, such as ISO quality, quality, environment management, and 5S.

Foshan Factory

ISO 9001 Certification

QSPSC Certification from Hong Kong Quality Assurance Agency

Huizhou Factory

ISO 9001 Certification

QSPSC Certification from Hong Kong Quality Assurance Agency

Green Materials

Midea Real Estate attaches great importance to the environmental protection attributes of building materials, gives top priority to comprehensive management of green materials, and keep a good grip on each link from R&D, procurement, process and production, ensuring product quality and environmental compliance.

In 2023,Remac Building Technology added a material institute in the prefabricated research institute, continuously optimized and improved the green performance of organic and inorganic materials by innovative development and formula control, and reduced the carbon emissions during material production.

In addition, Remac Building Technology puts a premium on achievement conversion and has made major breakthroughs in a number of key R&D projects. In 2023, we obtained 14 granted patents (including 2 invention patents, 5 utility patents, 4 appearance design patents and 3 copyrights), with a total of over 350 granted patents cumulatively. In relation to formula R&D, Remac Building Technology combined exterior and interior film materials to reduce the impact caused by weak anti-ultraviolet performance and anti-bacterial property of polyvinyl chloride (PVC) film materials, improving the weather resistance and durability of materials.

Regarding green materials, Remac Building Technology actively explores low-carbon new materials, and has developed 2 types of functional healthy wallboards with renewable materials. On top of that, Remac Building Technology has invented a series of decorative panels with exclusive copyrights, built a special Remac brand, and obtained CE certificate now.

The negative ion environmentally friendly composite boards developed by Remac Building Technology, with the addition of mineral modifier with built-in electric field, achieve efficient air purification efficiency. With the environmentally friendly lead-free formula and moderate addition of PCR-PVC material, they demonstrate good emission reduction effect and environmental characteristics. The patent application for this product has been submitted and accepted.

Case: Functional Anti-Bacterial and Mould Proof Films for Panels

The functional anti-bacterial and mould proof films for panels developed by Remac Building Technology impart bacteria and mould inhibition function to decorative panels through three-layer lamination technology, which inhibit mould and bacteria growth without any antimicrobial additives. Regardless of residence, office or medical laboratory, the anti-bacterial and mould proof films can achieve contamination prevention and protection. As tested by authoritative third-party institution, the mould and bacteria inhibition performance of this product in specific laboratories is rated as Level 1.

Green Process

Remac Building Technology evolves from component production to MiC integrated housing in connection to its prefabricated business, upgrades the digital system of the MiC delivery process and prefabricated systems, and delivers energy-saving and efficient integrated building solutions to customers, fulfilling green transition of novel building industrialization.

Case: Hong Kong MiC Poject I

The project consists of 283 MiC boxes, which are steel structure assembled synthesis modules using hot-dip galvanized steel structure frames. The bottom is made of concrete modules, the decoration material is Drywall dry wall light steel keel system, and fire insulation cotton and fire boards are installed inside to ensure 1-hour fire safety of the building.

Case: Hong Kong MiC Poject II

The project consists of 17 MiC modules, with DFMA (Design for Manufacturing and Assembly) modular design for the rooftop and prefabrication of 90% process completed at factory. Only assembly is required on the spot, greatly reducing on-site construction time and lowering building material waste.

Residential MiC

Permanent building	Reorganizable building	Portable building
Concrete structure	Concrete/steel structure	Concrete/steel structure
Up to 40 stories	Up to 10 stories	

Green construction

Midea Real Estate pays high attention to environmental management at the construction sites and adopts diversified green environmental protection technologies to minimize the environmental impact generated during the construction process from such perspectives as energy conservation, waste management, and water resource protection. We continuously strengthen the construction of intelligent construction sites and create a smart system that focuses on environmental management to accurately and dynamically manage every construction phase through a visual "smart brain".

Energy Management

Midea Real Estate sets energy consumption standards and targets to ensure effective energy utilization and avoid unnecessary energy waste during the construction process.

The factories of Remac Building Technology use high-efficiency equipment such as high-efficiency mixers and motors of Level 1 energy efficiency, as well as automated steel bar feeding equipment and MES manufacturing execution system, so as to achieve precise control of equipment operation and process parameters. Besides, we fully utilize the heat generated by the hydration reaction of concrete for routine concrete curing, and gradually phase out high energy-consuming equipment such as curing kilns.

Remac Building Technology has set up distributed photovoltaic power plants in Foshan factories , using battery systems and compressed air energy storage systems to store and utilize energy and contribute to local energy conservation and emission reduction. In 2023, we generated 2,034,600 kW·h of electricity in total, of which 785,600 kW·h of electricity was used for self-sufficiency, 1,248,900 kW·h of electricity was fed to the power grid, and a total of 1,623.41 tons of carbon dioxide emission was reduced.

Waste Management

Midea Real Estate has formulated the Measures for Management of Flying Dust on Construction Site with the core goal of strictly controlling pollution sources and reducing the adverse impact on the environment by the construction, actively promoting in-depth practice of green construction. Compared with the traditional flying dust prevention and control methods such as wet operations and bare soil covering, Midea Real Estate fully utilizes intelligent support to increase the prevention and control coverage while improving the dust management efficiency.

Regarding the industrial and construction solid waste, Remac Building Technology has made technological improvements to increase the proportion of machine-made sand to replace natural sand and river sand, and improve the concrete formula to reduce the use of concrete, achieving the recycling of industrial or construction solid waste and effective utilization of construction waste; for the prefabricated building aggregates, we require the factory to increase the coverage of renewable material usage and have established a waste concrete crushing, recycling and application system in Foshan Factory, which can reduce production waste by about 1,000 tons per year.

In order to reduce the usage of steel and aluminum in molds, Remac Building Technology vigorously promotes the design and R&D of variable molds for prefabricated construction, facilitating manual modification, disassembly and recycling of mold, and increasing the recycling rate of molds in different projects. Meanwhile, we place great importance on noise management, strictly specify the construction time, and effectively reduce construction site noise by taking measures such as extending the project cycle and controlling nighttime construction.

Work Content		Specific Measures
Flying dust	Spray on site	Set spray pipes all around the wall
		Equip with fog gun to prevent flying dust from effusing when conducing earthwork
	Covered with dense mesh	Cover all the bare soil with dense mesh
		Adopt dense mesh to cover the outer window holes for some projects
	Rinse with spraying water	Set a car washing pool to rinse the transport vehicles
		Spray water to the construction roads regularly
Other waste	Waste steel mold recycling	Recycling, transformation and standardized management
	Aluminum mold recycling	Establishment of old mold library and mold reprocessing
	Unset concrete recycling	Crushing of hardened concrete slag during the production process

The Xuzhou Cloud Lake project promotes the development of smart construction site, installs online dust monitoring equipment to monitor the current temperature, humidity, PM10, and other values, and provide timely feedback to the relevant management personnel so as to take effective measures for rectification and achieve remote implementation of digital and intelligent control. To reduce flying dust generated during construction, we use intelligent spraying, fog gun, high-altitude spraying and other equipment to effectively improve the construction environment.


Water Resources Management

Midea Real Estate reduces water resource consumption and ensures the rational utilization of water resources by optimizing the water use plan, installing water conservation devices, and establishing a water use monitoring system. As of the reporting period, both the Company's projects under construction and properties under management have not been within any water resources protection area.

Case: Rainwater and Wastewater Diversion Renovation of Nanchang Yuejiangfu Project

Nanchang Yuejiangfu project actively responds to the call of the municipal government to "build a livable and resilient smart city, making the city's sewer system unobstructed". The transformation of rainwater and sewage diversion improves the community drainage capacity, alleviates the problem of waterlogging, and effectively solves the problem of overload in the sewage treatment plant caused by rainwater mixing, greatly improving the efficiency of sewage collection and treatment.

Midea Real Estate actively responded to the government's call and piloted the construction of a high-quality water supply demonstration community - Wuxi Midea Yunshang Siji. The project uses a four-in-one integrated water purification process and a new inorganic water filtration membrane technology, effectively avoiding secondary water pollution and providing a healthy and safe water environment for daily use of the property owner. It has been successfully listed among the first batch of high-quality water supply demonstration communities in Wuxi. Supported by a three-dimensional model of the residential area, the project has a smart water quality management platform built to achieve visual display and fine supervision of water quality information such as the community buildings, drinking water equipment location, pipeline, and green plant, promoting the intelligent development of water supply management.
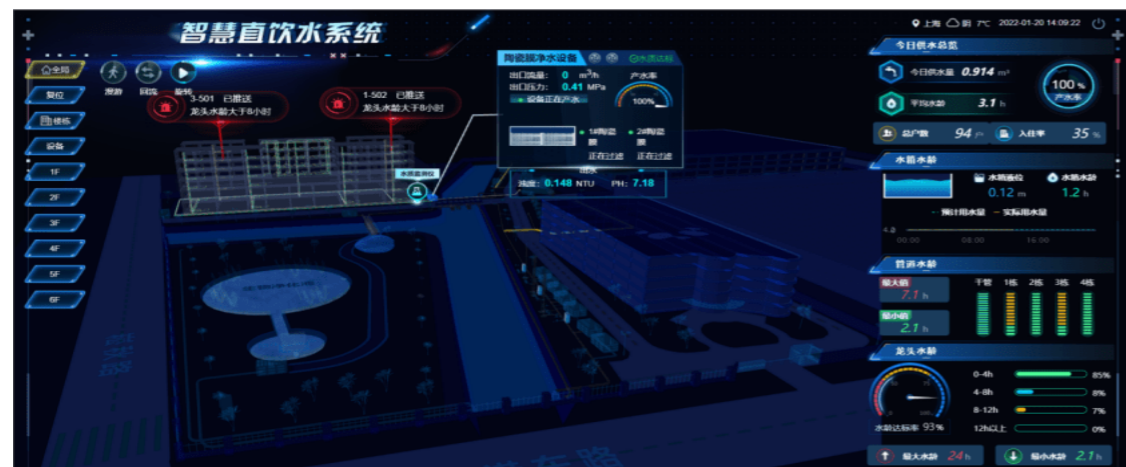
Remac Building Technology adopt a rainwater and sewage separation drainage system, which directly discharges rainwater into the municipal rainwater pipe network through the factory's rainwater pipes. Domestic sewage is collected and treated by the municipal government's sewage treatment system. With regard to the production wastewater generated from washing of the water washing area on the construction site, and cleaning of the distributor and mixing rack, we implement the wastewater recycling technology, use a collection system on the manufacturing site to make the cleaning wastewater return to the multi-stage sedimentation area, and use filtration and circulation equipment to transform the wastewater into reclaimed water for concrete production and component maintenance, achieving the recycling of 100% of wastewater. In 2023, Foshan Factory cumulatively recycled 2,986 tons of wastewater.

Green building

Midea Real Estate abides by the national and industry policies such as the Assessment Standard for Green Building and Energy Conservation and the Use of Renewable Resources in Buildings, and focuses on researching the technical standards and certification systems for low-carbon and green buildings at home and abroad. Guided by the techniques of multi-dimensional near-zero carbon technology application systems, the Company promotes the implementation of low-carbon and energy conservation design strategies for projects. We implemented the product R&D base project in 2023, and will put an emphasis on laying out low-carbon energy storage technologies for new energy resources in the future. We reduce dependence on traditional energy resources and reduce carbon emissions by utilizing the peak power-generation capacity and energy reserves of renewable resources. We have applied for and obtained multiple green building certificates, constantly accumulating experience and achievements for the development of green buildings. The GFA of newly certified green buildings of 2023 reached 461,000 m², achieving 100% coverage of star rated green buildings and over 50% of two-star or above rated green buildings.

Midea Real Estate's New Green Building Star Rated Projects in 2023

Project Name	Building Type (Residential/Public)	Green Building Star Rating	GFA (10,000 m²)
Buildings 1-3 and 5-11 of Cuiping Fenghua Jiayuan in Xuzhou	Residential	Green building with two-star rating	10.27
Xuzhou Cuiping Fenghua Jiayuan Kindergarten	Public	Green building with two-star rating	0.58
Buildings 1-9, Zone E, Yunhu Jiayuan, Xuzhou	Residential	Green building with two-star rating	8.73
Wuxi Huaxia Road Project	Residential	Green building with two-star rating	16.78
Wuxi Lize Road Project	Residential	Green building with two-star rating	9.74

In accordance with the national standards for ultra-low energy consumption buildings and two-star rated green buildings, Remac Building Technology built Fobeizhanxin Digital & Smart City, an ultra-low energy consumption high-rise complex, which integrates supporting functions of an industrial park. With the "multi-dimensional near zero carbon technology application system" as the core, we adopt technical strategies such as improving the building thermal performance, efficient equipment, BIM forward design, prefabricated construction, and digital energy resource management solutions. Furthermore, we create a demonstration benchmark for ultra-low energy consumption building application from ten perspectives including the ecological protection for the site, passive design system, building energy conservation and energy source optimization system.

Green Operation

Midea Real Estate comprehensively promotes green operation in its business scenarios, and standardizes the utilization of energy and resources focusing on property management and office management. It explores more space for energy conservation and emission reduction to reduce the negative impact on the ecological environment during corporate operation.

Green property

We are committed to providing customers with green and low-carbon services. On the premise of ensuring basic requirements such as property service quality, we deeply integrate the green, low-carbon, and sustainable concepts into property services through scientific management, digital technology empowerment, and behavioral guidance, thereby creating a livable and comfortable and green community atmosphere.

Zero Carbon Community Planning

Midea Real Estate Service strictly follows the national management systems such as the Low-carbon Community Pilot Construction Guidelines and Green Community Creation Action Plan to deepen the "carbon peaking and carbon neutrality" service system. It has formulated guidelines such as JT-GC-3-5-01 Energy Conservation Management Specification and JT-GC-3.6-01 Energy Consumption Lean Management Specification, adopts the digital, lean, and refined green management measures, and practices the concept of sustainable community development in an all-round and multi-perspective way.

We actively build and continuously improve the "carbon peaking and carbon neutrality" management system, and closely cooperate with the Environmental Sanitation Office of Urban Management Bureau, Low-carbon Management Committee and the Community Neighborhood Committee. In the five aspects of community environment, digital operation, engineering module, community module, and community culture, we carry out green management and low-carbon operation, implement low-carbon and green operation measures, and form a five-in-one governance pattern of community, including property management enterprise, neighborhood committee, owners committee, and CPC members, cadres and volunteers. On top of that, we achieve joint construction and governance, and sharing among community residents, and continuously improve the autonomous management of community residents in garbage classification work, promoting the development of resource conservation and environmentally friendly communities.

◎ Garbage Management

We have developed the Design Guidelines of Midea Real Estate for Garbage Collection, Transfer and Disposal in Communities (2022 Edition) in accordance with relevant requirements such as the Planning Standards for Urban Environmental Sanitation Facilities, Technical Regulations for Collection and Transportation of Domestic Waste, and Environmental Sanitation Facilities Setting Standards. We created four modules of domestic waste: underground scattered drop-off points, ground collection points, underground centralized drop-off points, and domestic and decoration garbage transfer stations, optimize the comprehensive coverage of domestic and decoration waste drop-off and transfer, and help to improve the quality of the community environment.

◎ Community Convention

We call on property owners to jointly abide by the Community Low-carbon Convention to create a community of green life, low carbon and environmental protection. In 2023, Midea Real Estate Service released the "Three Initiatives for Green Community", leveraged on its green operation and maintenance capabilities, and carried out the "Midea Four Seasons" series of activities, covering themed activities such as ecological conservation, claiming plant for planting, green banking, and seasonal landscaping, putting full life cycle management of communities into practice.

Low-carbon commerce

Midea Real Estate is well aware of the importance of green and low-carbon business operation management. In the project operation process, we formulate targeted energy conservation solutions to increase the proportion of clean energy used and gradually achieve the goals of energy conservation and consumption reduction.

Commercial Energy Efficiency Management

We strictly follow the Guidelines for Energy Saving and Consumption Reduction of Midea Real Estate's Projects in Operation, have updated the regulations such as the Investment Management Manual and Regulations on Electricity and Water Metering Management for Merchants of Midea Real Estate's Projects in Operation, and revised and released the Midea Real Estate's Catering Merchant Store-Closing Inspection Workflow this year. We optimized Midea Real Estate energy consumption management system and formulated a special energy conservation and consumption reduction workflow. We insist on improving tenant environmental performance management in the aspects such as merchant settlement, routine operation, environmental protection advocacy and supervision. We require all tenants to use decoration materials that meet national and regional environmental protection requirements, conduct preliminary equipment power audit for tenants with more equipment, and confirm the energy equipment shutdown status before the mall is closed every day, ensuring continuous improvement of the energy management for the projects in operation.

Midea Real Estate achieves standard, digital, and refined control of energy consumption through the comprehensive promotion and application of the energy management analysis system, improving the efficiency of meter reading and data statistics. Midea Real Estate assisted with multi-dimensional analysis reports, energy consumption analysis, and energy conservation analysis, formulated relevant energy conservation and consumption reduction measures, improving the accuracy of energy consumption control for tenants.

Using Clean Energy

We continue to promote the application of photovoltaic transformation, reduce greenhouse gas emissions from buildings, and accelerate the implementation of charging piles in various projects, effectively reducing fossil energy consumption, continuously expanding new energy storage application scenarios and business models, and continuously promoting green and low-carbon energy transformation.

- At the end of 2023, we have implemented photovoltaic transformation projects in Zhuzhou Midea Times Plaza, Zhenjiang Midea Yueran Plaza, Foshan Midea Yueran Plaza, and Foshan Yueranli projects

- Midea Real Estate vigorously promotes the construction of electric vehicle charging piles, which have been implemented for Foshan Yueran Plaza and the projects in Guiyang and Handan. It plans to gradually promote the full project coverage of charging piles

Case: Rooftop Photovoltaic Systems for Xuzhou Midea Plaza Project

In 2023, Xuzhou Midea Plaza project adopted a cooperative operation mode of photovoltaic power generation, and has a solar photovoltaic power generation system installed, with a capacity of about 350 KW. The photovoltaic panels cover the rooftops to yield protective effect, delay the aging of waterproof facilities, and improve the operation quality while achieving energy consumption and cost reduction. After the project is completed, the expected annual photovoltaic power to be generated is 500,000 kW·h.

Green office

Midea Real Estate integrates the concept of green development into daily life, promotes the actions to save resources and energy, and fulfills the public area management responsibilities, in a bid to build a resource-saving and energy-efficient enterprise. We plan to achieve a 5% reduction in the comprehensive energy consumption intensity for administrative offices, a 5% reduction in greenhouse gas emission intensity, and a 5% reduction in water consumption intensity by 2024.

Reducing Resource Waste

We promote paperless and information-based office work, optimize the "paperless engineering" construction, and achieve electronic engineering management documents and automated review of payment through online APP by connecting various functions and systems, effectively ensuring that all the departments achieve paperless office work and waste paper recycling. As of the reporting period, we have saved 100,000 sheets of paper through "paperless engineering". We optimize the use of office printer cartridges, specifies the method of replacing cartridges, and adjusts it to add toner to empty cartridges, effectively reducing product consumption.

Reducing Energy Consumption in Office Areas

We implement temperature control for office air conditioning and strictly manage it according to the established temperature to minimize unwanted energy consumption. We require that the lights and equipment be turned off in a timely manner before employees leave offices or public places, and the dedicated person be designated to conduct inspections. Induction lamps are installed in public areas where long-operating lamps are not needed, ensuring that the lights are turned off before people leave. In 2023, the per capita electricity consumption of Midea Real Estate Service was 1,147.64 kW·h, and a total of 43,675 kW·h of electricity was saved throughout the year.

Climate Change

Midea Real Estate responds to the national call to achieve carbon peaking by 2030 and carbon neutrality by 2060, actively identifying climate opportunities and risks, integrating low carbon technologies in all the phases including design, construction, and operation, strengthening energy and resource management, and achieving green operation throughout the entire life cycle.

Carbon neutrality actions

Midea Real Estate has formulated the Report on Carbon Neutrality Action Plan of Midea Real Estate, and comprehensively assists enterprises in building a dual-cycle value chain from the perspectives such as background of carbon neutrality, enterprise comparison with peers, action plan, and implementation measures, and seeks an economic model to address climate change risks. We always adhere to the principle that "carbon emission reduction is superior to carbon offset", carry out carbon emission reduction and carbon offset across the board, propose targeted carbon reduction measures based on the four major channels of residential development, property service, business operation, and real estate technology, and continuously explore new paths for high-quality development to achieve the "carbon dioxide peaking and carbon neutrality" goal.

Overall Plan

Specific Time	Implementation Schedule
2023	Implement measures and arrangement: ● Collect the annual energy consumption data and improve the data concerning carbon footprint accounting ● Arrange measures for carbon emission reduction and aim for carbon neutrality in advance ● Increase the certification of green buildings and step up efforts in the R&D of patents and standards for green buildings
2024	Build a low-carbon real estate enterprise ● Save energy and reduce emissions; reduce costs and enhance efficiency ● Fully enhance product competitiveness ● Comprehensively raise the enterprise reputation ● Increase the transparency of information disclosure
2025	Complete carbon footprint accounting

Response to climate change

Midea Real Estate closely monitors the impact of climate change on its operation, and, taking into account the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), comprehensively analyzes the potential risks inherent in climate changes. In addition, it closely integrates these risks into its risk management system, striving to better manage and respond to the risks brought about by climate changes.

Governance

Midea Real Estate established an ESG Working Committee and ESG Working Office in 2021. For the specific management structure, personnel composition, and division of responsibilities, refer to the Chapter "ESG Governance Structure". In 2023, the ESG Working Committee continued to strengthen the formulation of ESG strategies, work supervision, plan review, and results evaluation, focusing on monitoring the identification and assessment work of transition risks and physical risks related to climate changes. The ESG Working Office, under the guidance of the ESG Working Committee, carries out specific climate risk identification work and evaluates and responds to climate change risks. Regional companies and business units follow the guidelines and policies formulated by the ESG Working Committee to promote specific work such as energy conservation, consumption reduction, and pollution prevention and control, so as to effectively control and mitigate the transition risks and physical risks related to climate change.

Strategy

Midea Real Estate deeply understands that climate changes will bring multiple risks and opportunities to the Group's business. It identifies, evaluates, and responds to climate change related risks from a long-term perspective, and is committed to truly implementing ESG management measures to contribute to improving climate conditions and reducing climate change risks. With the help of comprehensive measures such as green communities, prefabricated buildings, smart communities, and green buildings, Midea Real Estate copes with climate risks in an all-round way and is devoted to working out scientific and effective response measures.

We continue to monitor global climate change related policies and industry trends, and conduct climate risk analysis and assessment based on the Group's business situation, identifying the climate change-related risks of Midea Real Estate in 2023. The list of relevant risks is as follows:

Major Risks/Opportunities	Potential Risks/Opportunities Brought by Climate Changes	Coping Measures
Policy and legal risks	● China has completed the establishment of the "1+N" policy system for carbon peaking and carbon neutrality with a focus on low-carbon energy transformation, green industry development, and green and low-carbon economy. ● China released a green whitepaper of climate changes, that is, Report on Actions to Address Climate Change (2022): Policies and Practices for Implementing "Carbon Peaking and Carbon Neutrality" Goals. ● The Action Plan for Carbon Peaking before 2030 issued by the State Council clearly proposes requirements such as "accelerating the improvement of building energy efficiency" and "accelerating the optimization of building energy consumption structure".	Study the relevant policies and regulations, and strengthen communications with regulatory authorities and stakeholders; closely follow China's "1+N" policies for "carbon peaking and carbon neutrality", develop the path for carbon emission reduction, vigorously develop the prefabricated building industry, and promote green production and green construction.
Market and technology risk	● The restriction on carbon emissions by the "carbon peaking and carbon neutrality" policy may lead to an increase in the cost of construction, building material production, transportation and other links of the building industry	Accelerate the research and application of innovative and environmentally friendly materials, and reduce the procurement cost of green building technologies
	● By 2025, China will need to complete energy-saving renovation of existing buildings of over 350 million square meters and build ultra-low and near-zero energy-consuming buildings covering an area of more than 50 million square meters	For details, please refer to the subsection headed "Green Design" in the report
	● In 2025, the newly built BIPV installed capacity of China will be over 50 million kilowatts; the application area of geothermal energy in buildings will be over 100 million square meters; the substitution rate of renewable energy used in buildings in urban areas will reach 8%; the proportion of electricity consumption in the building energy consumption will exceed 55%	For details, please refer to the "Green Construction" and "Green Operation" sections of the report

Major Risks/ Opportunities	Potential Risks/Opportunities Brought by Climate Changes	Coping Measures
Extreme weather risks	The Pearl River Delta: Drought, flood, typhoon, extreme precipitation, and high temperature	Fully consider the impact of extreme weather on the corporate operation and formulate an extreme weather response plan. In response to the frequent typhoons that occur every year in the Pearl River Delta, Shanghai, Jiangsu, and Anhui, we have formulated front-end community management and related emergency response measures before the typhoon comes. In response to flood situations, we set up flood control gates and flood control sandbags, and guide property owners to take corresponding measures to minimize losses in the event of force majeure. In addition, we adopt sponge city design to minimize the impact of heavy rains on community operation. For details, please refer to the subsection headed "Sponge City" in the report.
	The Midstream of Yangtze River: Drought, flood, and high temperature	
	North China: Heavy snowfall, dust storms, and drought	
	Shanghai, Jiangsu, and Anhui: Flood, typhoon, extreme precipitation, and high temperature	
	Zhejiang and Fujian: Flood, typhoon, extreme precipitation, and high temperature	
	Southwest China: Mudslide and extreme precipitation	
Green prefabricated building development opportunities	In 2025, all newly built buildings in China's urban areas will be green buildings and a green, low-carbon, and recyclable construction and development model will be basically established.	For details, please refer to the subsection headed "Green Design" in the report.
	By 2025, prefabricated buildings in China will account for 30% of all newly built buildings in urban areas of the year.	For details, please refer to the subsection headed "Prefabricated Building" in the report.

Risk Management

Midea Real Estate has established a relatively complete risk management structure. The ESG Working Committee, ESG Working Office, and all business units comprehensively review and control relevant risks involving climate change and other aspects. The Company implements the risk management procedures in accordance with the four steps of risk identification, risk assessment, diagnosis and response, and monitoring & improvement to reduce the adverse effects of climate change risks on our business, finance and operations, and to better respond to the complicated and changeable climate change situation.

Indicators and Targets

We will continue to improve energy consumption management and optimize the energy structure. We have established targets for energy use and greenhouse gas emissions in terms of administration, and plan to reduce the greenhouse gas emission intensity of Scope 1 and Scope 2 by 19% compared with that of 2021, and steadily advance the climate change management.

07

Value Co-creation for Stable and Sustainable Development

Creation of a Harmonious Workplace

Win-win Cooperation with Partners

Commitment to Community Development

Introduction

Goals Set for 2023

The average employee training duration is no less than **70** hours

The score of employee satisfaction is no less than **80** points

Strengthen the management of work safety, and achieve the target of **0** accident

Current Progress

The average employee training duration is **78** hours

The score of employee satisfaction is **82** points

The number of work-related deaths is **0**

KPIs

Total number of employees: **10,152**

Proportion of female employees: **39** %

Total expenditure on employee training RMB **5.78** million

Number of work-related deaths: **0**

Performance rate of economic contracts: **100** %

Proportion of suppliers passing the certification of quality, environment, and occupational health and safety management systems: **100** %

Number of suppliers rated as Level D/frozen suppliers: **68**

Response to SDGs:

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

Creation of a Harmonious Workplace

Regarding talents as valuable strategic resources and core competitiveness, the Company implements diversified talent development strategies and puts a new premium on employees' growth. The Company has made continuous efforts to cultivate industry-leading talents, and to create a fair, open, harmonious and inclusive working environment. Moreover, the Company is also concerned about the practical difficulties of employees, and strives to help them achieve the balance between work and life. The Company invariably works to create a better future and share the Company's development results together with all employees.

Protection of basic rights and interests

Midea Real Estate strictly abides by such laws and regulations as the Labor Law of the People's Republic of China , the Labor Contract Law of the People's Republic of China, and continuously improves and implements such rules as the Employee Manual, the Recruitment Management Measures, the Remuneration Management Measures and the Internal Competition Management Measures in an effort to build harmonious labor relations.

Equal employment

Adhering to the recruitment policy of equality and no-discrimination, we have formulated a number of internal systems such as the Personnel Management Measures and the Recruitment Management Measures, and invariably take work performance as the main standard for employee recruitment and selection. We resolutely eliminate any prejudice, harassment or discrimination arising from such factors as race, religious belief, health condition, gender, marital status, age, social status, nationality, or sexual orientation, and strive to ensure equal opportunities for all employees from the dimensions of system and procedure management.

We scrupulously observe the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor and other relevant provisions, and firmly eliminate the use of child labor or forced labor. The Company strictly prohibits the recruitment of employees aged below 16, and requires careful verification of real identity in the process of recruitment, as well as irregular reviews. We respect the reasonable labor time and wishes of our employees, and determinedly object to any form of punishment that threatens or forces anyone to work. In the event of child labor or forced labor, the Company will take prompt action and hold relevant personnel accountable.

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

Diversified employment

We advocate diverse and inclusive workplace culture, and introduce talents through multiple channels such as social recruitment, campus recruitment, college-enterprise cooperation, and internal recommendation. We have formulated the Graduate Management Measures and the Intern Management Measures, and actively conduct campus recruitment work. During the year, we conducted 25 campus recruitment seminars, and enrolled more than 130 employees graduating in 2023, providing extensive employment opportunities for college graduates and accordingly expanding the Company's talent reserve.

We respect discrepancy in ability, actively foster a diversified talent structure, provide equal employment opportunities for the disabled and veterans, and advocate a diverse, equal and inclusive culture. The headquarters and each regional company proactively liaise with local social security bureaus to support the employment of local people with disabilities. In addition, we provide additional compensation subsidies for veterans, and if they are recalled by the state, the basic salary will continue to be paid normally. In terms of local employment, we fully respect their willingness to work locally when we form our property and sales teams. By the end of 2023, the Company had recruited 277 veterans and 13 disabled employees, and arranged suitable posts for them according to their personal abilities.

Call on veterans

Remuneration and benefits

Midea Real Estate respects the value of each employee, and continuously improves its remuneration distribution and performance assessment mechanism. The Company has formulated the Remuneration Management Measures and the Performance Management Measures to ensure that all employees can enjoy reasonable remuneration and benefits that take into account both internal fairness and external competitiveness, so as to effectively stimulate employees' work enthusiasm and enhance their sense of belonging. In accordance with the national legal standards and provisions, we have formulated the Benefit Management Measures and established a multi-level welfare system to actively attract and retain outstanding talents.

◎ Employee remuneration

We continue to improve our remuneration system composed of basic salary, monthly incentives, annual bonus, equity incentives and diverse subsidies. Meanwhile, we have formulated competitive remuneration and benefits for different posts and ranks, and constantly optimize the talent evaluation and development system to give full play to the incentive role of remuneration to talents. We adhere to the principle of equal pay for equal work for both male and female employees, provide undifferentiated remuneration and benefits for all employees, strive to eliminate discrimination or arbitrary dismissal of employees, and ensure the equality and fairness of our employment policy. We implement long-term equity incentive plans to fully motivate employees. In 2023, we granted 4.77 million award shares to 25 employees with remarkable performance to strengthen employees' confidence in the Company's future operation. We have established a performance evaluation system composed of cadre evaluation, key performance assessment, staffing review, position adjustment, promotion, salary adjustment, etc., to support and help employees grow and develop, and to promote the achievement of win-win benefits between the Company and its employees.

In terms of the communication of remuneration and performance, we fully consider the demands and objections of employees, set up the appeal procedures for remuneration and performance to open a channel for employees to communicate with or appeal to their superiors or department heads or the Company's human resources department, and be sure to provide them with the investigation results by the human resources department within 3 business days, so as to ensure timely attention and effective feedback for them.

◎ Employee benefit

In accordance with the formulated Benefit Management Measures, we implement diversified benefits and security policies for employees, and provide employees with multi-level non-remuneration benefits, which involve free physical examination, meal allowance, festival benefits, commercial insurance, vehicle allowance, parental leave, etc.
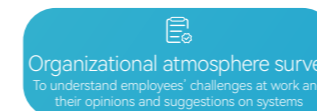

Multi-level benefits and security

Democratic management

Midea Real Estate strives to build a communication bridge between employees and the Management of the Company and establish multiple online and offline communication channels to fully listen to employees' opinions and suggestions. We have founded the Labor Union Committee by law and elected six committee members (including chairman of the labor union as well as funding audit committee member, female committee member, organization committee member, etc.) to be responsible for regular management of the Labor Union and solve employees' demands through democratic election by employees. In 2023, the Labor Union held the staff congress twice with a total of 60 participants, ensuring that employees' rights to know, participate, express and supervise were fully protected. We encourage employees to put forward ideas on work system and business management through functional seminars and other means, so as to pool the collective wisdom of employees and stimulate their enthusiasm for work.

Regular communication channels

MHR information platform	Intelligent robot platform	400 customer service hotline	Employee relations specialist
Displays the latest management system and daily work process guidelines	Ensures 24-hour response to employees' frequently asked questions	Provides professional business-related Q&A and complaints & feedback in a timely manner	Follows up on special questions about human resources

Suggestion and feedback channels

Organizational atmosphere survey
To understand employees' challenges at work and their opinions and suggestions on systems

We are committed to improving employees' satisfaction and sense of achievement in Midea Real Estate. In 2023, Midea Real Estate conducted a survey on organizational atmosphere among employees in seven dimensions such as leadership guide, organizational atmosphere and remuneration & incentive satisfaction, in an effort to deeply understand the feedback and needs of employees, to provide important reference for team building of all departments and efficiently improve the capability of work management. In 2023. The overall score of employee satisfaction was 82.

Employee privacy protection

We have made continuous efforts to improve employees' information and privacy protection system and strengthen its management and control measures for privacy security. The Company clearly specifies that employee information is only accessible to the Company's human resources department to a certain extent, and it also strictly regulates the information inquiry scope for employees with different human resources functions. We have formulated strict procedures for authorization review, and employees with different human resources functions need to pass relevant examinations and obtain permission from superiors before they can access employee information required by work. By improving the data access management of internal information systems, we strengthened the legal and compliant control of relevant data access, and effectively ensured employee information security and privacy.

Cultivation of excellent talents

Upholding the concept of "Achieve Success with Talents, Accomplish Talents with Careers", Midea Real Estate is committed to building smooth career development channels and a diversified promotion mechanism, and continues to improve its talent cultivation system. In combination with online and offline training and development methods, the Company provides employees with broad opportunities and platform for development of occupational ability, to ensure the building of talent echelons and empower the sustainable development of the Company.

Promotion and development channel

In 2023, we continued to push forward the G-grade development channels, while improving staffing for the posts, performance incentives and talent development mechanisms, so as to strengthen the expertise and ability development of employees, to enhance the reserve of talents with excellent performance and strong professional ability, and to improve the building of talent echelons. We have established appointment, dismissal and promotion mechanisms with transparent and open qualification requirements and clear and definite promotion conditions, and formulated sophisticated management systems such as the Internal Competition Management Measures and the Cadre Management Measures, so as to maximize the potential and value of employees, and continuously smoothen the career development channels for employees, thus ensuring that "employees can best play their roles and best perform their duties at their respective posts in a most efficient manner".

Vocational training

We have formulated the Midea Real Estate Measures for Training Management and other relevant provisions to continuously improve and enrich our training system. Based on diversified business scenarios and personalized growth needs of employees, we have established an employee training system covering employees at all levels, including middle and senior talents, first-line high-potential talents and new employees, and providing multi-channel and multi-direction training courses to broaden the path of talent development and accelerate the growth of employees. During the year, we focused on building and improving the Company's sales champion training system to help the marketing team achieve professional development. Meanwhile, we also launched a cadre training campaign to enhance the leadership skills of excellent talents and form a virtuous cycle of talent supply and cultivation.

Training Plan	Target Group	Training Positioning	Training Courses (Form)
Marketing System Cultivation Plan	Property Consultant	Cultivate the ability of property consultants and sales champion elites mainly by means of internal and external benchmark learning	Face-to-face training, thematic exchange, visit to internal units, and visit to external benchmarking enterprises
Cadre Cultivation Plan	Cadres and reserve cadres	Comprehensively improve the management ability and practical ability of cadres mainly by means of benchmark learning	Internal and external face-to-face training, and visit to external benchmarking enterprises
Growth Plan	Comprehensive graduates	Improve the adaptability and executive ability of new employees	Growth Training Camp: Face-to-face lectures and interactions
Enhancement Plan	Marketing graduates	Cultivate front-line marketing elites, and improve marketing capabilities of employees	Enhancement Onboarding Training Camp
High-Potential Seed Plan	Selected top 30% of outstanding past graduates	Create the backbone force that redefines the future of Midea Real Estate according to the trainees' development stages and the management quality model	High-potential Seed Training Camp: Advance in a two-year cycle; focus on the four directions of interdisciplinary thinking, management logic, business awareness and professional promotion; invite excellent internal and external think tanks to give lectures. The trainees selected as "high-potential seeds" successfully completed the final defence in October 2023, and officially graduated in March 2024
Marketing Blue Force Plan	Marketing operator	Cover all the operators of the Group (the persons in charge of project marketing), and improve the marketing strategy, innovative marketing and marketing management ability of the operators as a whole.	Operator Camp

Case: Sales Champion Club Series Activities – A Growth Journey for Sales Champions

Midea Real Estate adheres to the cultivation of marketing talents, and has made continuous efforts to build an exchange platform for sales champion elites of the Group in the form of sales champions club. In 2023, we led the Company's sales champions to visit Kunming, Wuxi, Foshan, Changsha and other major cities with our presence. Through such forms as special sharing and visit to the benchmark projects of the Company and the industry, we helped them clarify the path of career development, strengthen the confidence in corporate brands and products, and improve the ability of on-site value delivery to customers.

During the year, we continued to provide high-quality learning resources and general training courses through E-Learning and "One Click" online training platforms to meet the diverse skill learning needs of employees, empowering employees to improve general skills and professional abilities anytime and anywhere.

Employee care

Midea Real Estate actively assumes its due responsibility as an employer, pays continuous attention to the physical and mental health of employees, and provides employees with various occupational health management services in an effort to build a safe and reliable working environment. We advocate positive working atmosphere, enrich employee care activities, and strengthen the sense of happiness and belonging of employees.

Occupational health and safety

We strictly comply with the Law of People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, continuously improve a series of protection measures for occupational health, and provide free physical examination and additional commercial insurance for all employees to ensure their personal and property safety. In addition to the regular fire drills and first aid training, we also inspect the daily management of the office environment, and continue to carry out the dehumidification and hazard removal action, to contribute to the creation of a healthy and safe office environment.

Fire drills

Employee activities

We care about both the work and life of employees, present festival greetings and gifts to employees on the Chinese New Year, Women's Day, Mid-Autumn Festival and other festivals. We have established various sports clubs in combination with employees' interests and hobbies, and regularly organize training and competitions on such sports as basketball, football and badminton to enrich their life and create a happy working atmosphere. In addition, we continue to improve the office environment to enrich the spiritual world and material life of employees and enhance their sense of belonging and happiness.

Festival Thematic Activities

Midea Zongzi for You on the Dragon Boat Festival

Midea Real Estate organized the Dragon Boat Festival celebration and held a garden party for employees in the office to enable them to feel the happy festive atmosphere.

Warm Gathering of All Members of the Midea Family on the Mid-Autumn Festival

In September 2023, Midea Real Estate organized employees to hold a garden party in celebration of the Mid-Autumn Festival.

Special Care Activities

Usher in the Spring Festival of the Year of the Dragon together with Employees and Their Families

With the approaching of the Chinese New Year in January 2023, Midea Real Estate organized all employees and their families to experience various entertainment projects in Midea Luhu Resort.

Visit to Long March site and Recall Revolutionary History

In August 2023, the Party Committee of Midea Real Estate organized 21 excellent party members to visit revolutionary site in Jiangxi and, carried out revolution-themed activities such as Q&As regarding Party history knowledge, visit to revolutionary scenic spots, to review Party history and enhance the willpower of Party members.

Cultural and Sports Activities

Midea Real Estate Basketball Cup- Immersed in Basketball

To build a healthy corporate culture atmosphere and promote the interaction between employees, Midea Real Estate organized employee basketball game in May 2023.

"Midea Real Estate Cup" Badminton Game

In August 2023, Midea Real Estate organized employee badminton games and lasting for one and half months, which involved all relevant units of the Company and enriched the employees' life.


Facility Improvement

M Bookstore Reading Corner

Midea Real Estate sets up the Bookstore Reading Corner and calls on all employees to donate used books. In the Reading Corner, employees can borrow and read books at any time. The Company aims to encourage employees to continue to learn and transfer knowledge by this means.

Employee Fitness Room

Midea Real Estate sets up the employee fitness room and provides employees with free shower rooms to improve their health and enable them to perform better in work.
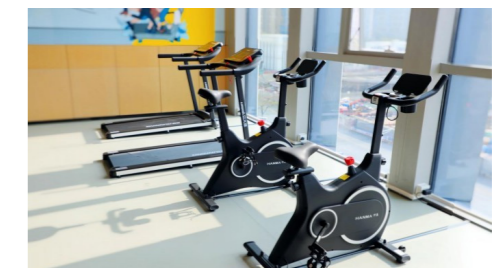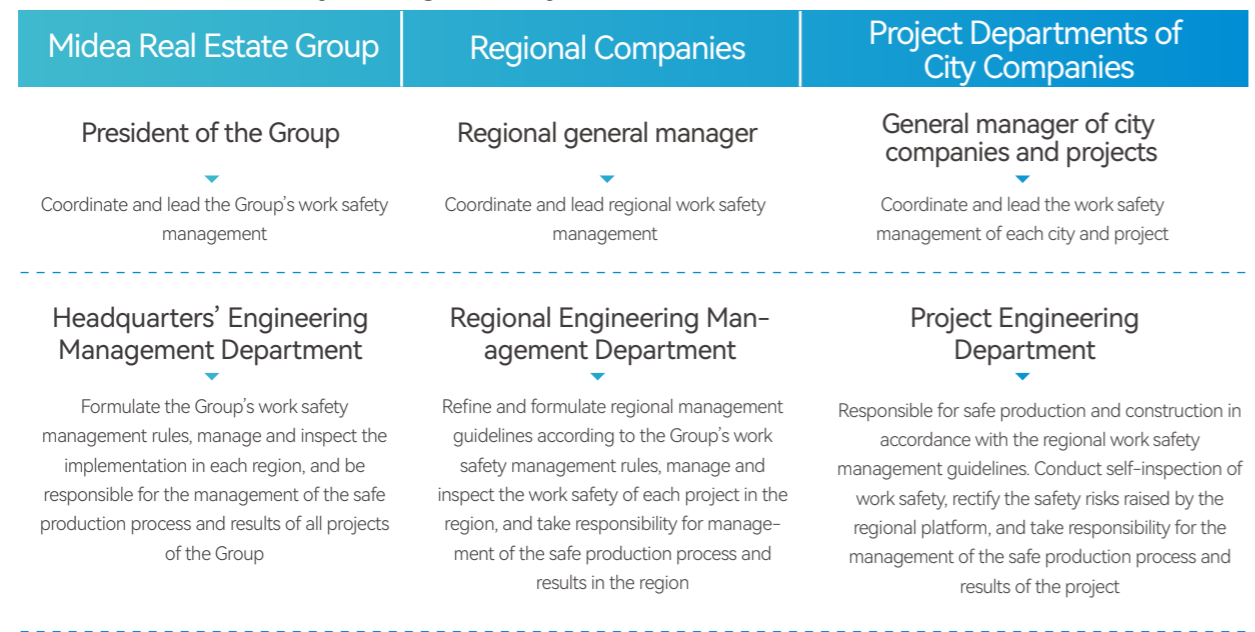

Implementation of work safety

We strictly observe the Law of the People's Republic of China on Work Safety, and work to improve the Company's work safety management system and full life cycle safety assessment procedures. We also accelerate the transition of work safety digital management and organize work safety training and publicity measures to comprehensively protect the life, health and occupational safety of employees.

Safety management system

Midea Real Estate has established a three-level work safety management system covering "Midea Real Estate Group – regional companies – project departments of city companies". The Company clearly defines the work safety responsibilities of responsible persons at all levels, and refines the overall management of engineering management departments at all levels in such aspects as construction guidelines, safety inspection and rectification, as well as assessment and rewards & punishments. During the year, we continued to improve the Company's safety management system documents, and additionally formulated the Management Measures for Safe and Civilized Implementation to further enrich and refine the Company's management rules and operational guidelines.

We incorporate the safety accidents management into the red & yellow card system, and bind major casualty accidents occurring in the production process with the appointment and dismissal of managers to strengthen the safety management awareness of leaders at all levels. In addition, we have established an insurance system for construction sites, and require suppliers to provide health protection for construction workers in an effort to facilitate the creation of a safe and secure work environment in all respects. In 2023, Midea Real Estate achieved the target of zero casualty and zero accident in the production process.

Three-level work safety management system:

Midea Real Estate Group	Regional Companies	Project Departments of City Companies
President of the Group	Regional general manager	General manager of city companies and projects
Coordinate and lead the Group's work safety management	Coordinate and lead regional work safety management	Coordinate and lead the work safety management of each city and project
Headquarters' Engineering Management Department	Regional Engineering Management Department	Project Engineering Department
Formulate the Group's work safety management rules, manage and inspect the implementation in each region, and be responsible for the management of the safe production process and results of all projects of the Group	Refine and formulate regional management guidelines according to the Group's work safety management rules, manage and inspect the work safety of each project in the region, and take responsibility for management of the safe production process and results in the region	Responsible for safe production and construction in accordance with the regional work safety management guidelines. Conduct self-inspection of work safety, rectify the safety risks raised by the regional platform, and take responsibility for the management of the safe production process and results of the project

Safe construction

◎Safety assessment

The Company establishes and continuously improves the full life cycle safety assessment from construction to delivery. At present, the Company has formulated the Measures for Civil Engineering Assessment and Management and the Measures for Management of Project Quality and Safety Assessment, and updated and revised the Management Measures for Delivery Assessment in an effort to strengthen the capability to identify and investigate various risks, and fully implement the prevention measures against work safety risks. In view of possible safety problems, we have set up multi-level assessment procedures, including arranging safety personnel to conduct routine inspection for major safety issues, regularly conducting special assessment within the Company, entrusting a professional third party to conduct special inspection, etc., with a view to gradually eliminating safety hazards and ensuring the safety and quality of construction.

Detection of building materials	In accordance with the national standards, the Company carries out actual measurement of building materials in the civil engineering construction and decoration stages, and makes a preliminary judgment on the qualified rate by comparing the design value with the measured results
Assessment of potential risks	We conduct routine safety assessments for potential risk points, such as foundation pits, hanging towers, construction elevators, and improve the operation specifications for construction scenarios such as fire management, electricity safety, and aerial work
Management and control of raw materials	Based on the project inspection carried out by professional third parties for different categories of materials with different performance, we control the work safety from the selection of raw materials to ensure that the quality of materials in the civil engineering construction and decoration stages meets the standards

◎Smart Construction Sites

In 2023, we continued to optimize the "Smart Construction Sites" digital management and control system, and implemented the "Midea Real Estate Project Standards" as the construction benchmark to ensure compliance and safety of the entire construction procedures. Relying on technologies, such as artificial intelligence, Internet of Things and big data, we connected the functional management of all key processes, ensured the strict compliance of both upstream and downstream with the Company's project operation standards, and strengthened the management and control of whole-process construction quality. Based on the "Smart Construction Sites" digital management and control system, we further improved the standardization of the whole construction process. By incorporating relevant procedures for working plane handover and sample management and control into the online management and control procedures, we determined relevant operating standards, and effectively ensued that staff in each process can be familiar with corresponding construction procedures, key points and quality acceptance standards, thus significantly improving the quality and safety of construction.

Safety culture

Giving top priority to the cultivation of employees' safety awareness, Midea Real Estate publicizes work safety culture to all employees and suppliers, and provides multi-scenario, multi-form and multi-channel safety culture training to improve construction safety and the capability to respond to construction accidents. Within the Company, we regularly organize targeted training such as key analysis of large-scale machinery management and control, "Work Safety Month", and Gong Jiang Jia modules for safety inspection to improve the operation skills of employees in key construction processes. Meanwhile, we invite professional third-party experts to carry out work safety training and publicize a construction culture in which "everyone bears in mind safety anytime and anywhere", while cultivating the emergency response ability of key employees.

Win-win Cooperation with Partners

Media Real Estate is committed to establishing long-term, stable, mutually beneficial, and win-win relationships with our suppliers, optimizing the whole-process management system of suppliers, and putting the principle of responsible procurement into practice. We continue to enhance communication and cooperation with our suppliers and build a high-quality and responsible supply chain through resource sharing and close cooperation, thereby achieving the sustainable development of the industrial ecosystem.

Strengthening supplier management

We have established a three-level supplier management structure covering the Group's headquarters, regional companies, and project companies, clarified the whole life cycle management process of supplier admission, assessment, and withdrawal, and comprehensively managed the performance capability and code of conduct of suppliers, thus effectively identifying and preventing risks in the supply chain.

Supplier management structure and specific responsibilities:

Group Headquarters	• Coordinate and formulate supplier risk management measures to identify and prevent systemic risks of suppliers • Conduct regular business communications with strategic suppliers • Integrate information on regional and key specialized suppliers, and formulate overall responses for major issues
Regional Companies	• Coordinate and set up regional supplier risk management measures and identify regional supplier operation risks • Collect suppliers' on-site performance information, assess the impact and scope of risks, and formulate countermeasures • Timely report significant risk events
Project Companies	• Identify on-site performance risks of suppliers • Timely report greater risk events

Supplier Admission

By strictly abiding by the Law of the People's Republic of China on Bid Invitation and Bidding, we have formulated internal management documents such as the Measures for Supplier Management, Measures for Bidding and Procurement Management, and the Operation Guidance on Bidding and Procurement of Cooperation Projects, and established management process with five crucial pillars, including pre-qualification, background research, field research, periodic rating, and withdrawal mechanism. In the supplier admission stage, we require all potential suppliers to take the initiative to provide a self-assessment report on performance risk, including the list of cooperative enterprises ,cooperation volume, and conduct rigorous admission audits regarding qualification and licenses, product quality, and business volume, continuously attracting high-quality suppliers.

Supplier assessment and day-to-day management

We have established a comprehensive supplier grading and classification management mechanism, classifying suppliers into "A-B-C-D" or "Excellent, Good, Qualified, Unqualified" and specifying the responsibilities for supplier management at each level. We have established a multi-dimensional internal assessment system to distinguish different categories of suppliers. The primary assessment items are financial funds and customer delivery, and suppliers are assessed based on the cost, long-term cooperation, on-site performance, funds, and delivery and remediation. As for unqualified suppliers, we conduct in-depth research, implement penalties such as suspension and downgrading, and carry out regular withdrawal from the database to ensure supplier management compliance.

With a focus on the management and control of supplier risks, we conduct quarterly risk identification and assessment of suppliers in three aspects - performance capability, operation, and financial funds. We then develop specific and feasible solutions to form standardized business management actions. In order to mitigate the risk of supplier performance, we enhance the audits of supplier capacity by conducting regular bi-monthly inspections and factory field visits and carrying out background checks and performance risk assessments of all cooperative suppliers. We also screen high-quality strategic suppliers based on the quality of project performance, the sales cooperation of suppliers, and the stability of cash flow, and make prudent planning for supplier resources.

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

Supplier performance risks	• Screen and accumulate high-quality strategic suppliers, continue to promote the business focus of strategic suppliers, conduct resource checking and planning of key specialized annual suppliers, and incline business to long-term stable strategic suppliers • Collect suppliers' on-site performance problems on a monthly and quarterly basis, determine corresponding solutions, and follow up on their implementation • Comprehensively raise the admission requirements of new suppliers, require all potential suppliers to issue a self-assessment report on performance risk, strengthen the pre-bid prequalification work, and implement the pre-bid and pre-admission business disclosure
Supplier operational risks	• Carry out information research on the suppliers at admission for new key specialized suppliers / every six months for the suppliers in the database, and comprehensively check the supplier's business • The Group coordinates risk research on strategic suppliers and proactively conducts high-frequency "headquarters to headquarters" interactive communication to understand the overall operation of strategic suppliers • Regional companies formulate day-to-day communication and mutual visit plans with suppliers and monitor suppliers' business risks in daily work communication
Supplier financial risks	• Integrate the assessment of the financial condition and fund position into the supplier assessment process as a consideration in business allocation • Regularly check the supplier's fund position to ensure the supplier's performance ability is sound and controllable

Supplier digital management

Midea Real Estate accelerates the digital transformation of supply chain management, expands the application scenarios of the Smart Supply Chain (SSC) system, and boosts procurement management capability. This year, we comprehensively integrated the master data of materials and established an internal procurement mall with an Internet experience mode. It aims to achieve data visualisation and synchronisation in all aspects of procurement, improve multi-party cooperation between suppliers, construction units, supervisory units, and enterprises, and realize the transparent sharing of information to reinforce supply chain management. Through the internal procurement mall, suppliers can launch premium products in a standardized manner, and we can authorize them to directly manage information about their products in the mall, such as specifications, models, and inventory, ensuring they can make updates promptly and efficiently.

By connecting to a third-party data platform, we have achieved digital management of suppliers' industrial and commercial information, qualification information, and risk monitoring data, and successfully integrated data of internal process assessment and records of rewards and penalties for the performance process, thus further improve the efficiency and accuracy of supplier management.

Supplier integrity management

We uphold a zero-tolerance attitude towards corruption and strictly adhere to clean procurement practices. When signing with suppliers, we require all partners to sign the Integrity Agreement (for Suppliers), which specifies the standards of cooperation, conflicts of interest, and other matters. We also regularly conduct business ethics training for suppliers through interviews to raise their awareness of business integrity and to promote legal compliance in business cooperation.

Green supply chain management

Midea Real Estate is advancing its green procurement efforts by focusing on the procurement of green and low-carbon building materials and constantly conducting procurement projects of low-carbon and environmentally friendly products such as integrated bathrooms and partition boards. We strictly audit fundamental qualifications, such as ISO system certification and consider environmental compliance in the assessment of suppliers, thus encouragethe suppliers to achieve sustainability together.

Drive the development of the supply chain

With a strong emphasis on suppliers' capacity building, Midea Real Estate actively organizes suppliers' communication activities and encourages resource sharing through online training and offline communication to establish a sustainable cooperative ecological network. As for new suppliers, we have formulated the Business Control Rules and Training Guidelines for New Suppliers and jointly arranged systematic and centralized training for new suppliers with multiple internal functional departments to accelerate suppliers' familiarity with Midea Real Estate's corporate culture and operational procedures. In 2023, we continued to provide online general training to synchronize information on the system, contract terms, technical specifications, optimized product standards, and other regular matters to our supplies. This year, we arranged two system operation training sessions and 455 supplier partners from construction and material supply attended, representing a 100% coverage rate.

We conducted one-on-one conversations with suppliers to foster cooperation by listening to their ideas. Throughout the year, we have conducted two business meetings with 102 strategic suppliers. We discussed planning, finance, and management in detail with them and explored innovative conditions to cooperate for our mutual benefit. We organized two industry exchange tours in partnership with our suppliers, in which all professional suppliers participated to share expertise and learn from each other.

In order to recognize the professionalism and excellence of each supplier in their respective field, we have established five awards: Class A Supplier, Class B Supplier, Excellent Supplier, Excellent Quality Award, and Quality Service Award. We enable excellent suppliers to engage in the early stage of product design to lower the cost of cooperation by providing professional advice and optimizing product solutions to achieve win-win development.

Commitment to Community Development

With a deep understanding of the needs of community development, Midea Real Estate continues to engage in community development while focusing on "serving the people and making their life convenient and safe". We actively carry out initiatives in many fields, such as community renovation and upgrading, personalized care services, educational support, environmental protection, charity fundraising, conveying the public welfare concept of "making good use of intelligent power to build a green future" and demonstrating the corporate responsibility with practical actions.

Community activities

Relying on the Chengyijia brand, Midea Real Estate continues to diligently operate the four community clubs - Parent-Child Club, Old Friend Club, Public Service Club, and Sports & Wellness Club. We leverage on the clubs as a platform to provide multi-scenario and multi-form community services to help property owners overcome social barriers and contribute to create a more welcoming and vibrant community. In 2023, Midea Real Estate in Guangdong-Guangxi regions launched the "Gold Owner" benefit upgrade plan and integrated high-quality resources from ecosystem channels to increase the benefits of gold owners in daily life. We developed the "Diamond Card Benefits" around the gold owners to provide a multi-dimensional, high-value service experience encompassing clothing, food, housing, and transportation.

To address the diversified development needs of the community, we launched a series of seasonal thematic service activities in 2023, including "Spring Environmental Protection Season", "Chengyi Life Festival", "Serve More" and "Winter Service Season for Warmth". We continue to provide owners with resources to achieve the self-governance of various thematic clubs and assist owners in building clubs on their initiative, enhancing community interaction from community coordination to public welfare practice. By 2023, Chengyi Community had covered seven major regions across China, provided services for over 152 projects, and organized over 1,207 activities, with 109,555 households and over 190,000 people participating.

Parent-Child Club	Focusing on nature, sports, art, culture, life, and other aspects, the Parent-Child Club organizes various forms of study, leisure, games, and other activities to deepen the relationship between children and parents, and also enable children to absorb more knowledge.
Sports & Wellness Club	With the theme of passion and health, Sports & Wellness Club advocates diversified sports forms, and calls on more owners to actively participate in urban sports, community sports, and neighborhood sports to create a healthy life together.
Old Friend Club	The Old Friend Club is an emotional bridge among neighborhoods, bringing together new and old friends through various hobbies and group activities, to build and share a warm and beautiful life. In 2023, we organized activities in many cities across the country such as the Chengyi Life Festival, Club Culture Festival, Exclusive Pet Season, Mid-Autumn Festival Gala, and Owners' Spring Festival Gala, which received extensive media attention as well as positive feedback from club members and owners.
Public Service Club	Midea Real Estate attaches great importance to the power of public service. By transmitting the warmth together with the government, markets, community, etc., we actively assume social responsibility and become a co-builder of a beautiful city with our Midea neighbors to safeguard our wonderful life and spread love and hope to every corner of the city.

In order to foster living with friendly neighborhood, we officially launched the Chengyi Life Festival in July. The festival focuses on three major activity themes of parent-child study, beautiful life market, and social service, centres around residential, property, and commercial scenes, and combines the local urban culture with the community's distinctive culture. Through the festival, we create content and experience with the owners' families and convey the warmth of the community. This year, Midea Real Estate carried out a total of 163 activities nation-wide, covering 41 cities and involving 10,739 households and 22,937 owners, fully unifying the force of owners.

In 2023, we launched the first Chengyi Life Festival series in the Shanghai-Jiangsu-Anhui region. Based on the development model of "study + experience," we carried out three major thematic activities, including Young Cruising Officer, Young Experience Officer, and Young Responsible Officer, aiming to fully integrate the internal and external resources, and create exclusive activities for owners with unique qualities and warmth.

As one of the family service plans in 2023, Midea Real Estate in Zhejiang-Fujian region invited the young owners to explore six arts of the Song Dynasty and discover the local culture through the teenage study tour of China's national style. The young owners learned about the history and enjoyed the charm of the local culture and the traditional Chinese culture on the tour. This activity also enhanced the brand experience for the customers and highlighted Midea Real Estate's brand concept of focusing on customer management.
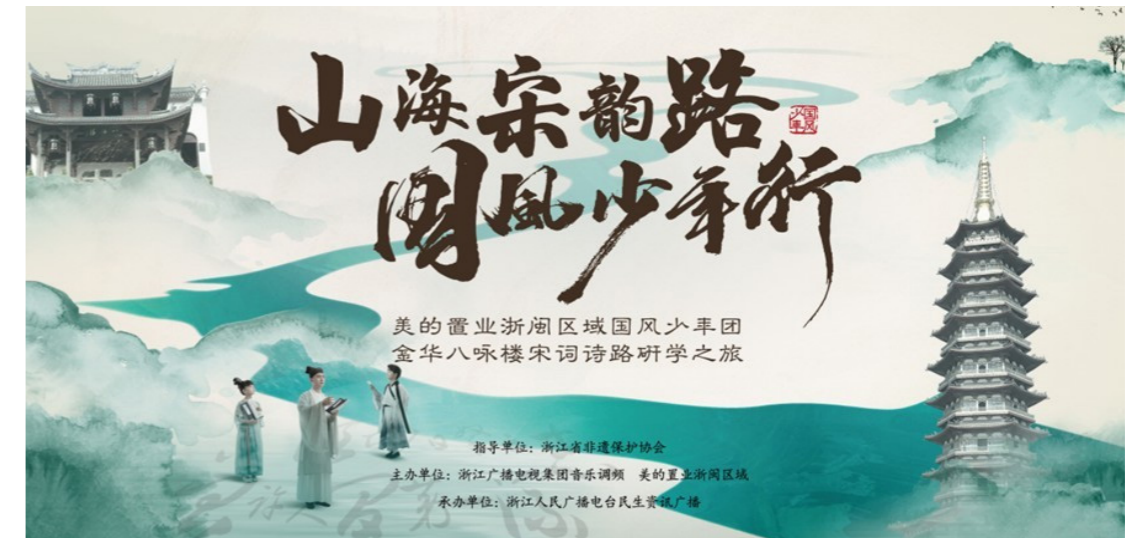
Case: "Amazing Neighbors" Owners' Spring Festival Gala

This year, we upgraded the Owners' Spring Festival Gala and continued to build the "Amazing Neighbors" brand. The event covered 12 cities in six regions and was promoted through posters, short videos, WeChat official accounts, and other channels. Our goal is to continuously improve owners' participation and boost the community's ecological vitality. We have established 21 exclusive awards to honor owners, employees, and project team members who have made outstanding contributions to deliver values to customers in 2023. While expressing our gratitude to all like-minded individuals, we shared with the public the highlights of our services and actions this year to strengthen Midea Real Estate's image as a responsible and excellent service provider.

◎Midea Revitalisation Action

Midea Real Estate has consistently invested special funds to carry out the Midea Revitalisation Action, focusing on space optimization, convenient services, humanism care, and concerted action for community development, fulfilling the promise of a better life.

Space Optimization	We implement the intelligent renovation and upgrading of community entrances, gardens and roads greening, underground garages, activity venues, and other spaces for community renewal, creating a more flexible and dynamic living space for all-age owners.
Convenience Services	Based on owners' needs, we update the details of our services and provide a range of convenient services across all communities nationwide, including fan and floor mat cleaning, entrance door maintenance, and car wash, ensuring that we can help deliver a happy life through high-quality service.
Humanism Care	With a focus on the seven crucial demands of owners, Midea Real Estate offers "Meiguanjia" with seven kinds of care to address service scenarios for all age groups, and enriches high-quality services such as child-friendly services, value-added services, and elderly care. About elderly care, we provide high-quality and comprehensive community services through the integration of elderly care and hospital resources, the creation of health records, physical management, and routine blood pressure checks for the elderly living alone. About care for young owners, we provide child care and child nursing services and endeavor to build a caring community that offers services for owners of all ages.
Concerted Action for Community Development	We have launched the community co-creation program as public service and invited the entire community to become Community Responsibility Officers, empowering owners to understand the needs of their communities and participate in the renovation of their homes. We listen to the owners' suggestions and promptly develop precise and effective solutions for the improvement of playgrounds, hallways, and parking lots, supporting the community's ongoing development and renewal. From May to June every year, we conduct community safety risk assessment and remediation actions, in conjunction with specific safety actions such as shop safety management inspections and safety inspections of fitness and recreation facilities, to effectively identify and eliminate community safety risks and hazards, also to build a reassuring and healthy community environment.

By 2023, the Midea Revitalisation Action had covered 69 cities, implemented over 438 community micro-renovation projects, and invested over RMB 9.32 million in the overall renovation, effectively improving community facilities and the residential comfort of the communities.

Public welfare activities

Midea Real Estate has expanded its involvement in public welfare, charity, and social services to improve the community. We consistently carry out a variety of urban public welfare services, such as visiting nursing homes, environmental protection, community volunteers, and public welfare donations. We have launched the internal brand Blue Vest Action to raise awareness of community services improvement, fostering a positive and mutually supportive community atmosphere.

Case: Charitable Sales

On May 20, 2023, Midea Real Estate organized staff and owners to donate used items and utilize their skills, such as painting and calligraphy, to hold charitable sales. A total of RMB 12,037.35, the entire proceeds of charitable sales, was donated to the orphanage in Shunde.

Case: Activity to Provide Educational Support

In June 2023, Midea Real Estate combined charity work with shopping mall membership activities for the first time. We organized over 40 shopping mall members to visit the primary school in the Deqing mountainous area to provide educational support by donating school uniforms and supplies to children so that members and customers could understand the true meaning of public welfare interaction. In recognition of our achievements in public service, we were awarded the "Caring Enterprise, Role Model for Social Responsibility" silk banner by the local government for this activity and recognized as the "Best Cooperation Unit of Youth Volunteer High-quality Development Program" by the Communist Youth League of Beijiao Town.

Case: Volunteer Team Supports Rural Revitalization

From 19 to 22 November 2023, Midea Real Estate's volunteer team visited Jiangzhai Village Primary School in Dushan County to carry out the "Caring about Children and Supporting Rural Revitalization" campaign. We sent 100 sets of stationery, 50 sets of books, 50 sets of sports supplies, 20 sets of clothing for cold weather for teachers and logistic workers, as well as food of high nutritional value for elderly people in need and living alone in rural areas. During the stay at the school, the volunteer team organized activities such as reading session and mental health salon for primary school students, encouraging the children to establish healthy living habits and develop positive attitudes toward learning.

08

Appendix

List of ESG Policies

ESG Index	Applicable Laws and Regulations	Internal Policy of 2023
A1 Emissions	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste	Waste Management Measures Measures for Management of Flying Dust on Construction Site
A2 Use of Resources	Law of the People's Republic of China on Energy Conservation	Energy Management Measures Energy Conservation Management Criteria Criteria for Lean Management of Energy Consumption
A3 Environment and Natural Resources	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution Green Community Initiative Program (City Construction [2020] No. 68)	Energy Management Measures Sponge City Design Guidelines
A4 Climate change	Low-carbon Community Pilot Construction Guidelines (Development and Reform Office for Climate [2015] No. 362)	Energy Management Measures Community Low-carbon Convention Guidelines for Energy Saving and Consumption Reduction of Midea's Commercial Projects in Operation Control and Management of Concrete Quality Control and Management of PC Production Process Repair Scheme for Apparent Quality Defects of PC Components Green Building Design Management Guidelines
B1 Employment	Civil Code of the People's Republic of China Labour Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of the People's Republic of China on Promotion of Employment Social Insurance Law of the People's Republic of China Provisions on Minimum Wages	Measures for Personnel Management Measures for Compensation Management Measures for Recruitment Management Measures for Management of Internal Competition for Posts Notice on Standardizing the Public Competitive Recruitment and Selection of Cadres of Midea Real Estate Group Measures for Benefit Management Measures for Performance Management Measures for Management of Cadres Measures for Management of Interns Measures for Management of Graduates

ESG Index	Applicable Laws and Regulations	Internal Policy of 2023
B2 Health and Safety	Labour Law of the People's Republic of China	Measures for Safety System Establishment and Implementation (Trial)
	Law of the People's Republic of China on Prevention and Control of Occupational Diseases	Management Measures for Work Safety Responsibility System (Trial)
	Law of the People's Republic of China on Work Safety	Measures for Work Safety Risk Classification and Control
	Fire Protection Law of the People's Republic of China	Measures for Hidden Danger Identification and Control
	Emergency Response Law of the People's Republic of China	Unified Standard Practices of Safety Civilisation
	Regulations on the Safety Management of Hazardous Chemicals	Measures for Work Safety Accident and Work-related Injury Management (Trial) Measures for Electricity Safety Management (Trial)
	Regulation on the Reporting, Investigation and Handling of Work Safety Accidents	Measures for Hazardous Operation Management (Trial)
	Interim Provisions on the Troubleshooting and Governance of Work Safety Accidents	Measures for Confined Work Space Management (Trial)
	Work-related Injury Insurance Regulations	Measures for Special Operation Personnel Management (Trial)
	Provisions on Management of Occupational Health in Workplace	Measures for the Safety Management of Hazardous Chemicals (Trial)
	Classification and Catalogue of Occupational Diseases	Measures for Project Quality and Safety Switch-out
		Measures for Management of Project Quality and Safety Process Assessment
		Measures for Management of Safety Civilization Implementation
		Standard Practices of Civil Construction Safety Civilization
		Standard Practices of Refined Decoration Safety Civilization
		Measures for Management of Project Quality and Safety Accidents
		Measures for Fire Safety Management
		Measures for Security Management (Trial)
		Management Measures for Occupational Disease Prevention and Control
		Guidance for Employee Information Security
		Management Measures for Delivery Assessment (2023)
B3 Development and Training	/	Midea Real Estate Measures for Training Management
B4 Labour Standards	Labour Law of the People's Republic of China	Measures for Recruitment Management
	Provisions on Prohibition of Child Labour	Anti-Corruption Practices
	Law of the People's Republic of China on the Protection of Minors	

ESG Index	Applicable Laws and Regulations	Internal Policy of 2023
B5 Supply Chain Management	Construction Law of the People's Republic of China (Amended in 2019)	Rules on the Implementation of Business Control and Training of New Suppliers Included in the Library
	Law of the People's Republic of China on Bid Invitation and Bidding	Centralized Procurement Management Operation Guidelines
	Regulation on the Implementation of the Law of the People's Republic of China on Bid Invitation and Bidding (Amended in 2019)	Group Bid Invitation and Procurement Management Procedures
	Government Procurement Law of the People's Republic of China	Supplier Management Practice Guide
	Civil Code of the People's Republic of China	Rules on Implementation of Supplier Assessment
		Detailed Rules for the Implementation of Preferential and Incentive Policies for Quality Engineering Suppliers
		Table of Supplier Sources
		Supplier Team Configuration Standards
		Supplier Satisfaction Survey Report
		Rules on the Implementation of Business Control and Training of New Suppliers Included in the Library
		Measures for Supplier Management
		Measures for Blacklist Management
		Guidelines for Bidding and Procurement of Cooperative
B6 Product Responsibility	Law of the People's Republic of China on Product Quality	Measures for Management of Project Material Samples and Material Acceptance
	Urban Real Estate Administration Law of the People's Republic of China	Measures for Management of Process Templates and Process Acceptance
	The Measures for the Management of Advance Sale of Urban Commercial Houses	Measures for Management of Comments on Construction Model
	Regulatory Measures on the Sale of Commercial Houses	Measures for Management of Introduction of Third Parties for Projects (2023)
	Regulations on Quality Management of Construction Projects	Management Measures for Delivery Assessment (2023)
	Regulations on the Administration of Development and Operation of Urban Real Estate	Technical Standards for Engineering Construction of Underground Garage Floor
	Regulations on the Administration of Property	Measures for Management of Integrated Projects of Design and Fine Decoration
	Advertisement Law of the People's Republic of China	Measures for the Management of Facade Coating Works
	Patent Law of the People's Republic of China	Midea Real Estate Manual of Intelligent Site Standardization
	Copyright Law of the People's Republic of China	Measures for the Protection and Administration of Finished Products
	Trademark Law of the People's Republic of China	Remac Intelligent Measures for Management of Project Standard Actions
	Law of the People's Republic of China on the Protection of Consumers' Rights and Interests	Standard Guidelines on the Cloud Supervisor Implementation
	Cybersecurity Law of the People's Republic of China	Guidelines for Customer Risk Pre-Control during Project Planning and Design
	Civil Code of the People's Republic of China	Guidelines for Customer Risk Pre-Control during Project Sales
	Personal Information Protection Law of the People's Republic of China	Guidelines for Customer Risk Pre-Control during Project Construction
	Provisions on the Administration of Mobile Internet Application Information Services	Guidelines for Customer Risk Pre-Control during Project Delivery
	Provisions on Protecting the Personal Information of Telecommunications and Internet Users	Guidance on Management of Project Sites Opening and Delivering
	Provisions on the Cyber Protection of Children's Personal Information	Operation Guidance on Management of Simulation of Acceptance
	Standards for Planning and Design of Urban Residential Areas GB 50180-2018	Operation Guidance on Management of Engineering Maintenance
	Standards for Design of Intelligent Buildings GB 50314-2015	Operation Guidance on Management of Complaint Handling
	Standards for Evaluation of Green Buildings GB/T 50378-2019	Requirements for Time Limits of Customer Complaint Response and Handling
	Code for Design of Civil Buildings Thermal Engineering GB 50176-2016	Operation Guidance on Management of Customer Service System Management
	Standards for Design of Energy Efficiency of Public Buildings GB 50189-2015	Operation Guidance on Management of Customer Service Quality Enhancement
	Standard for Evaluation of Green Renovation of Existing Buildings GB/T 51141-2015	Operation Guidance on Management of 400 Call Center

ESG Index	Applicable Laws and Regulations	Internal Policy of 2023
B6 Product Responsibility	Technical Specification for Waterproofing of Underground Construction GB 50108-2008	Operation Guidance on Digital Management of Customer Relations
	Standards for Basic Design of Building Foundation GB 50007-2011	Customer Service Management Procedures
	Standards of Fire Prevention for Building Design GB 50016-2014 (2018)	Research and Development of Space Greening Standardized Module
	Standards for Basic Design of Building Foundation (Standards of Guangdong Province) DBJ 15-31-2016	Manual for Design of Kindergartens
	Standards for Design of Automatic Fire Alarm System GB 50116	Research and Development of Low-Density Residential Business
	Engineering Technical Standards for Safety Protection GB 50348	Landscape Exploration of Super Oxygen Community
	Unified Standards for Design of Engineering Structure Reliability GB 50153-2008	Manual of Intelligent Community Design
	General Standards for Seismic Safety for Buildings and Municipal Projects GB 55002-2021	Measures for Copyright Management
	General Standards for Engineering Structure GB 55001-2021	Measures for Patent Management
	Standards for Classification of Seismic Fortification of Building Engineering GB 50223-2008	Measures for Management of R&D Projects
	Unified Standards for Design of Building Structure Reliability GB 50068-2018	Rules on the Implementation of Measures for Patent Management
	Code for Seismic Design of Buildings (2016) GB 50011-2010	Operation Guidance on the Intellectual Property System
	Code for Load of Building Structures GB 50009-2012	Reward and Punishment Measures for Information Security
	Standards for Design of Concrete Structures (2015) GB 50010-2010	Operation Guidance on Employees Information Safety
	Technical Specification for Concrete Structures of Tall Buildings JGJ 3-2010	Overall Policy on Information Security Management
	Standards for Engineering Construction of Concrete Structures GB 50666-2011	Information Security Management Specification
		Midea Real Estate Privacy Protection Policy
		IT System Data Export Application Process
		Information Security Management Specification
B7 Anti-corruption	Company Law of the People's Republic of China	Measures for Management of Auditing and Supervision
	Anti-Money Laundering Law of the People's Republic of China	Measures for Management of Reporting and Complaints
	Law of the People's Republic of China Against Unfair Competition (2019 Amendment)	Measures for Management of Tip-off, Complaints and Reporting of Disciplinary Violation Information
	Interim Provisions on Banning Commercial Bribery	Measures for Accountability Management
	Anti-Monopoly Law of the People's Republic of China	Anti-Corruption Practices
	Law of the People's Republic of China on Bid Invitation and Bidding	Integrity Agreement (for Suppliers)
	Civil Code of the People's Republic of China	Supervision Workflow and Guidance
		Legal Risk Tips and Guidelines for Preventing Unfair Competition in Marketing Operations
		Integrity Agreement (for Employees)
		Operation Guidelines for Complaint Handling Management
B8 Community Investment	Charity Law of the People's Republic of China	Guidelines for Responsible Branding
		Volunteer Management Manual

ESG KPIs[2]

ESG KPIs	Unit	Data of 2021	Data of 2022	Data of 2023

A Environmental

A1 The types of emissions and respective emissions data

A1.1 The types of emissions and respective emissions data

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

A1.2 Greenhouse gas emissions and density[3]

Greenhouse gas emissions	tCO_2e	9,039.28	4,563.08	2,929.74
Scope 1 Greenhouse gas emissions	tCO_2e	69.47	/	/
Scope 2 Greenhouse gas emissions	tCO_2e	8,969.81	4,563.08	2,929.74
Greenhouse gas emission density[4]	tCO_2e/ revenue in RMB (million)	0.12	0.06	0.04

A1.3 Total amount and density of hazardous waste produced

Hazardous waste produced	kg	1,861.29	2,028.41	1,609.38
Mercury containing fluorescent lamp or energy-saving lamp tube	kg	/	71.21	278.48
Waste toner cartridges and cartridges	kg	/	594.63	582.81
Waste electronic and electrical equipment	kg	/	1,275.00	675.00
Battery	kg	/	87.57	73.08
Density of hazardous waste	kg/ revenue in RMB (million)	0.03	0.03	0.02

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

Non-hazardous waste produced	Ton	1,434,480.06	1,029,425.83	955,886.75
Density of non-hazardous waste	Ton/revenue in RMB (million)	19.46	13.98	12.99

A2 Use of Resources

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

Direct consumption [5]	kW·h in '000s	317.46	/	/
Gasoline	Liter	/	/	/
Diesel oil	Liter	/	/	/

Note: 2. The performance data of 2021 and 2022 are extracted from the Environmental, Social and Governance Report released for the corresponding years. Among them, the environmental data for 2021 covers the administrative data of 155 units and partial operational data, that for 2022 covers the administrative data of 136 units and partial operational data, and that for 2023 covers the administrative data of 115 units and partial operational data.

3. For the calculation of greenhouse gas emissions, we refer to the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises prepared by the National Development and Reform Commission. In 2023, Midea Real Estate did not produce any emissions of greenhouse gases in Scope 1 generated by natural gas, gasoline and diesel combustion, and the emissions of greenhouse gases in Scope 2 are the emissions generated by purchased power and heat. The emission factor of purchased electricity refers to 0.5703 $tCO_2/MW·h$ in the Notice on the Management of Greenhouse Gas Emission Report of Power Generation Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment on 7 February 2023.

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

5. Refer to the General Rules for Calculation of Comprehensive Energy Consumption (GBT 2589-2020) for the conversion coefficient between various energies.

ESG KPIs		Unit	Data of 2021	Data of 2022	Data of 2023
Natural gas		m³	32,130.00	/	/
Indirect consumption		kW·h in '000s	15,481.64	8008.46	5188.01
Purchased power		kW·h in '000s	15,346.21	7,984.69	5.021.71
Purchased heat[6]		GJ	487.84	85.58	598.68
Energy consumption in total		kW·h in '000s	15,799.10	8,008.46	5188.01
Density of energy consumption		kW·h in'000s/ revenue in RMB (million)	0.21	0.11	0.07

A2.2 Water consumption in total and density

Water consumption in total		m³	13,726,696.25	9,727,545.56	8,354,759.12
Density of water consumption		m³/revenue in RMB (million)	186.24	132.11	113.57

B Social

B1 Employment

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

		Unit	Data of 2021	Data of 2022	Data of 2023
Total number of employees		Person	14,908	11,159	10,152
Gender	Male	Person	8,909	6,726	6,145
	Female	Person	5,999	4,433	4,007
Employment type	Full-time	Person	14,908	11,159	10,152
	Part-time	Person	0	0	0
Age group	Aged 29 and below	Person	6,242	4,326	3,247
	Aged 30–49	Person	8,398	6,585	6,588
	Aged 50 and above	Person	268	248	317
Geographical region	Chinese Mainland	Person	14,896	11,150	10,146
	China's Hong Kong, Macao and Taiwan regions and overseas	Person	12	9	6

B1.2 Employee turnover by gender, age group and geographical region[7]

		Unit	Data of 2021	Data of 2022	Data of 2023
Employee turnover		%	32.0	34.6	36.8
Gender	Male	%	33.1	34.4	34.1
	Female	%	30.3	34.9	41.0

Note: 6. The source of purchased heat was central heating, and the energy consumption was calculated according to CJJ/T 34-2022 Standard for Design of Urban Heating Network (since the average temperature of the heating period in 2023 cannot be calculated, it was estimated to be the same as the calculated outdoor temperature).

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

ESG KPIs		Unit	Data of 2021	Data of 2022	Data of 2023
Age group	Aged 29 and below	%	30.4	38.8	49.6
	Aged 30–49	%	33.9	32.1	31.4
	Aged 50 and above	%	7.1	25.8	18.0
Geographical region	Chinese Mainland	%	32.0	34.6	36.8
	China's Hong Kong, Macao and Taiwan regions	%	16.7	33.3	50.0

B2 Health and Safety

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

	Unit	Data of 2021	Data of 2022	Data of 2023
Number of work-related fatalities[8]	Person	1	0	0
Rate of work-related fatalities[9]	%	0.007	0	0

B2.2 Lost days due to work injury

	Unit	Data of 2021	Data of 2022	Data of 2023
Total lost days due to work injury[10]	Day	2,125	3,331	1,406

B3 Development and Training

B3.1 Percentage of trained employees by gender and employee category[11]

		Unit	Data of 2021	Data of 2022	Data of 2023
Total employees trained		Person	9,167	9,572	9,763
Percentage of employees trained		%	61.49	85.78	96.20
Gender	Male	%	59.25	59.09	58.24
	Female	%	40.75	40.91	41.76
Employee category	Senior management	%	1.59	0.34	0.78
	Middle management	%	15.86	13.30	14.29
	Grassroots	%	82.55	86.36	84.93

B3.2 Average trained hours of each employee by gender and employee category[12]

		Unit	Data of 2021	Data of 2022	Data of 2023
Average trained hours of total workforce		Hour	59.44	72.03	78.10
Gender	Male	Hour	61.80	70.81	83.87
	Female	Hour	55.93	73.80	69.26
Employee category	Senior management	Hour	28.72	41.92	140.01
	Middle management	Hour	56.32	68.08	85.12
	Grassroots	Hour	60.39	72.76	76.53
Total investment in training		RMB (ten thousand)	1,163.00	853.14	577.50

Note: 8. The number of work-related fatalities is the number of deaths of the employees identified as work-related injuries by the local social security bureau during the reporting period.

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

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

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

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

ESG KPIs		Unit	Data of 2021	Data of 2022	Data of 2023

B5 Supply chain management

B5.1 Number of suppliers by geographical region

		Unit	Data of 2021	Data of 2022	Data of 2023
Total number of suppliers		Unit	6,410	6,338	5,647
Geographical region	South China	Unit	947	1,029	978
	East China	Unit	2,178	2,191	2,078
	North China	Unit	1,376	1,344	1,095
	Central China	Unit	568	623	651
	Northeastern China	Unit	250	256	232
	Southwest China	Unit	1,091	895	613
	Northwest China	Unit	0	0	0
	China's Hong Kong, Macao and Taiwan regions and overseas	Unit	0	0	0

B6 Product Responsibility

B6.2 Number of products and service-related complaints received and coping methods[13]

	Unit	Data of 2021	Data of 2022	Data of 2023
Number of complaints	Unit	24,490	23,947	19,813
Complaint closed rate	%	99.44	99.42	98.40
Satisfaction rate of complaint handling	%	55.10	63.37	52.27
Overall satisfaction of customers	Score	86	87	85

B7 Anti-corruption

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

	Unit	Data of 2021	Data of 2022	Data of 2023
Number of brought and concluded legal cases regarding corrupt practices	Case	4	0	1

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

	Unit	Data of 2021	Data of 2022	Data of 2023
Number of directors and employees participating in anti-corruption training	Person	/	1,580	200
Average anti-corruption training hours for directors and employees and employees	Hour	/	1.53	4.53

B8 Community Investment

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

	Unit	Data of 2021	Data of 2022	Data of 2023
Total public service investment	RMB (ten thousand)	1,760.58	2,631.52	2,279.28
Targeted poverty alleviation/Rural revitalization	RMB (ten thousand)	19.24	12.00	11.00
Education	RMB (ten thousand)	1,633.38	10.00	1,034.27
Community	RMB (ten thousand)	33.33	2,593.04	1200.90
Environmental protection	RMB (ten thousand)	0.75	9.03	/
Other volunteer activities	RMB (ten thousand)	65.18	7.45	28.11
Anti-pandemic	RMB (ten thousand)	8.7	/	2.00
Donation	RMB (ten thousand)	0	/	3.00
Number of employees participating in public service/volunteer activities	People	255	855	920

Note: 13. The number of complaints, complaint closed rate, complaint handling satisfaction rate and customer satisfaction data here are all data from the residential development sector.

ESG Index

Environmental, Social and Governance Aspects, General Disclosure and KPIs	Chapter

A. Environmental

			Chapter
Aspect A1: Emissions		**General Disclosure**	List of ESG Policies
		Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		Note:	
		Air emissions include NOX, SOX, and other pollutants regulated under national laws and regulations	
		Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.	
		Hazardous wastes are those defined by national regulations.	
	A1.1	The types of emissions and respective emissions data.	ESG KPIs
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	ESG KPIs
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Construction
Aspect A2: Use of Resources		**General Disclosure**	List of ESG Policies
		Policies on the efficient use of resources, including energy, water and other raw materials.	
		Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG KPIs
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources		**General Disclosure**	List of ESG Policies
		Policies on minimising the issuer's significant impacts on the environment and natural resources.	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Leading Low Carbon and Building Ecology Together

Aspect 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.	Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and may impact, the issuer, and the actions taken to manage them.	Climate Change

B. Social

Aspect 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.	Protection of basic rights and interests
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	ESG KPIs
	B1.2	Employee turnover by gender, age group and geographical region	ESG KPIs
Aspect 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.	Employee care – [Occupational health and safety]
	B2.1	Number and rate of work-related fatalities in each of the past three years including the reporting year.	ESG KPIs
	B2.2	Lost days due to work injury.	ESG KPIs
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee care – [Occupational health and safety]
Aspect B3: **Development and Training**		**General Disclosure** Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: *Training refers to vocational training. It may include internal and external courses paid by the employer.*	Cultivation of excellent talents
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	ESG KPIs
	B3.2	The average training hours completed per employee by gender and employee category.	ESG KPIs

Aspect 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.	Protection of basic rights and interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protection of basic rights and interests – [Equal employment]
	B4.2	Description of steps taken to eliminate such practices when discovered.	Protection of basic rights and interests – [Equal employment]
Aspect B5: **Supply Chain Management**		**General Disclosure** Policies on managing environmental and social risks of the supply chain.	Strengthening supplier management; List of ESG Policies
	B5.1	Number of suppliers by geographical region.	ESG KPIs
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Strengthening supplier management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are operated and monitored.	Strengthening supplier management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthening supplier management – [Green supply chain management]
Aspect 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.	Valuing Product Quality List of ESG Policies
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	ESG KPIs
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property protection
	B6.4	Description of quality assurance process and recall procedures.	Valuing Product Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information security; Protection of basic rights and interests – [Customer privacy protection]

Environmental, Social and Governance Aspects, General Disclosure and KPIs		Chapter

**Aspect B7:
Anti-corruption**

General Disclosure

Business ethics

Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to bribery, extortion, fraud and money laundering.

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

Business ethics;
ESG KPIs

B7.2   Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.

Business ethics

B7.3   Description of anti-corruption training provided to directors and staff.

Business ethics

**Aspect B8:
Community Investment**

General Disclosure

List of ESG Policies

Policies on community engagement to understand the needs of the community where the issuer operates and to ensure its activities take into consideration the community's interests.

B8.1   Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).

Commitment to community development

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

Commitment to community development;

ESG KPIs