



GUANGZHOU R&F PROPERTIES CO., LTD.

Stock code: 2777



2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Content

ABOUT THIS REPORT	2
MAJOR ACHIEVEMENT AND HONOURS IN 2023	3
MEMBERSHIP AND CHARTER	3
CHAIRMAN'S MESSAGE	4
SUSTAINABILITY MANAGEMENT	5
BOARD STATEMENT	5
MATERIALITY ASSESSMENT	5
CONTRIBUTING TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	7
REDUCING EMISSIONS FOR A BLUE SKY	8
DEVELOP GREEN BUILDING TO IMPROVE URBAN RENEWAL	8
TACKLING CLIMATE CHANGE	10
ENVIRONMENTAL MANAGEMENT	17
PURSUING OPERATIONAL EXCELLENCE	22
OPERATE WITH INTEGRITY AND HONESTY	22
WHISTLEBLOWING MECHANISM	24
PRIVACY PROTECTION	24
ADVERTISING AND MARKETING	24
SUSTAINABLE SUPPLY CHAINS	25
DIGITISATION	26
CUSTOMER SATISFACTION	26
CUSTOMERS' HEALTH AND SAFETY	27
PROJECT QUALITY MANAGEMENT	28
BUILDING A CAREER THAT ENSURES SAFETY	29
WORKFORCE COMPOSITION	29
EMPLOYEE WELL-BEING	30
TALENT CULTIVATION	30
CONSTRUCTION SAFETY	31
EMPLOYEE HEALTH	32
SAFETY TRAINING	33
BRINGING BEAUTY FOR COMMUNITY	35
SUPPORTING URBAN CONSTRUCTION	35
PUBLIC WELFARE SERVICE	37
APPLICABLE LAWS AND REGULATIONS	38
KEY PERFORMANCE INDICATOR	40
ENVIRONMENTAL DATA	40
EMPLOYEE DATA	42
CONTENT INDEX	44

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This is the eighth consecutive year that Guangzhou R&F Properties Co., Ltd. (“R&F Properties”, “R&F” or the “Company”) has released the Environmental, Social and Governance Report (the “ESG Report”). It aims to enhance stakeholders’ understanding of the Group’s sustainability efforts by disclosing the environmental and social performance of R&F Properties and its subsidiaries (the “Group” or “we”).

REPORTING GUIDELINES

This report is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and Appendix C2 “Environmental, Social and Governance Reporting Guide” of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), and is based on the actual situation of the Group. During the year, the Group disclosed statistical methods used while following the reporting principles of materiality, quantitative and consistency.

SCOPE OF THE REPORT

This report focuses on the Group’s environmental, social and governance performance from 1 January 2023 to 31 December 2023. Unless otherwise stated, social performance data in the report cover the entire Group, and the environmental performance data cover all projects managed by the commercial management companies and hotels in operation, the Group’s office operations and the projects under construction by the subsidiary construction companies. The environmental performance data for 2023 cover 17 commercial projects, 85 hotel projects, 100 projects under construction and all office locations.

FEEDBACK

Guangzhou R&F Properties Co., Ltd.

Address: 45-54th Floor, R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou, China

Telephone: 8620 38882777

Fax: 8620 38332777

Email: gzrfir@rfchina.com



MAJOR ACHIEVEMENT AND HONOURS IN 2023

During the year, the Group received the following awards, in recognition of its economic, environmental and social performance.

Category	Name of the award	Awarded by
Comprehensive Strength	2023 Real Estate Project with Outstanding Contribution to Urban Development – R&F NanchiRich Residence	Information Times
	China's Top 100 Real Estate Enterprises with Comprehensive Strength of the Year	China Real Estate News
Product Liability	Food Safety Management System 2023 (IHG FSMS) – Crowne Plaza Xianyang	Intertek & IHG
Architectural Design	2023 The 20 th Elite Science and Technology Award Interior Design Excellence Award – DoubleTree Resort by Hilton Huizhou	Jingrui Science and Technology Award Committee

MEMBERSHIP AND CHARTER

The Group actively participates in various social organisations to promote sustainable development of the enterprise and supports international initiatives, including the International Labour Conventions and the United Nations Sustainable Development Goals, to achieve economic, social and environmental sustainability.

Environment	Economy	Community	Industry
<ul style="list-style-type: none"> European Endangered Species Programme Chengmai Wetland Conservation Association Alxa SEE Ecological Association 	<ul style="list-style-type: none"> Guangzhou Chamber of Commerce of Private Enterprises China Private Chamber of Commerce American Chamber of Commerce in South China 	<ul style="list-style-type: none"> Guangzhou Charity Association Guangdong Charity Federation Guangdong Anti-Drug Foundation The Fourth Council of Guangzhou Righteousness and Courage Foundation Guangdong Youth Development Foundation 	<ul style="list-style-type: none"> Guangzhou Real Estate Industry Association Guangdong Real Estate Industry Association Guangdong Real Estate Chamber of Commerce All-China Real Estate Chamber of Commerce Guangzhou Urban Renewal Association Association for the Renovation of Old Villages in Guangdong Province

CHAIRMAN'S MESSAGE

To all stakeholders:

2023 was a challenging year for the real estate industry but the Group has always believed in the importance of stable development and sustainable operations. Despite the still difficult macroeconomic environment, we insist upon implementing ESG-related actions. In the past year, we continued to strive to integrate sustainable development into every aspect of our business, continued to promote the low-carbon transformation of our business, and actively implemented the national “dual carbon” strategy, so as to fulfil our social responsibility for sustainable development.

THE “DUAL CARBON” STRATEGY AND THE MOVE TOWARDS GREEN AND LOW-CARBON

In the past year, the Group continued to explore a green, low-carbon and high-quality development path, adhering to the sustainable development strategy of “keeping up with the pulse of the city and building a better life.” It continued to increase investment in renewable energy and effectively reduced its carbon footprint through technological innovation and digital applications. The Group actively assumes its corporate responsibility for climate change, continuously strengthens climate change management, and enhances its ability to manage climate change-related risks. We also create green communities through green and sustainable building design, promote resource recycling and biodiversity, and work together towards the zero carbon goal.

WELL-BEING OF EMPLOYEES AND A DIVERSIFIED DEVELOPMENT PLATFORM

The Group regards its employees as its most valuable asset, adheres to the concept of sustainable development as its core value, and is committed to creating a culture of fairness, inclusiveness, diversity and inclusion, creating an open and transparent working environment, establishing a platform conducive to career development of employees, and putting the health and safety of employees first.

DEEPEN VALUE CREATION AND FULFIL SOCIAL RESPONSIBILITIES

In order to deepen value creation, we continue to improve the quality of our services and strengthen our awareness of the need for managing ESG-related risks. In the past year, the Group contributed to high-quality development by insisting that suppliers to manage their ESG responsibilities satisfactorily. At the same time, we are committed to our corporate social responsibility, focusing on disadvantaged groups and rural development, and continue to work for the well-being of communities and residents through charities and social welfare organisations.

Looking ahead, the Group will continue to follow its corporate vision and values and work toward realisation of “carbon peak” and “carbon neutrality” goals. It is aware of the numerous challenges it faces and shall keep working to fulfil its commitment to sustainable development and create more sustainable environmental, economic and social value for its shareholders, employees, customers, business partners and other stakeholders.

Li Sze Lim

Chairman

Guangzhou R&F Properties Co., Ltd.

28 March 2024



SUSTAINABILITY MANAGEMENT



BOARD STATEMENT

The Group has always been committed to sustainability and has ensured long-term sustainable development of its business through continuous improvement of ESG governance and strategies. The Board of Directors of the Group is the highest decision-making body for ESG, and the Audit Committee is responsible for risk management, including ESG-related risks, as well as internal controls, including identification of potential ESG risks, on a semi-annual basis. The results are reported to the Board for a review of effectiveness of the Group's internal risk management and internal control systems, which are set out in the Corporate Governance Report section of the Annual Report. During the year, the Group's risk assessment results showed that ESG-related risks did not pose a significant threat to its business and operations. In the future, the Group will continue to monitor the level of ESG risks and improve sustainability management.

All functional departments and operating organisations of the Group have the responsibility to cooperate with the Board in implementing various ESG-related tasks and to promote sustainability in a coordinated manner, including the assessment process of material issues and monitoring the progress of ESG-related goals. The relevant functional departments include enterprise management centre, legal supervision centre, engineering supervision and management centre, cost management centre, human resources administration centre, investment management centre and asset management centre, as well as commercial operating companies, hotels, construction companies and other operating institutions. Under the requirements and unified guidance of the Group, each department and subsidiary is responsible for collection of annual ESG information and data, and all collected information is required to be submitted to the Group management for regular review and internal progress tracking.








The Board understands its responsibility to ensure the authenticity of this report. To the best of its knowledge, there is no false information, misleading statements, or material omissions in this report, and it objectively discloses the actions and performance of the Group on material issues.

MATERIALITY ASSESSMENT

The Group attaches great importance to effective communication with all stakeholders, and has established multiple communication channels with employees, investors, customers, suppliers, regulators, community representatives, etc., to understand how they are affected by various sustainability issues and to take the material issues into consideration when formulating sustainable development strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT








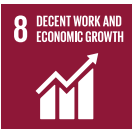


The Group continued, during the reporting year, to refine the assessment of material issues and enriched the related database by referring to the ESG Reporting Guidelines of the Hong Kong Stock Exchange, the Global Reporting Initiative Sustainability Reporting Standards and industry best practices. Subsequently, through the process of identification, ranking, verification and review, the Group identifies sustainability issues that have a significant impact on its long-term development, as well as the environment and the society, in order to effectively integrate business operations with sustainable development goals. The Group's management agrees that the following issues **(the issues in bold)** will continue to have a significant impact on the Group.

Stakeholders	Focus on the topic	Communication Channels	Corresponding Chapters
Green Groups/ Communities 	<ul style="list-style-type: none"> • Water management • Energy efficiency • Greenhouse gas emissions • Emissions management • Tackling climate change 	<ul style="list-style-type: none"> • Regular meetings • Collaborative projects 	<ul style="list-style-type: none"> • TACKLING CLIMATE CHANGE • ENVIRONMENTAL MANAGEMENT
Clients 	<ul style="list-style-type: none"> • Quality of products and services • Customer privacy management • Customer satisfaction 	<ul style="list-style-type: none"> • Complaint handling mechanism • Customer satisfaction surveys 	<ul style="list-style-type: none"> • PROJECT QUALITY MANAGEMENT • PRIVACY PROTECTION • CUSTOMER SATISFACTION
Employees 	<ul style="list-style-type: none"> • Employee safety and health • Training and development • Compensation and benefits • Employee communication • Anti-discrimination 	<ul style="list-style-type: none"> • Feedback channels • Employee activities • Training courses 	<ul style="list-style-type: none"> • BUILDING A CAREER THAT ENSURES SAFETY
Community 	<ul style="list-style-type: none"> • Local economic development • Community involvement 	<ul style="list-style-type: none"> • Community events • In-kind donations 	<ul style="list-style-type: none"> • BRINGING BEAUTY FOR COMMUNITY
Contractors/ Suppliers 	<ul style="list-style-type: none"> • Supplier evaluation • Green supply chain 	<ul style="list-style-type: none"> • Supplier evaluation • Regular communication meetings 	<ul style="list-style-type: none"> • SUSTAINABLE SUPPLY CHAINS
Government/ Regulatory Authorities 	<ul style="list-style-type: none"> • Social and economic compliance • Environmental compliance 	<ul style="list-style-type: none"> • Policy advocacy • Supervision and inspection • Collaborative projects 	<ul style="list-style-type: none"> • PURSUING OPERATIONAL EXCELLENCE • BUILDING A CAREER THAT ENSURES SAFETY • ENVIRONMENTAL MANAGEMENT
Shareholders/ Investors 	<ul style="list-style-type: none"> • Business ethics • Anti-corruption 	<ul style="list-style-type: none"> • Annual/Interim report • Investor conferences • General meeting of shareholders 	<ul style="list-style-type: none"> • PURSUING OPERATIONAL EXCELLENCE



CONTRIBUTING TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group is committed to progressively align its day-to-day business operations with Sustainable Development Goals (SDGs) of the United Nations.

Core Areas	Sustainable Development Goals	Related Topics
REDUCING EMISSIONS FOR A BLUE SKY	 <p>9.1 – Develop quality, reliable, sustainable, and resilient infrastructure</p>	<ul style="list-style-type: none"> Greenhouse gas emissions Tackling climate change Water management Environmental compliance Emissions management Energy efficiency Green building
	 <p>12.2 – Strive for efficient use of natural resources 12.5 – Reduce waste generation</p>	
	 <p>13.1 – Strengthen resilience and adaptation to climate-related hazards and natural disasters 13.3 – Raise awareness of climate change mitigation and adaptation to its impacts</p>	
PURSUING OPERATIONAL EXCELLENCE	 <p>11.1 – Ensure access to adequate, safe and affordable housing and basic services for all</p>	<ul style="list-style-type: none"> Product and service quality management Product sales and advertising Social and economic compliance Customer privacy management Customer satisfaction Supplier evaluation Green supply chain Business ethics Anti-corruption
	 <p>12.a – Adopt sustainable production and consumption patterns</p>	
	 <p>16.5 – Reduce all forms of corruption and bribery</p>	
BUILDING A CAREER THAT ENSURES SAFETY	 <p>3.d – Strengthen capacity for early warning, risk reduction and management of health risks</p>	<ul style="list-style-type: none"> Prevention of child and forced labour Employee health and safety Social and economic compliance Training and development Compensation and benefits Employee communication Anti-discrimination
	 <p>8.5 – Full and productive employment for all, decent work and equal pay for work of equal value 8.7 – Prohibition of child labour 8.8 – Promote a safe and secure working environment for all employees</p>	
BRINGING BEAUTY FOR COMMUNITY	 <p>1.A – Poverty eradication</p>	<ul style="list-style-type: none"> Local economic development Community involvement
	 <p>11.3 – Strengthen capacities for participatory, integrated and sustainable human settlements planning and management</p>	

REDUCING EMISSIONS FOR A BLUE SKY



9.1 – Develop quality, reliable, sustainable and resilient infrastructure



12.2 – Strive for efficient use of natural resources
12.5 – Reduce waste generation



13.1 – Strengthen resilience and adaptation to climate-related hazards and natural disasters
13.3 – Raise awareness of climate change mitigation and adaptation to its impacts

DEVELOP GREEN BUILDING TO IMPROVE URBAN RENEWAL

In the process of achieving the Sustainable Development Goals, the Group actively responds to the national requirements for increasing the proportion of green buildings, continued to adopt innovative technologies to enhance its environmental performance, and integrated energy-saving and environmental protection elements in the design of buildings. Construction and operations are in accordance with a number of internationally recognised green building standards and good design solutions, and comprehensive planning and management of building life cycles is practiced, including the adoption of Building Information Modelling (“BIM”) technology. In addition, the Group adheres to the concept of green building, cooperates with technological innovation, continuously increases the proportion of green construction and green buildings, makes efforts to innovatively use green technology, actively promotes the use of clean energy, improves the utilisation efficiency of building materials, and pushes sustainable development of the city.

173

projects certified as green building certification projects

25.4

million square metres of total green building certified gross floor area

7

new green building certification projects

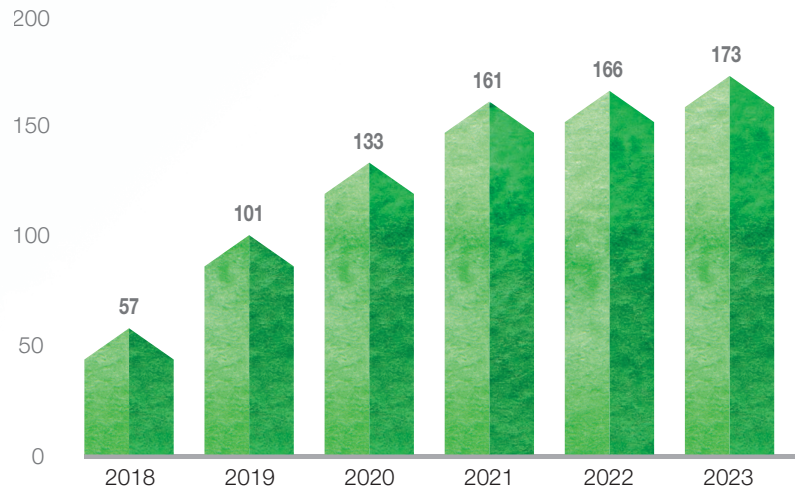
739,000

square metres of green building certified construction area

In 2023, the Group received green building certification for seven new projects, increasing the green floor area by 739,000 square metres. At present, R&F has a total of 173 projects that have obtained green building certification, with a total GFA of 25.4 million square metres.



Number of Green Building Projects of R&F Properties



URBAN RENEWAL

The Group continues to promote the concept of a circular economy through sustainable green building design solutions to enhance the physical and mental health and well-being of the public, improve the environment and life in the community. The Group strives to implement sustainable development solutions beginning at the design stage to improve construction and property operation from the perspective of reducing impact on the environment. With innovative building materials and internationally recognised sustainable building tables, the Group continues to enhance the health of its communities and ecosystems, create more green communities for cities, and accelerate the transformation of cities to sustainability.



Phase III and Phase IV of the Renovated Area of the Bi Village Three Project

- The project has supporting schools and Bicus bus terminals, and can be connected to Metro Line 13 and Line 6, providing residents with a high quality life, and living environment



Resettlement house of urban village reconstruction project (plot 4-3 of west of Maogang Road)

- The project has integrating residential, commercial, gardening, education and other supporting facilities, which can meet the needs of children and teenagers for learning, adult socialisation, elderly recuperation, etc., and bring a better life to the community

TACKLING CLIMATE CHANGE

The severe climate change issue has brought more risks and opportunities to the development of R&F Properties, and the Group believes actively responding to risks and seizing opportunities is the key to sustainable development. The Company regularly assesses climate change-related risks that can affect its financial performance and integrates climate change risk management into the Group's management framework. With reference to the framework recommended by the International Sustainability Standards Board (ISSB) and the Climate-related Disclosure Guidelines of the Hong Kong Stock Exchange, the Group addresses four major areas: governance, strategy, risk management and management of relevant indicators.

GOVERNANCE

The Board is responsible for overseeing the Company's management of sustainability risks, including climate-related risks. This includes risk identification, analysis, and review of management procedures on a semi-annual basis. An enterprise risk register has been established. Since 2019, the Company has included climate change risks among emerging risks.

STRATEGY

Climate change poses a variety of risks to our various businesses and operations, posing physical risks such as extreme weather events and rising sea levels. These risks impact assets and employees. However, climate change also brings opportunities to promote business innovation and help enterprises contribute to development of a low-carbon economy. We will continue to be committed to work toward developing a low-carbon economy and green buildings, and will study various options to promote optimisation of the structure of our energy consumption, in order to keep moving toward sustainable development transition. In response to transition risks, the Group actively develops green buildings and green technologies to mitigate risks related to changes in technology and consumer preferences and strengthens management and information disclosure in terms of energy consumption and greenhouse gas emissions, to cope with possible risks in future environmental compliance and disclosure requirements.

RISK MANAGEMENT

In order to formulate a long-term strategy for protecting its business from climate change-related risks, the Group has assessed the physical risks and transition risks brought by climate change with reference to the ISSB recommendations and the Climate-related Disclosure Guidelines of the Hong Kong Stock Exchange. It has compiled a list of climate-related risks including 2 types of physical risks and 4 types of transition risks. A qualitative scenario analysis has been conducted to assess the potential impact of each risk on the Group's financial performance. In addition, the Group actively identifies the opportunities brought about by climate change on an ongoing basis and works on seizing the financial benefits brought by the opportunities to promote its sustainable development.



Risk Category	Name of the Risk	Impact	Risk Description	Potential Financial Impact
Physical Risks (acute risks)	Cyclones/ typhoons, floods	Business operations, supply chain, investors	<ul style="list-style-type: none"> • Damage to or destruction of projects under construction or already built • Affect the normal operations of the hotel business • The supply of building materials can be affected, the price may increase, and transportation of building materials may face hurdles or even be blocked, affecting the progress of the project • Causing damage to projects under construction or already completed, causing property damage, affecting the Company's stock price, and losing investors 	<ul style="list-style-type: none"> • Decrease in fixed assets and increase in expenditure: Some projects may get damaged, and repair expenses may have to be incurred • Decrease in operating income: Hotel operations may be impacted adversely • Increased costs: The delay in completion of the project can increase the cost of engineering construction and housing construction • Increase financing costs: The Company's share price may fall
	Extreme heat and cold	Business operations	<ul style="list-style-type: none"> • The heating/cooling demand for the hotel business may increase and the operating costs in general may go up • Workers may suffer heat strokes due to high temperatures, and sudden heavy snowfall may affect the progress of projects under construction • Employees may have to be paid higher subsidies because of high temperatures, which means higher expenses 	<ul style="list-style-type: none"> • Operating costs may increase: Increased heating/cooling demand, delayed project completion and increased employee subsidies lead to higher operating costs
Physical Risks (chronic risks)	Water scarcity	Business operations	<ul style="list-style-type: none"> • Desirable freshwater resources may get depleted and water prices may rise 	<ul style="list-style-type: none"> • Increased operating costs: Increased water purchase costs
	Sea level rises	Business operations	<ul style="list-style-type: none"> • Coastal houses can get damaged by flooding; land bank may be eroded 	<ul style="list-style-type: none"> • Decrease in fixed assets: damage to houses and land • Increased expenditure because of repairs of damaged houses and land

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Category	Name of the Risk	Impact	Risk Description	Potential Financial Impact
Transition Risks (policy & legal risks)	Stricter compliance and information disclosure requirements under the environmental protection laws	Business operations, investors	<ul style="list-style-type: none"> In the event of failure to comply fully, companies may be at higher risk of claims or lawsuits The Company's environmental compliance and information disclosure may not meet investors' expectations, resulting in the loss of investors 	<ul style="list-style-type: none"> Increased operating costs: Increased compensation expenses Increased management costs: Investment for environmental compliance management and information disclosure may have to be increased Increased difficulty in raising funds: loss of investors
	Increased requirements for existing products and services	Business operations, supply chains, investors	<ul style="list-style-type: none"> The existing products and services may not meet the country's expectations because of the constant revisions of definitions of green products and services The existing products and services may not meet the green requirements of customers, such as customers' preference for green buildings 	<ul style="list-style-type: none"> Increased operating costs: It may become necessary to purchase more environmentally friendly materials and increase investment in research and development for environmentally friendly products Decrease in operating income: loss of customers
Transition Risks (market risks)	Shifting customer and investor preferences	Business operations, investors	<ul style="list-style-type: none"> Customers and investors are shifting their preferences to environmentally friendly services and products, such as green buildings 	<ul style="list-style-type: none"> Decrease in operating income
	Climate change is causing tourist spots to become less popular	Business operations	<ul style="list-style-type: none"> Climate change has led to deterioration of the environment of tourist attractions, affecting hotel occupancy 	<ul style="list-style-type: none"> Decrease in operating income



Risk Category	Name of the Risk	Impact	Risk Description	Potential Financial Impact
Transition Risks (reputational risks)	Stakeholders are demanding that companies raise the bar on climate action, and failure to respond effectively to such demands can hurt corporate reputation	Business operations, investors	<ul style="list-style-type: none"> Existing cooperation arrangements may have to be revised or the ability to attract new partners may be weakened Competitive advantage over competitors that perform better against climate actions may get weakened 	<ul style="list-style-type: none"> Increased financing costs Decrease in operating income
Transition Risks (technology risks)	Fewer green technology operations	Business operations	<ul style="list-style-type: none"> Peers may increase investment in green buildings, which may put the Company's existing projects at the risk of being replaced 	<ul style="list-style-type: none"> The sales volume of the Company's existing real estate projects may decrease
	Insufficient supply of green building materials	Investors	<ul style="list-style-type: none"> The supply chain may not be able to support the building requirements and sustainability requirements that have to be met to cope with more severe weather conditions in the future 	<ul style="list-style-type: none"> Increased operating expenses: Increased procurement costs for finding new suppliers

Opportunity Category	Opportunity Description and Response	Potential Financial Impact
Resource Efficiency	Through measures such as energy conservation and emissions reduction, water conservation and the development of green buildings, we will reduce the consumption of resources, improve the efficiency of resource utilisation, reduce the generation of waste, and improve the Company's environmental protection-related performance	Reduced operating costs
Products and Services	The use of green products and technologies and the provision of green and low-carbon services can enhance competitive advantages and improve customer retention	Increase in operating income
Market	Practicing a low-carbon development path, encouraging suppliers to improve raw materials and use environmentally friendly building materials, and attracting more customers and investors with high environmental requirements	Operating income increased and financing costs decreased

ENERGY CONSUMPTION

The Group's main energy consumption comprises electricity, petrol, diesel, liquefied petroleum gas and central heating and cooling, etc., and the Group's total energy consumption and intensity in 2023¹ were as follows:



Total energy consumption in 2023: 4,159,551 GJ (2022: 3,474,029 GJ)

Energy consumption intensity in 2023: 0.207 GJ/m² (2022: 0.124 GJ/m²)

GREENHOUSE GAS EMISSIONS

The Group's greenhouse gas emissions are mainly derived from indirect emissions from purchased electricity and heat (Scope 2), accounting for 77.5% of the total emissions. Direct emissions (Scope 1) are derived from emissions from the use of fuels and refrigerants. In 2023, the Group's greenhouse gas emissions² were as follows:



Scope 1 emissions: 106,297 tonnes of CO₂ equivalent (2022: 93,181 tonnes of CO₂ equivalent)

Scope 2 emissions: 365,761 tonnes of CO₂ equivalent (2022: 304,956 tonnes of CO₂ equivalent)

Total GHG emissions: 472,058 tonnes of CO₂ equivalent
(2022: 398,137 tonnes of CO₂ equivalent)

Emission intensity: 0.024 tonnes of CO₂e/m² (2022: 0.014 tonnes of CO₂e/m²)

¹ The Group's energy consumption includes energy consumption for business management, hotels, office premises and projects under construction

² The Group's greenhouse gas emissions include those from business management, hotels, office premises and projects under construction



ENERGY SAVING AND EMISSION REDUCTION

To reduce energy consumption and greenhouse gas emissions, the Group has formulated an 《Energy Conservation Management Plan》 and requires its subsidiaries and departments to implement energy management measures in strict accordance with the system. The following are some of R&F Properties' hotel energy saving and emission reduction measures:

Doubletree By Hilton Chongqing Wanzhou

- Doubletree By Hilton Chongqing Wanzhou has established a dedicated Energy-Saving Leadership Team. The team is led by the hotel's general manager and is responsible for setting energy-saving goals and plans, overseeing the implementation of various energysaving measures, and conducting monthly analysis of energy consumption. Additionally, Doubletree By Hilton Chongqing Wanzhou has implemented energy-saving programmes for each department and established a system of rewards and penalties, empowering each department to take disciplinary actions against individuals who violate energy consumption management regulations.

The 《Doubletree By Hilton Chongqing Wanzhou Energy Management Regulations》 provide guidelines for electricity usage:

- **Save electricity on lighting:** Energy-saving lights are used both inside and outside the hotel. Areas with good natural lighting should make full use of daylight. During nighttime, the number of lights in public areas, including restrooms, should be minimized. Street lights should be switched on and off at specific times, and motion sensors should be used to turn them off during daylight hours.
- **Save electricity on office equipment:** Office equipment should be set to energy-saving mode when not in use, and should be promptly turned off when not needed for extended periods. The hotel should expedite the replacement of high-energy-consuming office equipment, ensuring that newly purchased electrical office equipment meet the specified energy efficiency standards. Electrical devices, such as water heaters, should be turned off when not in use during non-working hours.
- **Accelerate the renovation of electrical equipment:** Efforts should be made to vigorously promote the energy-saving renovation of electrical equipment. Energy-saving renovation projects should be tailored to local conditions, ensuring gradual replacement or upgrading of non-energy-efficient lights and other high-energy-consuming equipment.

Grand Hyatt Guangzhou

The 《Grand Hyatt Guangzhou Energy-saving and Emission Reduction System and Operational Guidelines》 stipulate the following:

- **Air conditioning:** Make full use of natural ventilation during the transitional seasons of spring and autumn to regulate indoor temperature. In summer and winter, windows should be closed when air conditioning is turned on. The temperature set for air conditioning should not differ from the outdoor temperature by more than 7°C, with a minimum of 26°C in summer and a maximum of 20°C in winter.
- **Water heater:** Control the temperature of hot water in guest rooms at 45°C during summer and 55°C during winter.
- **Lighting:** While ensuring the quality of hotel lighting, gradually adopt more energy-efficient LED fixtures to reduce energy consumption. The hotel implements smart energy-saving technology for the lighting system.

Sheraton Changzhou Xinbei Hotel

- Sheraton Changzhou Xinbei Hotel has established a Safety and Energy-saving Inspection Team, which conducts irregular weekly inspections of various departments and operational areas to evaluate the implementation of energy-saving measures. The team implements a system of rewards and penalties for identified energy-saving practices and wastefulness. All departments are expected to follow up and implement measures upon receiving notifications. The hotel also establishes a duty team to ensure the accountability of responsible personnel.

The 《Sheraton Changzhou Xinbei Hotel Safety and Energy-saving Measures》 specify regulations for energy consumption in each department:

- **Engineering department:** Perform timely maintenance of hotel equipment, improve equipment efficiency, and reduce operating costs.
- **Guest room department:** Housekeeping staff should turn off unnecessary lights, air conditioning, and television when cleaning rooms.
- **Food and beverage department:** Strictly switch on and off lights and background fountains in the dining lobby and public dining areas on schedule. During the day, natural light should be maximized in areas with sufficient daylight. The temperature of the air conditioning in private dining rooms should be strictly controlled.
- **Office area:** During the day, maximize the use of natural light in well-lit office areas. Control the room temperature for air conditioning.

EXTREME WEATHER MEASURES

In order to minimise the impact of extreme weather events on the Company’s operations, ensure continuous operations and protect the lives and property of employees, the Group requires its subsidiaries and departments to formulate emergency management systems and organise employees to carry out emergency drills and special training on a regular basis.

InterContinental Tangshan:	Hyatt Regency Chongqing:	Crowne Plaza Yichang:	Pullman Taiyuan:
The purpose of formulating the “Severe Weather Emergency Handling Procedures” is to control the scene as soon as possible when severe weather (strong winds, heavy rain, lightning, hail) occurs, quickly obtain support, and reduce the loss of personnel and property.	The “Typhoon Warning Procedures” were issued, requiring all departments to take emergency measures according to different typhoon warning signals to ensure the safety of hotel staff and guests in the event of a typhoon, and to help the hotel maintain safe operations.	A severe weather emergency command centre has been set up, with the general manager of the hotel as the commander-in-chief, taking the lead in conscientiously implementing the “Severe Weather Emergency Plan”, comprehensively deploying emergency rescue work, doing a good job in the aftermath of the disaster, and ensuring normal operations of the hotel as soon as possible.	In the face of extremely cold weather, the hotel has formulated the “Emergency Plan for Extremely Cold Weather Disasters”, established an emergency leading group, regularly trained staff to operate special equipment and the ability to respond to emergencies, and regularly conducted drills to test the feasibility of the plan.

In order to raise employees’ awareness of climate change, the Group also organises themed activities on different environmental festivals, such as China Tree Planting Day, World Environment Day, etc.



ENVIRONMENTAL MANAGEMENT

The Group has established a comprehensive environmental management system, formulated sound environmental management methods and measures, standardised the environmental factors in the process of business and operations, combined with the ISO 14001 standard, formed a complete ecological and environmental protection system, and organically integrated pollution prevention and control work with business operations, hoping to continuously improve environmental performance and effectively improve the environmental management of the Group and its subsidiaries as a whole.

The Group continues to improve its environmental management system and has formulated a series of environmental management systems and operating procedures, such as the Quality and Environmental Management Manual and the Pollutant Control Procedure, to ensure that we have the ability to respond to various environmental emergencies and reduce the potential impact of our operations on the environment. In addition, the Group has formulated the Energy Conservation Management Plan to provide refined management and normative guidelines for energy usage to ensure effective implementation of the Group's sustainable development measures.

During the year, the Group did not have any major accidents related to greenhouse gas emissions, water resource use, land discharge and waste. The Group aims to continue to comply with 100% of laws and regulations related to environmental protection and to take all necessary steps to ensure there are no major accidents related to the environment.

ENVIRONMENTAL MANAGEMENT SYSTEM FOR CONSTRUCTION BUSINESS

The Group attaches great importance to the environmental impact of its construction business and is committed to minimising it by formulating a sustainable development policy and providing detailed guidelines for environmental management of the construction business. Guangzhou Tianli Construction Engineering Co., Ltd. ("Tianli Construction"), a subsidiary of the Group, has formulated measures to prevent pollution, save energy and reduce emissions in accordance with the ISO 14001 environmental management standard and relevant laws and regulations, and has continuously improved the environmental risk emergency management system and formulated various operational standards for any unexpected major environmental accidents that occur during the construction process, so as to ensure that various environmental emergencies can be addressed effectively and dealt with in a timely manner.

In addition, Tianli Construction has established a safe and civilised construction management system, in which the general manager directly leads the environmental management work in the construction stage, and the production team is responsible for implementation of on-site environmental protection measures. In order to strengthen management, the Group has set pollutant emissions targets and assigned the responsibility to meet them to relevant units and individuals through the implementation of the environmental target responsibility system. Relevant environmental objectives and responsibilities are included in the contract and post responsibility system to ensure steps for implementation of the environmental protection objectives. The implementation of this series of measures aims to ensure that environmental protection work can be carried out in an all-round and effective manner throughout the construction process.

WATER MANAGEMENT

The Group is committed to strengthening its water risk management and reducing overall water consumption. It continuously monitors water consumption at its properties and developments, improving the design to reduce water consumption intensity, and adopting various water conservation systems, such as installing automatic water taps and automatic filling bedpans, to better monitor water consumption. In addition, in order to improve the efficiency of water resource utilisation, the Group reuses wastewater at the construction site, and significantly reduces water consumption by recycling the flushing water from the automatic sprinkler car washing tank.

In 2023, the Group's total water consumption in commercial management, hotel services, office premises and projects under construction was 9,836,935 cubic meters and the water intensity per square meter was 0.490 cubic meters, and the Group had no problem in obtaining water fit for the purpose.

The Group is working to further develop and implement efficient water management measures at all business levels and departments in accordance with the policy, and its hotels will also set water conservation targets based on actual operations to ensure that water use is effectively managed and wastewater is discharged safely.

“The Ritz-Carlton, Harbin Water Conservation Goal”

By 2025, environmental footprint of the entire portfolio will be significantly reduced, including a 15% reduction in water intensity.

“Sheraton Changzhou Xinbei Hotel Water Conservation Target”

Save 3% of water consumption per year.

“Water Saving Measures at Renaissance Beijing Capital Hotel”

1. Formulate a plan for the use of water resources and refine the management of water-saving measures.
2. The engineering department strengthens maintenance, resolutely puts an end to the phenomenon of “running and dripping” and eliminates wastage of water resources.
3. The engineering department uniformly measures water consumption of different departments and evaluates and analyses the data every month, so as to effectively control the use.
4. For cleaning, washing and bathing, etc., all departments are required to adopt scientific and reasonable use methods to save water.
5. All water using departments have formulated effective management measures to eliminate wasteful behaviours such as “leaving taps when no one is around”, “thawing food with water”, and “bathing and rinsing for a long time”.
6. Rational use of reclaimed water is ensured by the projects in the course of normal operations.
7. The Energy Conservation Committee and the Energy Conservation Office conduct irregular inspections of water use departments, supervise water use, and summarise records for rewards and punishments.



EMISSIONS MANAGEMENT

The Group has put in place a “Pollutant Control Procedure” outlining the requirements for proper use, recycling and disposal of waste. The Group is committed to reducing wastewater, exhaust gas and solid waste generated from daily operations, as well as reducing construction waste at project development sites. All waste generated by the Group is properly disposed of and managed in accordance with relevant local laws and regulations, and a qualified third-party company is commissioned to recycle and dispose of solid waste and construction waste.

EXHAUST EMISSIONS

The Group requires its hotels to take appropriate measures to ensure that visible fumes and unpleasant odours are not emitted, and other forms of emissions from polluting sources do not impact the environment. At the same time, the Group engages a third-party company with relevant professional qualifications to assist in monitoring the hotel’s fume emissions to ensure that the exhaust emission level complies with relevant local regulations.

In 2023, the Group’s emissions of air pollutants such as sulphur oxides (“SOx”), nitrogen oxides (“NOx”) and suspended particulate matter (“PM”) from the use of fuel vehicles and other fossil fuels were 0.027 tonnes, 2.232 tonnes and 0.202 tonnes respectively.

Sheraton Wuxi Binhu Hotel

- The Sheraton Wuxi Binhu Hotel has implemented measures to impart high-level treatment to boiler flue gas to meet the requirements of air pollution emissions. This includes the development of regulations such as the 《Boiler Maintenance Procedures》 and 《Boiler Operation Guidelines》.
- The hotel is equipped with dust removal systems and facilities to reduce dust emissions. Regular maintenance and upkeep are carried out with various dust removal equipment, including regular cleaning and replacement of filtering devices.
- An online monitoring station has been established to ensure proper functioning of equipment.

WASTE MANAGEMENT

The Group continuously monitors and collects waste data from its offices, hotels, commercial projects, and construction projects under progress to ensure that all waste collected is properly disposed of. In 2023, the Group generated a total of 37.22 tonnes of hazardous waste, 433.94 tonnes of construction waste and 182,971.92 tonnes of other general waste (including food waste, green waste and domestic waste).

“Promoting digital and green office”

The Group has established a printing management system to centrally manage the use and maintenance of printing equipment, and through the analysis of printing statistics, it can reduce the use of printing-related consumables to effectively save printing paper. During the year, the Group’s total printing volume decreased by 48% year-on-year, of which the number of colour printing decreased by 51% year-on-year.

DUST AND NOISE CONTROL

The Group strictly implements environmental management measures at construction sites and strengthens dust and noise control, conducts real-time monitoring of environmental indicators, carries out regular environmental risk assessments, and takes mitigation measures, including regular sprinkling of water and dust reduction during the construction period, and shielding of strong noise with soundproof shelter equipment.

CONSTRUCTION ENVIRONMENT MANAGEMENT

The Group has designated the “Management System for the Recycling and Reuse of Tailings and Wastes” to provide waste reduction guidelines for the design and construction stages of projects, and to reprocess reusable construction tailings and waste materials to improve material utilisation. We use BIM technology to carry out scientific digital management of the built environment through its entire life cycle, and strive to avoid wastage of building raw materials at the source and in the processing and other stages.

Emission management measures implemented at Tianli construction site

Air pollution

- Laying concrete hardened pavement at the construction site
- Regularly spraying water to reduce dust during construction
- Taking measures to cover construction materials that are prone to generate dust or storing them indoors
- Setting up vehicle cleaning and flushing stations at the construction site exit

Wastewater treatment

- Implementing separate systems for rainwater and sewage to ensure the necessary segregation in the drainage network
- Recycling water for public swimming pools and decorative water features after filtration for irrigation purposes
- Installing sedimentation tanks at the construction site to ensure that wastewater is discharged into the municipal sewage system only after sedimentation

Noise pollution

- Using low-noise concrete vibrators during construction
- Using sound-insulation enclosures to block strong noise
- Strictly adhering to regulations on construction noise management and scheduling construction activities accordingly

Waste management

- Establishing designated temporary storage areas for waste, and separating construction waste from household waste
- Managing the recycling of recyclable waste, such as oils and chemicals
- Installing dedicated chemical storage facilities with leakage prevention measures
- Prohibiting the use of toxic and hazardous waste for backfilling, and entrusting their handling to professional entities
- Establishing separate storage facilities for flammable and explosive materials



CONSERVATION OF BIODIVERSITY

The Group has been complying with relevant laws and regulations and is committed to conserving biodiversity and ecosystems through continuous assessment and management of environmental sustainability of its business operations. To ensure that our operations do not seriously damage the surrounding ecology and environment, we conduct environmental and ecological assessments in the pre-development stage of projects, avoid developing projects in the vicinity of national nature reserves, and actively promote ecosystem restoration to the greatest extent possible. Throughout the project cycle, our team actively takes ecological restoration measures during the construction process, restores the environmental areas affected by the construction project, and ensures sustainable development of the project and the ecological environment.



“Hainan R&F Ocean Paradise”

In order to protect the ecology and biodiversity, the Group has implemented the Blue Ocean Conservation Programme and cooperates with the Government to carry out ecological co-construction, and has built the first and most well-functioning marine animal hospital and Blue Ocean Conservation Centre in Hainan. This Centre undertakes quarantine and coastal marine animal rescue work, and is known as the “Grade 3A Hospital” in the animal world that practices conservation and development in parallel. As of 31 December 2023, the Blue Ocean Conservation Centre has rescued and released hundreds of marine animals such as hawksbill turtles, green sea turtles and Chinese soft-shelled turtles. Through Blue Ocean Conservation Centre, we hope to educate the next generation about the knowledge and importance of marine conservation.



“Hainan Mangrove Wetland Conservation Park”

The Group has invested in the creation of a 2,200-acre national nature conservation park. Its subsidiary, Haikou R&F Club Tourism Development Co., Ltd., joined the Chengmai Wetland Conservation Association in 2020 to participate in the conservation and education of wetlands.

PURSuing OPERATIONAL EXCELLENCE



11.1 – Ensure access to adequate, safe and affordable housing and basic services for all



12.a – Adopt sustainable production and consumption patterns



16.5 – Reduce all forms of corruption and bribery

OPERATE WITH INTEGRITY AND HONESTY

The Group adheres to the Criminal Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, and the Prevention of Bribery Ordinance of Hong Kong, upholds the principle of fair and honest operations, and resolutely opposes unethical acts such as corruption and bribery. The Group’s legal monitoring centre, led and supervised by the Vice President of the Group, as authorised by the Chairman of the Board, is responsible for independently carrying out supervision work and timely screening of integrity risks.

The Group has formulated the “R&F Properties Group Supervision and Management System” to ensure operational processes are in alignment with set norms in all aspects. The system covers corruption and bribery, information confidentiality, environmental, health and safety, and whistleblowing mechanisms, providing clear guidelines and regulations to ensure the integrity and compliance of enterprises.





In addition, we have formulated the “Employee Handbook” and “R&F Properties Integrity and Self-Discipline Rules” which stipulate and clarify the regulations to be complied with by employees, and put forward specific requirements for employees in specific positions, including sales planning, cost control, auditing, bidding, procurement, construction management and design management procedures, so as to prevent bribery, falsification of files or provision of false accounting records and other fraudulent acts.

At the same time, we propose to establish a mechanism to share anti-corruption experiences, judicial resources and investigation methods with various stakeholders in the industry, so as to actively promote anti-corruption work in the industry. In the systematic inspections carried out during the year, the total amount of avoided losses has reached approximately RMB 41 million.

ANTI-CORRUPTION TRAINING

The Group requires every employee to adhere to correct values, adhere to the moral bottom line, be strict with oneself, “internalise in their hearts and externalise in their actions”, and work with integrity. The Group’s Integrity and Self-Discipline Code sets out the requirements that all employees must comply with and sets out specific requirements for employees in specific positions, including procedures for sales planning, cost control, auditing, tendering, procurement, construction management and design management.

The Group’s legal monitoring centre, branch inspection centre and regional and subsidiary supervision teams are responsible for functional supervision of its operations. The supervision department adopts a vertical management model, and under the direct guidance of the Group’s authorised leaders, supervises and inspects work in accordance with relevant internal rules and regulations and inspection management systems. The Group’s legal monitoring centre and its branches formulate supervision priorities according to regional characteristics, and systematically carry out work in case of an investigation, project cost monitoring, project quality monitoring, materials and equipment quality investigation, price inspection, bidding inspection, administrative efficiency supervision and daily inspection. The Group continues to incorporate fraud risks into its semi-annual risk assessments, and regularly evaluates its anti-corruption mechanism and fraud prevention efforts. During the year, the Group’s risk assessment results showed that the fraud risk index was low and did not pose a material risk.

The Group’s legal monitoring centre provides anti-corruption training to all employees and board members, and conducts anti-corruption inspections on a regular basis to enhance the awareness of all members about integrity. Any employee who embezzles, accepts bribes or deceives the Company, regardless of whether it causes losses to the Group, the Company will unconditionally terminate the employment of that person.

WHISTLEBLOWING MECHANISM

During the year, the Group improved the whistleblowing mechanism to ensure that every stakeholder can easily lodge a complaint and confidentiality of the identity of whistleblowers is maintained, to protect them from retaliation or adverse treatment.

Strict process management system	Whistleblower protection system	Reporting methods and channels
<ul style="list-style-type: none"> All cases are thoroughly investigated and dealt with seriously, and the functional departments of the Company's supervision and audit centre conduct inspections in accordance with research and analysis, set up a team to carry out verification, give feedback to the whistleblower and solicit opinions, issue verification reports, and properly retain all records. 	<ul style="list-style-type: none"> The Group strictly keeps personal information of whistleblowers confidential and strictly prohibits the disclosure of the related materials to the reported units or individuals to protect the personal safety of whistleblowers. In the process of accepting or verifying individual cases, we do not reveal the identity of the whistleblower, to protect personal rights and other legitimate rights and interests, and prevent any form of blocking, suppression or retaliation against the whistleblower. 	<ul style="list-style-type: none"> The Group encourages its employees, suppliers and other partners to report any suspected cases of unethical conduct to the legal monitoring centre through open channels. Whistleblowers may also write to the Audit Committee of the Board to make a report. On the Group's official website and other platforms, public reporting channels such as special hotlines, mailboxes and emails have been set up. <p>Email: jiancha@rfchina.com Hotline: 020-38882777 ext.3876</p>

PRIVACY PROTECTION

The Group has formulated the "Customer File Management Work Instructions" to clarify responsibilities of employees for maintaining confidentiality of customer information and supervising service contractors and property companies to protect customer privacy. The Group ensures confidential handling of customer information, including paper and electronic files, throughout the project development cycle, and requires each property management company to assign special personnel to manage it to prevent leakage of customer information.

ADVERTISING AND MARKETING

The Group has also formulated the "Advertising Design Standards and Management System" to strictly control the review process and to prevent false content in advertisements, such as exaggeration, deception, and false content, and publicise it in accordance with local laws and regulations to ensure the accuracy and compliance of advertising and marketing content. In addition, the Group also stipulates that intellectual property rights of others should not be infringed in the promotional design, use of materials and promotional work.



SUSTAINABLE SUPPLY CHAINS

The Group is committed to establishing long-term partnerships that are in line with its business philosophy and corporate culture, to promote the development of high-quality and sustainable supply chains. Using its supplier relationship management system platform, as well as the management system and the R&F Group Procurement Management System, the Operational Guidelines for the Management of Supplier Shortlisting Evaluation, and the Standards and Monitoring Measures for the Selection of Hotel Management Companies, the Group actively manages suppliers and provides clear guidance to relevant departments in respect of project bidding, materials and equipment procurement and supplier management.

The Group expects its suppliers to follow its environmental and social requirements. For example, the Group continuously monitors and encourages hotel management companies to integrate energy conservation and environmental protection, community service, philanthropy and employee development with their strategic plans, construction, and operation of hotels to ensure active fulfilment of corporate social responsibility. In addition, to monitor and manage supply chain-related risks, the Group continues to incorporate “supply chain risk” assessment into the Group’s semi-annual risk assessment more effectively. The most recent risk assessment showed that the supply chain risk index is relatively low and there is no significant risk to the Group and its operations.

To strengthen supplier management and ensure that the quality of the products and services provided by the Group meets the requisite standards, the Group has established a clear mechanism for supplier evaluation and development.

“Supply Chain Management Process”

Supplier development

1. Develop suppliers in a variety of ways.
2. Take risk avoidance measures, such as strictly prohibiting suppliers with affiliated relationships or related businesses from participating in the competition for unified materials and equipment procurement.

Supplier onboarding

1. Credit verification: Eliminate suppliers with quality defects, illegal behaviours, and bad reputation in the past two years.
2. Data review: Review the “Prequalification Documents” and attachments and eliminate suppliers whose qualifications and products do not meet the pre-selected standards.
3. On-site assessment: The review team conducts on-site inspections on the supplier’s performance, technology, product quality, compliance, etc.

Supplier evaluation

1. Conduct regular evaluations of suppliers’ basic qualifications and performance behaviours every year.
2. Basic qualification assessment: Review the supplier’s operation, certification, production equipment and other basic information and capabilities.
3. Performance evaluation: Review the supplier’s supply quality, delivery, after-sales service and customer complaint handling.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 31 December 2023, the Group had a total of 328 suppliers in the Mainland, mainly covering materials and equipment supplies and engineering services. The Group firmly believes that effective communication with suppliers is essential for a robust and sustainable supply chain. Therefore, the Group has set up a variety of communication channels to collect feedback and suggestions from suppliers and respond in a timely manner.

As an important part of a sustainable supply chain, the Group actively promotes sustainable procurement. The Group prefers to purchase eco-friendly paper certified by the Forest Stewardship Council (FSC) and others. In terms of hotel business, the Group encourages the purchase of seafood certified by the Marine Stewardship Council (MSC) and looks for items such as paper straws, biodegradable garbage bags, and table knives made from eco-friendly materials. The Group has made changes to put small toiletries in guest rooms and use non-canned carboy bottles to reduce waste. In the coming year, the Group plans to promote more sustainable procurement projects and extend the concept of sustainability to a wider range of business activities.

DIGITISATION

The Group has established its own digital R&D capability system. The enterprise management centre, together with various business departments, has jointly built the Group's master data platform which unifies the naming criteria. Management of projects is divided into different objectives based on plots, projects, divergence, business formats and buildings, and data maintenance responsibilities at all stages of the project are defined clearly.

The Group has built a local data centre that integrates various business systems, centrally manages the entry and distribution of project data, avoids multi-point maintenance of the same data, improves the efficiency of updates and ensures data consistency. At the same time, interconnection of digital infrastructure resources of various business segments, regional companies and subsidiaries facilitate a project analysis system for information exchange and balanced management of production and sales and for improving the efficiency of resource utilisation.

Vsign Mini Programme centralises and standardises the Company's management of non-process-based approval documents, records the approval nodes throughout the process, and standardises the management of approval documents. In order to ensure information security, the OA account of the employee must be bound before signing to ensure the security of online approval.

CUSTOMER SATISFACTION

The Group is committed to providing high quality services to its customers. In 2023, in strict accordance with the Administrative Measures for Customer Satisfaction Survey of R&F Group Companies (2022 Revised Edition), the Group conducted customer satisfaction surveys focusing on product quality and property services, and listened to customers' feedback. After the investigation, the engineering supervision and management centre compiled the survey results into a "special report on customer satisfaction" and submitted it to the Chairman of the Group for subsequent improvement work. During the year, the Group's customer satisfaction remained at a high level.



In addition, the Group's hotels regularly conduct customer satisfaction surveys to assess satisfaction with cleanliness, staff services, food and beverage, hotel maintenance, facilities and other aspects. By conducting customer satisfaction surveys, the Group is able to fully understand the level of customer satisfaction with the overall service of the hotel and identify room for improvement. At the same time, the Group continued to optimise hotel management and service quality, and achieved the following results during the year:



The Group encourages customers to express their complaints through telephone, on-site and online channels, and has a customer complaint handling process in place to ensure that all complaints are resolved in a timely and appropriate manner. Our complaint handling process is as follows:



Looking ahead, the Group will continue to improve the quality of its services and improve its customer feedback and complaint handling mechanism for further improving its customer service system.

CUSTOMERS' HEALTH AND SAFETY

The Group is committed to providing safe and high-quality products to meet the needs of its customers. We require our hotels to carry out food safety management in strict accordance with the food safety management system specifications to ensure food safety of customers. All the Group's hotels are certified for ISO22000 and are required to inspect food suppliers at least once a month.

Apart from food safety, the Group formulates an Emergency Drill Plan every year based on the actual operational situation, which contains emergency procedures for addressing emergencies such as fire, flood, and major equipment failure and requires the service contractor to organise regular training to improve the emergency response ability of employees and better protect the safety of customers.

PROJECT QUALITY MANAGEMENT

The Group is committed to providing customers with a comfortable and high-quality commercial and residential environment, and continuously improves the management methods for enhancing project quality at all stages, including the “Implementation Measures for the Quality of R&F Group’s Residential Projects for One Household and One Inspection”, “R&F Group’s Landscaping Project Acceptance Management Measures”, “R&F Group’s Pile Foundation Project Management Measures”, etc. In addition, the Group has put in place a number of measures to ensure the quality of the projects.

<p>Quality assurance of projects under construction</p> <ul style="list-style-type: none"> • Set up a special inspection team to inspect and evaluate structural engineering, decoration engineering, waterproofing, and other aspects of projects under construction in accordance with relevant national norms and standards • The inspection results are reported to the management of the Group by the engineering supervision centre, and the management rewards or punishes in accordance with internal regulations after review 	<p>“One Household, One Inspection”</p> <ul style="list-style-type: none"> • Two months before the delivery of a project, the general manager or vice president of engineering of the regional company takes the lead in conducting inspection on a household-by-house, room-by-room and section-by-section basis according to the relevant quality acceptance standards • For unqualified projects, the working group requires the construction unit to rectify within the deadline, and then conduct a review before acceptance
<p>Comprehensive acceptance assessment</p> <ul style="list-style-type: none"> • Within the first six months after the completion and acceptance of the project, the quality control team organises relevant units, departments, and owners’ representatives to conduct a comprehensive return visit and comprehensive acceptance assessment of the project quality • The project supervision and management centre rewards or punishes according to the evaluation results and relevant regulations of the Group 	<p>Maintenance management</p> <ul style="list-style-type: none"> • All project carry warranties for a specified period. Problems that arise during the warranty period are determined by the real estate engineering project department to formulate the optimal maintenance plan • Problems that arise after the warranty period are managed by the property service group if they fall within the maintenance coverage of the project

BUILDING A CAREER THAT ENSURES SAFETY



11.1 – Ensure access to adequate, safe and affordable housing and basic services for all

8.5 – Full and productive employment for all, decent work and equal pay for equal work

8.7 – Prohibition of child labour

8.8 – Promote a safe and secure working environment for all employees

WORKFORCE COMPOSITION

The Group is committed to creating a diverse, equal and inclusive working environment for its employees. We advocate diversity and inclusion when hiring talents, and insist on integrating the concept of “openness, fairness, justice and legality” into the talent recruitment process. As at the end of 2023, the Group had a total of 25,143 full-time employees, and the specific distribution of employees by gender and age is as follows:

Distribution of Employees	As of the end of 2023
Gender distribution	
Man	67%
Woman	33%
Age distribution	
< 30 years old	15%
30 to 50 years old	80%
> 50 years old	5%
Distribution of educational qualifications	
Technical secondary school and others	5%
University and above	95%
Distribution of positions	
Management	9%
Managers	24%
General employees	67%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strictly abides by the relevant national labour laws and does not tolerate child labour or any kind of forced labour. For the age of the applicant, the human resources department must require the applicant to be of the minimum age mandated by law at the time of recruitment.

EMPLOYEE WELL-BEING

The Group provides its employees with competitive remuneration and benefits, including leave, preferential prices for home purchase, social insurance, housing provident fund, medical services, and discretionary bonuses. The Group regularly reviews its remuneration packages to ensure that its remuneration packages are fair and remain competitive in the industry. It has developed various types of periodic performance appraisal mechanisms to ensure that remuneration is commensurate with the performance and contribution of employees. The Group also provides a variety of leave, including paid annual leave, parental leave, and paternity leave.

TALENT CULTIVATION

The Group continues to support personal development of its employees while promoting business development. In order to better understand the training needs of each department, the Group collects training plans for the coming year from employees and departments every year, and each department adjusts the training plan according to the actual situation. During the year, the percentage of employees trained by the Group was 100%, and the average number of training hours per employee was 11.32 hours. The training covers a variety of topics, including urban renewal, management marketing, cost management etc.. For specific data on employee training, please refer to the Key Performance Indicators Table.

Through career development planning, we divide the principle of talent cultivation into three principles: systematic, long-term and dynamic, arrange counsellors, mentors and department heads to set short-term and long-term career development goals for new employees, and combine business needs, employees' own expectations, skills and job requirements to explore employees' talents, promote employees to improve their personal capabilities, and meet employees' personal development and business needs.

Systematic Principle

Establish corresponding career development paths for employees of different types and with different expertise

Employee career development plans need to be consistent throughout their careers

Long-term Principle

Flexible Principle

Make necessary adjustments based on the Group's development, changes in organizational structure, and employees' development needs at different stages



The “R&F Star Program” is a campus recruitment and training programme set up by the Group, which aims to invite outstanding graduates from well-known universities around the world and to discover outstanding talents with development potential, and promote talent retention and improve work efficiency through a series of training activities such as job rotation programme, mentoring and “R&F Star Enhancement Camp”. Outstanding trainees in the School Recruitment Scheme can also join the Management Trainee Scheme and undergo systematic training to become project managers or department managers. The Group offers management trainee programmes of different durations, covering various business areas including engineering, architectural design, management and so on.

CONSTRUCTION SAFETY

The Group attaches great importance to management of occupational health and safety in its construction business. It strictly implements the occupational health and safety policy, strives to provide comprehensive protection for all employees, and requires service contractors and suppliers to comply with occupational health and safety related requirements. We have established an organisational structure for safety in production, implemented a safety inspection system, clarified safety production responsibilities and other measures to extend occupational health and safety management at every stage of production to ensure construction safety and meet the standards of sustainable development.

Guangzhou Tianli Construction Engineering Co., Ltd. (“Tianli Construction”), a subsidiary of the Group, has established a Work Safety Committee (the “Safety Committee”) to implement the Group’s safety production policy of “Safety First, Prevention First, Comprehensive Management”, which includes organising safety drills and training, issuing extreme weather warnings, assessing risks and the safety performance of contractors. Through the safety production responsibility system, we ensure that the responsibility for safety production is effectively assigned at each job level, so as to strengthen the implementation of the Group’s safety production policy.

Chairman or General Manager

The first person responsible for safety in production is fully responsible for safety during production work

Work Safety Committee

The Company’s highest decision making body for occupational health and safety studies and makes decisions on major issues of safety production

Safety Leadership Team

The regional general manager serves as the team leader, formulates the safety production management system, supervises, and inspects the safety production management system

Safety Production Leading Group

Implement safety management measures, organise project safety production inspections, etc.



Tianli Construction safety production management structure

The chairman or general manager of each subsidiary serves as the first person in charge of safety production, fully responsible for the Company’s safety production work, and at the same time serves as the Company’s top decision-maker in occupational safety and health. The Safety Committee is responsible for managing the related functional departments, the regional safety leading group and the project-level safety production leading group to ensure that the Group’s construction safety guidelines can be effectively transmitted to all construction projects from top to bottom. In addition, we regularly collect feedback from staff on the relevant systems, implementation effectiveness, risk assessment, etc. through the establishment of communication channels, and conduct regular reviews.

Safety objectives for construction operations	Attainment of the target in 2023
The annual work-related fatality rate and work-related injury rate shall not exceed 24%	Target met
100% coverage of safety training for employees and contractors of construction units	Target met

The Group has implemented a number of measures to improve and strengthen the safety management at construction sites to safeguard the health and safety of employees and contractors. We require all contractors to sign a Work Safety Management Agreement (the “Agreement”), which clarifies the safety responsibilities of the contractors and requires them to provide safety education and safety production skills training to all personnel working at the construction site, and only allow those who have completed the safety education to enter the construction site. The Group has also set out health and safety objectives in the agreements signed with contractors to prevent fatal accidents, serious work-related accidents and other major accidents and major fires, etc., and to control the monthly incidence rate of minor injuries to less than 2%.

The Group conducts quarterly assessments for all projects under construction, adopts the Project Safety and Civilisation Assessment Form to score the performance in the four areas of safety management, safety education, civilised construction and data management, and requires the responsible units to rectify the “unqualified” projects in a timely manner and arrange re-inspections to ensure that the potential safety hazards of the projects are properly handled.

EMPLOYEE HEALTH

In order to protect employees from seasonal influenza and other diseases, the Group provides free medical check-ups to all employees every year and provides services such as hepatitis B and epidemic vaccination according to actual needs. In response to sudden natural disasters, the Group formulates emergency plans, covering earthquakes, flood control, rain, snow, low temperature weather, severe weather, etc.. The Group’s medical rescue team rescues injured people on site, and the material team provides daily necessities to disaster stricken employees to provide protection for employee safety.

The Group’s hotel business has established a sound occupational health and safety management system. In order to protect the health rights and interests of employees, and at the same time prevent, control and eliminate occupational disease hazards, we have formulated the “Occupational Health and Safety Management Regulations”, which stipulate in detail the procedures to be followed for identification, notification and warning of occupational safety and health hazards, occupational health declaration, and employees’ physical examination, occupational safety and health training, and protective equipment management. In addition, we have conducted occupational safety and health risk assessments, and based on the assessment results, we have made corresponding improvements to the working environment and work processes to ensure that the health and safety risks of employees’ working environments are minimised.

The Group’s hotel business implements a safety management responsibility system to ensure that every aspect is covered and implemented in place. Taking Park Hyatt Guangzhou as an example, by setting occupational safety commitments and targets, the Group has maintained zero work-related fatalities and zero major safety accidents and has also achieved 100% of safety goals such as rectification of potential safety hazards and fire safety plans.

Park Hyatt Guangzhou’s 2023 Occupational Safety Commitments and Targets	
Eliminate large accidents, and strive to have a general level 6 and above safety accidents rate of 0	Target met
The completion rate of rectification of hidden problems on schedule is 100%.	Target met
100% annual fire safety plan completion rate	Target met
0% incidence of financial security incidents	Target met
100% reporting rate of potential safety hazard system, internal control information system and hidden disclosure danger	Target met
100% pass rate of safety training for department employees	Target met
Strictly implement 100% of the “four capabilities” of fire safety work	Target met
100% completion rate of safety system promotion plan	Target met

SAFETY TRAINING

In 2023, the Group provided safety training covering different topics to its employees, for a total of 149,847 training sessions and a total of 314,748.40 training hours.



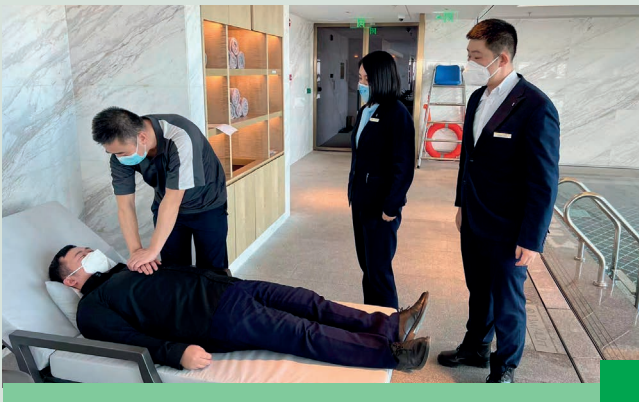
Fire evacuation drill

In the fourth quarter, the Sheraton Daqing Hotel conducted a fire evacuation drill. Professional fire organizations were invited to provide fire safety training and on-site guidance to the staff. The drill simulated a real fire scenario to help employees understand how to respond to sudden fires, use protective masks, and familiarize themselves with the hotel's fire alarm procedures and evacuation routes.



Kitchen staff safety training

The Grand Hyatt Guangzhou regularly conducts work safety training for kitchen staff. The training focuses on the characteristics of kitchen operations and combines guidelines for food safety and fire suppression systems, explaining key operational points.



Cardiopulmonary resuscitation (CPR) and First Aid Training

The Ritz-Carlton, Harbin invites professional first aid trainers to conduct CPR and first aid training activities for its employees. The training includes explanations of emergency response methods and how to choose appropriate emergency procedures. Employees are guided through practical exercises to enhance their skills in providing first aid.



Food safety training

The R&F LN Garden Hot Spring Resort conducts lectures and training activities specifically focused on food safety. These activities involve in-depth analysis of food safety issues, helping employees to understand food safety precautions, as well as procedures for handling food safety incidents.



Occupational safety and employee health training conference

The Hilton Xi'an regularly holds conferences on occupational safety and employee health. These conferences review the implementation of major safety issues such as fire safety and food safety. They also analyze the effectiveness of hazard identification and control measures on a regular basis to improve the safety management system and reduce safety risks.



BRINGING BEAUTY FOR COMMUNITY



1.A – Poverty eradication

SUPPORTING URBAN CONSTRUCTION

The Group adheres to the development strategy of “keeping abreast of the city and building a better life”, develops together with the city and contributes to the prosperity and beauty of the city. The Group is committed to participating in renovation and construction of three types of projects: old towns, old factories, and old villages, so as to improve the living environment and ensure high-quality development of the city. For its outstanding performance in urban development and construction and investment in social welfare undertakings, the Group was bestowed the “2022 China Top 100 Real Estate Enterprises with Comprehensive Strength” award.

At present, the Group has successfully completed several village renovation projects, including Liede Village and Yangji Village in Guangzhou, and has previously led the renovation and construction of Chentian Village, Bi Village and Maogang Village. In the future, the Group will continue to deepen urban construction, keep up with the needs of social development, and contribute to the upgrading and renewal of cities.

The Group understands a green community has a significant impact on society and the environment, and has been committed to creating a better community, promoting urban renewal, and creating a sustainable green living environment. By implementing the brand concept of “Fully Care Fully Live”, the Group is committed to building a warm community by combining humanised landscape designs that address the authentic emotional needs of contemporary urbanites. In addition, the Group focuses on integrating green environment and sports venues in the community, with the goal of providing more social and sports venues for community residents, enhancing community cohesion, increasing residents’ well-being, and contributing to the well-being of the community.



“STARLIGHT VALLEY”

The “Starlight Valley” concept theme garden has extended a number of theme modules such as Nebula Gate, Starlight Path, Planet Island, Thermal Planet, Starlight Forest, etc., to create a futuristic community with all-age activities. On the basis of people’s exercise needs and healthy life scenarios, a new standard of healthy housing is proposed.



“R&F YEE AN, GUANGZHOU”

The Group has established an independent health care brand of “R&F Yee An”, and its wellness communities such as R&F Yee An Guangzhou International Elderly Care Community, R&F Yee An Tianjin Elderly Care Home and Huizhou Nankunshan Ecological Health Care Mansion provide all-age, professional and high-quality one-stop nursing life experience for the elderly. Firmly caring for the elderly and meeting the needs of the elderly in an all-round way, R&F Yee An will provide for the elderly and rely on the elderly.



“R&F GREEN CITY CENTRAL PARK, WUHAN”

R&F Green City Central Park adheres to the concept of sustainable vitality community, creates a warm and dynamic vitality community, and provides a steady stream of power for building a better-quality community with innovative products. In 2023, R&F Green City Central Park won the GBE Real Estate Design Award (“Best Quality Benchmark Habitat Award”) for its design that combines residential quality and humanistic concepts. The project fully integrates landscape and architecture to form a unique spatial feeling, while satisfying the ecological community environment, creating a community life of neighbourhood interaction, and enhancing the spiritual connection and sense of belonging of residents.



PUBLIC WELFARE SERVICE

The Group focuses on education, environmental protection and helping the disadvantaged, and has achieved a harmonious and win-win situation between the enterprise and the society through various means such as capital donation, volunteer service and project cooperation.

CARE FOR CHILDREN WITH AUTISM FREE AND OPEN PUBLIC WELFARE DAY ACTIVITIES

During the year, R&F Ocean Paradise actively participated in public welfare activities and invited autistic children and families from the society to participate in the “Children of the Stars” Charity Day activities. It joined hands with Sanya Special Education School, Sanya Liudao Kindergarten and Blue Ocean Conservation and Rescue Centre, so that more “Children of the Stars” could be more confident under the love and attention of the whole society, live and grow happily.



APPLICABLE LAWS AND REGULATIONS

Issues	Applicable laws and regulations	Compliance status
Environment	<ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China 	<p>During the year, the Group did not record any violations of laws and regulations relating to waste gas and greenhouse gas emissions, discharge of water to land and generation of hazardous or non-hazardous wastes that had a significant impact on the Group.</p>
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Control of Air Pollution 	
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Control of Water Pollution 	
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste 	
	<ul style="list-style-type: none"> Energy Conservation Law of the People's Republic of China 	
	<ul style="list-style-type: none"> Law of the People's Republic of China on Environmental Impact Assessment 	
	<ul style="list-style-type: none"> Regulations on the Administration of Environmental Protection of Construction Projects 	
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Control of Soil Pollution 	
	<ul style="list-style-type: none"> Soil Pollution Prevention and Control Law 	
Employment	<ul style="list-style-type: none"> Labour Law of the People's Republic of China 	<p>During the year, the Group did not have any incidents of violations of laws and regulations relating to employment and labour affairs that had a significant impact on it, nor were there any incidents related to the use of child labour and forced labour.</p>
	<ul style="list-style-type: none"> Labour Contract Law of the People's Republic of China 	
	<ul style="list-style-type: none"> Prohibition of Child Labour 	
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Protection of Minors 	
Safety	<ul style="list-style-type: none"> Work Safety Law of the People's Republic of China 	<p>During the year, the Group did not have any instances of violation of laws and regulations related to occupational safety and health that had a significant impact on it.</p> <p>During the year, the Group did not have any serious work-related injuries and work-related fatalities.</p>
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases 	



Issues	Applicable laws and regulations	Compliance status
Product Liability	<ul style="list-style-type: none"> Construction Law of the People's Republic of China 	During the year, the Group did not have any breaches of laws and regulations relating to the health and safety, advertising, labelling and privacy of its products and services that had a significant impact on it.
	<ul style="list-style-type: none"> Law of the People's Republic of China on the Administration of Urban Real Estate 	
	<ul style="list-style-type: none"> Urban Planning Law of the People's Republic of China 	
	<ul style="list-style-type: none"> Advertising Law of the People's Republic of China 	
Anti-corruption	<ul style="list-style-type: none"> Criminal Law of the People's Republic of China 	The Group has not experienced violation of laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering that have materially affected it.
	<ul style="list-style-type: none"> Anti-Unfair Competition Law of the People's Republic of China 	
	<ul style="list-style-type: none"> Prevention of Bribery Ordinance, Hong Kong 	

KEY PERFORMANCE INDICATOR

ENVIRONMENTAL DATA

Indicators	Unit	Commercial Management ¹		Hotel ²		Office Operations ³		Projects under construction ⁴	
		2023	2022	2023	2022	2023	2022	2023	2022
Resources Consumption									
Electricity	kWh	83,436,814	63,154,122	428,706,021	359,293,038	817,367	122,521	1,990,198	18,663,327
Gasoline	litres	N/A	N/A	400,697	314,237	603,029	188,910	46,856	179,075
Diesel	litres	1,600	N/A	54,328	150,332	13,114	7,659	66,328	39,529
LPG	kg	N/A	N/A	39,758	90,099	N/A	N/A	N/A	N/A
Steam	tonnes	N/A	N/A	127,726	84,648	N/A	N/A	N/A	N/A
Natural gas	m ³	1,106,717	1,787,340	40,259,440	33,352,537	17,712	268	4,408	N/A
Acetylene	litres	N/A	N/A	475	573	N/A	N/A	4,595	17,220
Central cooling	kWh	16,456,559	1,354,868	40,875,198	27,881,364	N/A	N/A	N/A	N/A
Central heating	kWh	876,503	21,201,839	28,269,095	20,883,044	N/A	N/A	N/A	N/A
Total energy consumption	GJ	405,914	378,142	3,719,111	3,015,086	23,321	6,621	11,205	74,179
Energy intensity	GJ/m ²	0.263	0.245	0.999	0.791	0.200	0.057	0.001	0.003
Water Consumption									
Tap water	m ³	1,057,967	587,735	8,302,792	6,566,910	9,121	498	467,055	1,164,448
Intensity of tap water	m ³ /m ²	0.685	0.380	2.229	1.723	0.078	0.004	0.032	0.052
Use of Raw Materials									
Steel bars	tonnes	N/A	N/A	N/A	N/A	N/A	N/A	188,891	241,489
Concrete	m ³	N/A	N/A	59.05	627.20	N/A	N/A	102,885	132,256
H-shapes iron	tonnes	N/A	N/A	N/A	0.4	N/A	N/A	N/A	N/A
Wooden board	tonnes	N/A	N/A	22.46	21.40	N/A	N/A	62,304	75,808
Use of Refrigerants									
R134a	kg	N/A	N/A	2,192.8	2,788.7	N/A	N/A	N/A	N/A
R22	kg	N/A	N/A	1,119.4	1,152.8	N/A	N/A	N/A	N/A
R22a	kg	N/A	N/A	24.5	214.8	N/A	N/A	N/A	N/A
R410a	kg	N/A	N/A	631.0	425.3	N/A	N/A	N/A	N/A
R404a	kg	N/A	N/A	1,791.3	1,973.3	N/A	N/A	N/A	N/A
R134	kg	N/A	N/A	273.9	347.0	N/A	N/A	N/A	N/A
R32	kg	N/A	N/A	148.5	92.5	N/A	N/A	N/A	N/A
K404A	kg	N/A	N/A	35.0	55.5	N/A	N/A	N/A	N/A



Indicators	Unit	Commercial Management ¹		Hotel ²		Office Operations ³		Projects under construction ⁴	
		2023	2022	2023	2022	2023	2022	2023	2022
Greenhouse gas emissions									
Direct emissions (Scope 1)	tCO ₂ e	2,397	3,865	101,916	88,317	1,676	523	308	476
Indirect emissions (Scope 2)	tCO ₂ e	54,448	44,949	309,712	249,293	466	70	1,135	10,644
Total emissions	tCO ₂ e	56,845	48,814	411,628	337,610	2,142	593	1,443	11,120
Intensity of total emissions	tCO ₂ e/m ²	0.037	0.032	0.111	0.089	0.018	0.005	N/A	0.000
Air pollutants									
Sulphur oxides (SO _x)	tonnes	N/A	N/A	0.007	0.007	0.009	0.003	0.011	0.003
Nitrogen oxides (NO _x)	tonnes	N/A	N/A	1.237	0.722	0.453	0.241	0.542	0.065
Particulate matters (PM)	tonnes	N/A	N/A	0.115	0.046	0.036	0.023	0.051	0.005
Hazardous waste									
Total hazardous waste	tonnes	N/A	0.02	37.22	48.90	N/A	N/A	N/A	N/A
Intensity of hazardous waste	kg/m ²	N/A	0.000	0.010	0.013	N/A	N/A	N/A	N/A
General waste									
Construction waste	tonnes	220.00	398.00	213.94	873.33	N/A	N/A	N/A	11,200.00
Inert waste on site	tonnes	N/A	1,948.70	36.79	20.29	N/A	N/A	1,855.00	N/A
Food waste	tonnes	3,516.20	1,532.20	52,765.04	222,622.87	N/A	N/A	N/A	122.00
Greening waste	tonnes	29.00	3,564.00	614.88	363.73	N/A	N/A	28.00	N/A
Domestic Waste	tonnes	80,934.80	6,668.21	45,084.00	8,782.39	N/A	4.00	N/A	N/A
Intensity of non-hazardous water produced	kg/m ²	54.822	9.131	26.506	61.037	N/A	0.034	0.128	0.503

Environmental Data Reporting Scope for 2023 and 2022:

- ¹ Covers 17 commercial projects in operation in 2023, including office buildings, shopping centers, etc.; covers 17 commercial projects in operation in 2022, including office buildings, shopping centers, etc.
- ² Covers 85 hotel projects in operation in 2023; covers 87 hotel projects in operation in 2022
- ³ Covers the workplaces of all employees of the Group in 2023; covers the workplaces of all employees of the Group in 2022
- ⁴ Covers 100 construction projects fully undertaken in 2023; covers 153 construction projects fully undertaken in 2022

EMPLOYEE DATA

Indicators	2023 Total	2022 Total
Staff information		
Total Headcount	25,143	27,162
By Gender		
Male	67%	70%
Female	33%	30%
By Employee Category		
Management	9%	8%
Mid-level manager	24%	21%
General Staff	67%	71%
By Age		
<30 years old	15%	24%
30-50 years old	80%	72%
>50 years old	5%	4%
By Geographical Distribution		
Guangzhou	22%	21%
Other Areas	78%	79%
By Education Background		
University or above	95%	95%
Secondary school and others	5%	5%
Turnover Rate		
Overall Turnover Rate	17%	30%
Turnover Rate by Age		
<30 years old	4%	9%
30-50 years old	13%	20%
>50 years old	0%	1%
Turnover Rate by Gender		
Male	11%	21%
Female	6%	9%
Turnover Rate by Geographical Distribution		
Guangzhou	4%	5%
Other Areas	13%	25%
Training Performance		
Training		
Training hours	284,619	522,326
Average training hours	11.32	19



Indicators	2023 Total	2022 Total
Average training hours by Gender		
Male	12.15	18
Female	10.13	21
Average training hours by Employment Level		
Management	12.31	21
Mid-level manager	15.51	20
General Staff	9.64	19
Occupational Health and Safety Training		
Total training person-time	149,847	110,095
Total training hours	314,748.40	229,042
Occupational Health and Safety Performance		
Employees of the Group		
Number of work-related fatalities	0	3
Annual rate of work-related fatalities	0%	0.01%
Lost days due to work injuries	0	14,464

CONTENT INDEX

The content index of this report includes the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and the Environmental, Social and Governance Reporting Guide (ESG Guidance) in Appendix C2 of the Main Board Listing Rules of the Hong Kong Stock Exchange.

Substantive Aspects	GRI Indicators	ESG Guidelines	Description	Chapters/Notes
General Disclosure				
The organization and its reporting practices	2-1	–	Organisational details	Annual Report
	2-2	–	Entities included in the organisation's sustainability report	About This Report
	2-3	–	Reporting period, frequency, and contact point	About This Report
	2-4	–	Restatements of information	No Recaps
	2-5	–	External assurance	No External Assurance
Activities and workers	2-6	B5.1 \ B5.2	Activities, value chain and other business relationships	Pursuing Operational Excellence
	2-7	B1.1	Employees	Building a Career that ensures safety
	2-8	B1.1	Workers other than employees	Not Applicable
Governance	2-9	–	Governance structure and composition	Sustainability Management
	2-10	–	Nomination and selection of the highest governance body	Annual Report
	2-11	–	Chair of the highest governance body	Annual Report
	2-12	–	Role of the highest governance body in overseeing the management of impacts	Annual Report
	2-13	–	Delegation of responsibility for managing impacts	Not applicable
	2-14	–	Role of the highest governance body in sustainability reporting	Sustainability Governance
	2-15	–	Conflict of interest	Annual Report
	2-16	–	Communication of critical concerns	Sustainability Governance
	2-17	–	Collective knowledge of the highest governance body	Not applicable
	2-18	–	Evaluation of the performance of the highest governance body	Not Applicable
	2-19	–	Remuneration Policy	Annual Report
2-20	–	Process to determine remuneration	Annual Report	
2-21	–	Annual total compensation ratio	Annual Report	
Strategy, policies and practices	2-22	–	Statement on the sustainability strategy	Sustainability Management
	2-23	–	Policy commitments	Pursuing Operational Excellence
	2-24	–	Convergence Policy Commitments	Pursuing Operational Excellence
	2-25	–	Procedures for remediating negative impacts	Pursuing Operational Excellence
	2-26	–	A mechanism for seeking advice and raising concerns	Pursuing Operational Excellence
	2-27	–	Compliance with laws and regulations	Non-serious violations
	2-28	–	Membership of the Association	Major Achievement and Honoured in 2023
Stakeholder engagement	2-29	–	Approach to stakeholder engagement	Sustainability Management
	2-30	–	Collective bargaining agreements	Not Applicable



Substantive Aspects	GRI Indicators	ESG Guidelines	Description	Chapters/Notes
Substantive issues				
Environment				
Greenhouse gas emissions Emissions management	–	A1	Emissions of exhaust gases and greenhouse gases, discharge of sewage into water and land, generation of hazardous and non-hazardous wastes, etc.: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Greenhouse Gas Emissions Key Performance Indicator Applicable Laws And Regulations
	305-7	A1.1	Types of emissions and related emission data	
	305-1	A1.2	Total GHG emissions (in tonnes) and, if applicable, intensity (e.g. per unit of production, per facility)	
	–	A1.3	Total amount of hazardous waste generated (in tonnes) and, if applicable, density (if per production unit, per facility)	
	–	A1.4	Total amount of non-hazardous waste generated (in tonnes) and (if applicable) density (e.g. per production unit, per facility)	
	305-2 305-4 306-3	A1.5 A1.6	Describe the emissions targets set and the steps taken to achieve them Describe the methods used to deal with hazardous and non-hazardous waste, and describe the waste reduction targets set and the steps taken to achieve them	
Energy efficiency	–	A2	Policies for the efficient use of resources, including energy, water and other raw materials	Energy Consumption Energy Saving and Emission Reduction Key Performance Indicator
	302-1 302-3	A2.1	Total direct and/or indirect energy consumption (e.g. electricity, gas or oil) and intensity (e.g. per production unit, per facility) by type	
	302-4	A2.3	Describe the energy efficiency plan and the results achieved	
Water management	–	A2	Policies for efficient use of resources, including energy, water and other raw materials	Water Management Key Performance Indicator
	303-1	A2.2	Total water consumption and intensity (e.g. per production unit, per facility)	
	–	A2.4	Describe any problems that may arise in obtaining a suitable water source, as well as the water use efficiency enhancement plan and the results obtained	
Tackling climate change	–	A4	Policies to identify and respond to significant climate-related issues that have and may have an impact on issuers	Tackling Climate Change
	–	A4.1	A description of significant climate-related issues that have and are likely to have an impact on the issuer and actions taken to address them	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Substantive Aspects	GRI Indicators	ESG Guidelines	Description	Chapters/Notes
Society				
Anti-discrimination Employee communication	103 401-2	B1	Information relating to remuneration and termination, recruitment and promotion, hours worked, leave, equal opportunities, diversity, anti-discrimination and other treatments and benefits: (a) Policies, and (b) Compliance with relevant laws and regulations that have a material impact on the issuer	Employee Well-being Talent Cultivation Key Performance Indicator Applicable Laws and Regulations
	–	B1.1	Total number of employees by gender, type of employment (e.g. full-time or part-time), age group and region	
	–	B1.2	Employee turnover rates by gender, age group and region	
Training and development	404-2	B3	Policy on enhancing employees' knowledge and skills in performing their job duties. Describe the training activities	Talent Cultivation Key Performance Indicator
	–	B3.1	Percentage of employees who are trainees by gender and type of employee (e.g. senior management, middle management, etc.)	
	404-1	B3.2	Average number of hours of training completed per employee, broken down by sex and type of employee	
Other topics				
Environment				
Green Building	–	A3	Policies to reduce issuers' significant impact on the environment and natural resources	Develop Green Buildings
	–	A3.1	Describe the significant impacts of business activities on the environment and natural resources and the actions taken to manage those impacts	
Environmental compliance	–	A1	Emissions of exhaust gases and greenhouse gases, discharge of sewage into water and land, generation of hazardous and non-hazardous wastes, etc.: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Greenhouse Gas Emissions Applicable Laws and Regulations
Environment and natural resources	–	A3	Policies to reduce issuers' significant impact on the environment and natural resources	Conservation of Biodiversity
	–	A3.1	Describe the significant impacts of business activities on the environment and natural resources and the actions taken to manage those impacts	



Substantive Aspects	GRI Indicators	ESG Guidelines	Description	Chapters/Notes
Society				
Compensation and benefits Social and economic compliance	103 401-2	B1	Information relating to remuneration and termination, recruitment and promotion, hours worked, leave, equal opportunities, diversity, anti-discrimination and other treatments and benefits: (a) Policies, and (b) Compliance with relevant laws and regulations that have a material impact on the issuer	Employee Well-Being Talent Cultivation Key Performance Indicator Applicable Laws and Regulations
	–	B1.1	Total number of employees by gender, type of employment (e.g. full-time or part-time), age group and region	
	–	B1.2	Employee turnover rates by gender, age group and region	
Employee safety and health Social and economic compliance	403	B2	For the provision of a safe working environment and protection of employees from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Employee Health Key Performance Indicator Applicable Laws and Regulations
	403-9	B2.1	The number and rate of work-related deaths	
	–	B2.2	Number of workdays lost due to work-related injuries	
	–	B2.3	Describe the occupational health and safety measures adopted, as well as the associated implementation and monitoring methods	
Labor Guidelines	408 409	B4	For the prevention of child or forced labour: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Composition of the Workforce Applicable Laws and Regulations
	–	B4.1	Describe measures to review recruitment practices to avoid child labour and forced labour	
	–	B4.2	Describe the steps taken to eliminate a violation if it is discovered	
Supplier evaluation Green supply chain	–	B5	Environmental and social risk policies for managing supply chains	Sustainable Supply Chains
	–	B5.1	Number of vendors by region	
	–	B5.2	Describe the practices of the suppliers engaged, the number of suppliers to whom the practices have been implemented, and the methods of implementation and monitoring of the practices	
	–	B5.3	Describe practices for identifying environmental and social risks at each stage of the supply chain, as well as related practices and monitoring methods	
	–	B5.4	Describe practices that promote the use of environmentally friendly products and services in the selection of suppliers, as well as related implementation and monitoring methods	

Substantive Aspects	GRI Indicators	ESG Guidelines	Description	Chapters/Notes
Customer satisfaction Product and service quality management Social and economic compliance	–	B6	Health and safety, advertising, labelling and privacy matters and remedies relating to the products and services offered: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Pursuing Operational Excellence Applicable Laws and Regulations
	–	B6.1	The percentage of the total number of products sold or shipped that must be recovered for safety and health reasons.	
	–	B6.2	The number of complaints received about products and services and how to deal with them	
	–	B6.3	Describe practices related to the maintenance and protection of intellectual property rights	
	–	B6.4	Describe the quality assurance process and product recall procedures	
	–	B6.5	Describe our consumer data protection and privacy policy, as well as our enforcement and monitoring practices	
Anti-corruption Business ethics Social and economic compliance	205-2	B7	Prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a material impact on the issuer	Operate with Integrity and Honesty Whistleblowing Mechanism
	–	B7.1	Identified incidents of corruption and actions taken	
	205-3	B7.2	A description of the preventive measures and reporting procedures, as well as the relevant enforcement and monitoring methods	
–	–	B7.3	Describe the anti-corruption training provided to directors and staff	
Local economic development Community involvement	203-1	B8	Policies on community engagement to understand the needs of the communities in which they operate and to ensure that their business activities take into account the interests of the communities	Bringing Beauty for Community
	203-2		Focus on the areas of contribution	
	–	B8.1	Resources used in areas of focus	
–	–	B8.2		



45-54/F., R&F Center, 10 Huaxia Road, Pearl River New Town, Guangzhou, China
Postal Code : 510623 Tel : (8620) 3888 2777 Fax : (8620) 3833 2777

Hong Kong Office: Room 6303, The Center, No. 99 Queen's Road Central, Hong Kong
Tel : (852) 2511 6675 Fax : (852) 2511 9087

www.rfchina.com