



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

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

2023

SUSTAINABILITY REPORT



*For identification purposes only

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MESSAGE FROM THE MANAGEMENT TEAM

In 2023, the country's "14th Five-Year Plan" has been being carried out in an orderly manner, firmly implementing the strategy of expanding domestic demand and cultivating a complete domestic demand system, demonstrating China's transition from a phase of high-speed economic growth to a phase of high-quality development, actively meeting people's desire for a better life. As a "urban public service provider", Kaisa continues to uphold the core corporate values of "professionalism, innovation, value, responsibility", insisting on fulfilling its promise of a better life for society, while bringing more long-term value to stakeholders. During the year, Kaisa delivered a total of 61 projects amounting to approximately 46,000 units in various cities including Shenzhen, Guangzhou, Shanghai, Hangzhou, Nanjing, Huizhou, Wuhan, Changsha and Luoyang etc., exceeding twice the total number of units delivered in 2022.

Respond to needs through actions for beauty. With the continuous implementation of various optimization policies, including the optimization of real estate policies at the central level, stability with easing, deployment of urban village transformation, affordable housing and other "three major projects", the overall market development in 2023 is gradually stabilizing. Kaisa Group is committed to implementing the policy deployment of "guaranteeing delivery, quality, redemption, and stability", continuing to play a leading role in the field of urban renewal, providing quality, livable housing for the public, in response to the vision of ensuring access for all to adequate, safe and affordable housing and basic services in the eleventh goal of the United Nations Sustainable Development Goals ("SDGs"). We understand that a quality home is not only about the structure and design of the building, but also about whether it can create a space that makes people feel safe, comfortable and can meet their life needs. Therefore, while continuing to explore and develop new models, the Group will always put the needs of the public first, meeting the societal demand for a better life.

Seize low-carbon opportunities for a sustainable future. In order to follow national policies and actively achieve low-carbon operations, the Group values energy efficiency, actively improves its green management system, and applies the concept of energy-saving and emission reduction to the entire construction process. For example, we have been actively applying Building Information Modeling (BIM), prefabricated construction, and smart sponge city technology for many years, incorporating the concept of "green" into all aspects of development, design, construction, and operation, contributing to the construction of higher quality green buildings. This year, we have a total of 16 green building certification projects, with a certified area of 1.976 million square meters; in terms of sponge city projects, the Group has a total of 23 related projects within the year, with a construction area of 3.3662 million square meters. Through these efforts, we hope to make a positive contribution to the realization of the country's low-carbon goals and enhance the sustainable development capabilities of various cities.

Invest in community to contribute to the future. Kaisa firmly believes that only by developing together with society can a resilient, harmonious and inclusive diverse community be constructed. Therefore, the Group has always been committed to launching or participating in targeted community projects, such as helping disadvantaged students, improving agricultural models, and revitalizing rural areas, to ensure that the resources invested bring about substantial improvements. In addition, the Group's investment methods are diverse, not only providing material support but also professional knowledge and resources, to avoid bringing only temporary benefits and lacking long-term plans. To date, Kaisa has donated more than 80 charitable public welfare projects, with a total amount exceeding RMB1.7 billion.

Together, the future is promising. Sustainable development cannot be achieved by one person alone, the effective implementation of this concept relies on the joint efforts of different stakeholders to care for the entire value chain and bring tangible benefits to society. Faced with the high-pressure and changing external operating environment, Kaisa will continue to deepen its understanding and response to sustainable development trends, further integrate internal and external resources, deepen the implementation of the ESG strategy, and promote the in-depth practice of sustainable development through innovative business models and management methods, together with all parties, to overcome difficulties. We will explore and practice in depth in environmental protection, social contribution, and governance, in the hope of creating economic value while also bringing long-term shared value to society. At the same time, we will actively seek in-depth cooperation with various stakeholders, such as suppliers, investors, and customers, to jointly promote the sustainable development of the industry and society, and make greater contributions to the construction of a better life in the future.

Chairman
KWOK Ying Shing
29 April, 2024

ABOUT THE REPORT

This Sustainability Report (“this Report”) published by Kaisa Group Holdings Limited (the “Company” or “Kaisa”) and our subsidiaries (collectively referred to as the “Group” or “We”) is pleased to announce our 2023 Sustainability Report, which presents its policies, measures and performance in environmental, social and governance aspects in a more comprehensive and diverse manner, so that stakeholders can further understand our development strategies and key achievements on the path to sustainable development.

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

Reporting Period

This Report covers the business scope directly controlled by the Group from January 1, 2023 to December 31, 2023 (the “Reporting Period”), including but not limited to comprehensive development and urban renewal, to present the specific policies, measures and performance in sustainable development. In terms of environmental key performance indicators (“KPIs”), the Group adheres to the principle of consistency and, based on the 2022 report, continues to determine the scope of the report on the principle of core functions¹. This Report’s environmental KPIs cover a total of 31 project companies, while the social KPIs continue to cover the Group’s overall business scope.

Reporting Principles

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

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

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

Source of Data

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

Reporting Specification

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

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

Report Access

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



01

ABOUT US

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

CORE CORPORATE VALUES

Professionalism
Innovation
Value
Responsibility

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



THE PATH TO SUSTAINABILITY

Kaisa is committed to achieving sustainable development, and making it the core part of our business decisions and daily operations. Through establishing an efficient ESG governance framework and a comprehensive sustainable development strategy, the Group has the capability to create longer-term value for stakeholders, the environment, and society through policy-making, goal-setting, resource allocation, and risk management. We are not only committed to minimizing the environmental impact of business activities, but also actively participate in and support community development projects, and provide high-quality services to bring a better life to our customers. We firmly believe that only by creating shared value can our business succeed in the competitive environment of the future.



The Board Statement

The Board views sustainable development as a core driver of group development, which is a central part of our corporate mission, culture, and values. We believe that only through the cooperation of all stakeholders in the value chain, and through thorough implementation in daily operations, can we convert ideals into actions and bring substantial benefits to society.

As the ultimate decision-maker in policy formulation, resource allocation, and goal setting, the Board has the responsibility to adjust our pace in response to stakeholders' opinions, business content, and the actual situation where operations are located, to ensure the effective implementation of policies and measures. To assist the Board in integrating policies and measures into daily operations, the department management needs to be responsible for implementing relevant management policies and strategies in daily operations. Frontline employees are the main practitioners of specific measures and actions and ensure that the implementation status is truthfully reported to improve the imperfect parts of policies and measures.

The Group will continue to closely monitor global sustainable development trends and combine the results of our communication with various stakeholders to identify and assess the risks and opportunities we may face. In this way, we can better understand market trends, predict potential challenges, and find the development path that suits us best. We will discuss appropriate response strategies with the Board and ensure that management has sufficient support to implement these strategies. This top-down, proactive communication approach allows us to achieve our goals more effectively and gives us confidence to face future challenges.

Sustainable Development Strategy

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



Improving community development through urban renewal

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

Reducing negative impacts on the environment

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

Sustainable Finance

The global economy's transition towards sustainable development requires a large amount of financial assistance. Kaisa is well aware that this is an irreversible trend, so since 2020, we have started to use sustainable finance as a financing tool to support the Group's green and low-carbon transformation in its business and create social value.

Sustainable Finance Working Group

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

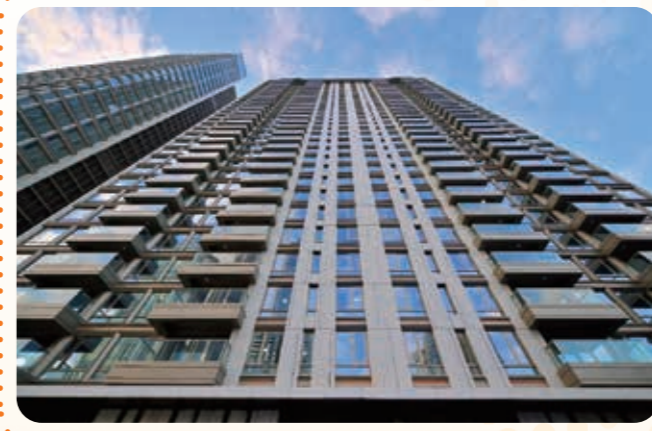
In order to integrate environmental, social and governance elements into the Group's sustainable financial development, the Group established the Sustainable Financing Framework (hereinafter referred to as the "Framework") in July 2020 and obtained the Second Party Opinion on the Sustainable Finance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



03

FEATURE STORIES: KEEPING UP WITH THE NATION'S PROGRESS TO SUPPORT URBAN REVITALIZATION

In 2023, we saw a peak in city renewal-related statements and policies at the national level, illustrating the crucial role of city renewal in boosting domestic demand and fostering high-quality urban development. The year's urban renewal policies were closely tied to stable growth, with a particular focus on renovating old communities, and are expected to drive considerable growth nationwide. Renovating old communities and urban villages has emerged as a primary focus for cities across our country as they undertake urban renewal initiatives. As a service-focused enterprise, Kaisa will continue to align with national policies, shaping cities through deep engagement in urban renewal projects and close collaboration with Central State-Owned Enterprises (CSOE), transforming cities into sustainable development hubs.



It is clear that urban renewal is a key model for advancing urban development, especially in the renovation of old communities and urban villages. These renewal efforts aim to enhance the quality of cities, making them more adaptive to contemporary living needs, and serve as a vital method to stimulate economic growth. Kaisa is proactive in responding to national policies and making positive impacts in this area.

The renovation project of Dongshan community in Futian District, Shenzhen is a significant urban renewal case for Kaisa. Originally a living and office base built in the 1980s for infrastructure soldiers who supported Shenzhen's early construction, we've been involved in its renovation since 2012. Throughout the renovation, we've upheld the principle of "understanding and respecting", maintained active dialogues with the owners, and strived to solve historical issues. In terms of project operation, we've brought in Shenzhen Futian Anchang Investment Operation Co., Ltd., harnessing the combined benefits of "state-owned assets + market operation" to offer multi-dimensional support and services such as engineering and site coordination.

After years of hard work, the renovation of Dongshan community saw significant progress in 2023. The demolition and reconstruction not only resolved the living conditions of the older generation of engineering soldiers but also created a high-quality urban environment for the central area of Futian. Kaisa's persistent efforts have garnered widespread recognition and provided successful reference points for other cities.



Moving forward, we will continue to participate in urban renewal endeavors and aim to contribute more in this area. We will persist in our collaborations to address city issues and aspire to build better cities. We believe that constant updating and reform are the keys to enabling our cities to adapt to the fast-paced changes and create improved living environments for all residents. We hope that, through our efforts, every city will be brimming with vitality, inclusiveness, and sustainable development capabilities.



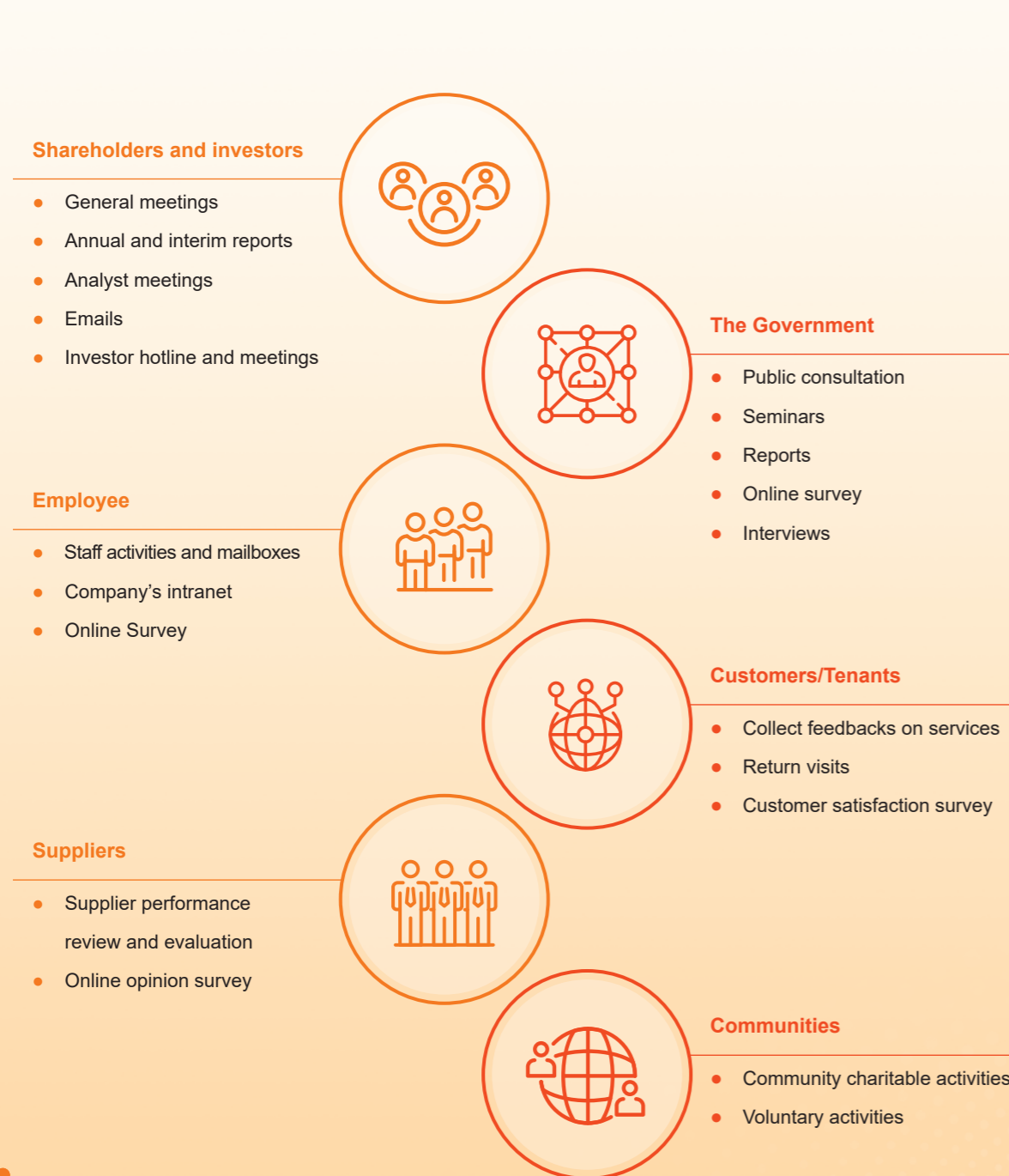
COMMUNICATION WITH STAKEHOLDERS

04

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

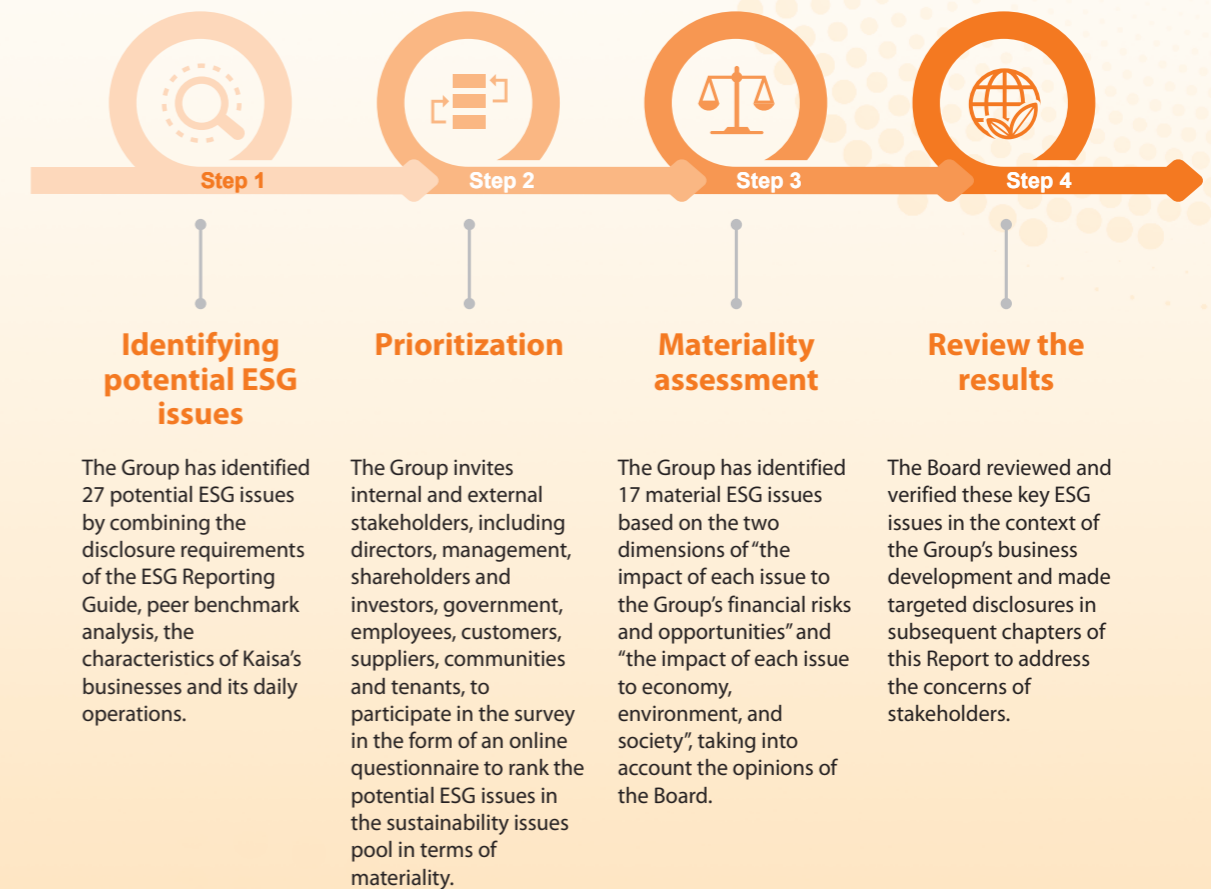
Diversified Communication

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

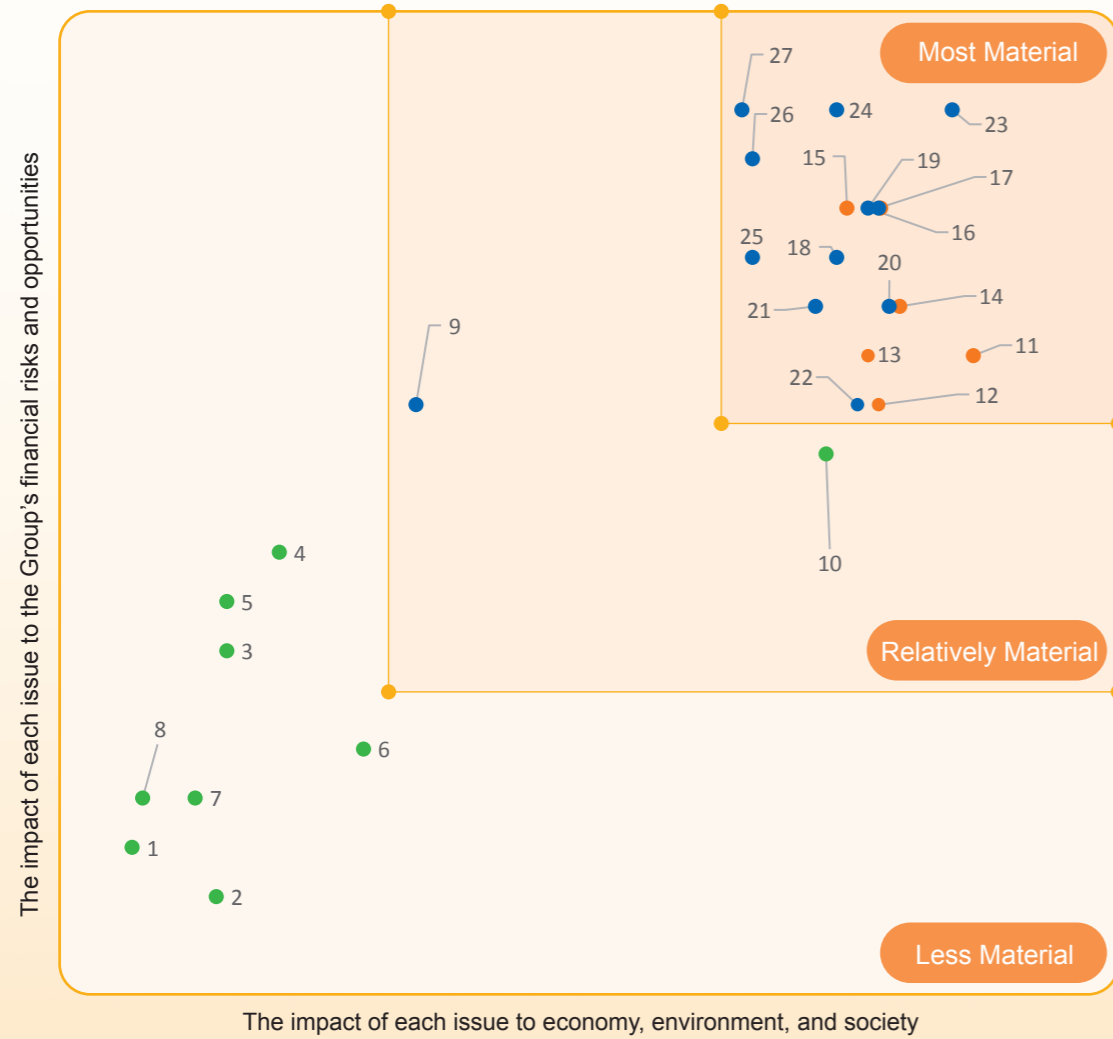


Materiality Assessment

In addition to regular communication and engagement platforms, the Group also takes the opportunity of preparing the Sustainability Report to collect views from stakeholders on ESG issues, in order to identify significant environmental and social impacts. Therefore, this year, the Group has made a materiality assessment questionnaire, inviting stakeholders to score on two different dimensions, including the impact on the group's finances and the overall impact on society, to various sustainable development related issues. A total of 50 stakeholders were invited to this questionnaire survey. It is believed that the participation of stakeholders will provide a basis for the Group to adjust current and formulate future sustainable development management measures, which will help the successful implementation of the Group's sustainable development strategy.



Here is the materiality matrix of sustainability issues in 2023



According to the materiality matrix shown above, we can derive the following updated list of material issues, which serve as the key reporting scope of this report and the focus of sustainable development work in the coming year.

		Issues		
Categories		Operation & Community	Employees	Environment
Most Material		23. Business Ethics and Integrity 24. Risk Management 17. Product and Service Quality and Safety 19. Privacy and Data Security 27. Sustainability Financing 26. Innovation and Technology 18. Customer Engagement 20. Responsible Marketing and Labeling 21. Responsible Supply Chain Management 25. Intellectual Property Protection 22. Community Engagement and Investment	16. Labour Standards 15. Occupational Health and Safety 11. Employment Practices 14. Training and Development 13. Diversity and Equal Opportunities 12. Employee Engagement	
				10. Green Building
Relatively Material		9. Project Life-cycle Management		
Less Material				4. Energy 5. Water Consumption 6. Materials 3. Waste 7. Biodiversity 8. Climate Change and Resilience 2. Greenhouse Gases Emissions 1. Air Emissions

Overall speaking, issues related to operations, community, and employees are the most critical, while environmental issues are less important. Looking ahead, the Group plans to further enhance communication with employees on sustainable development and strengthen exchanges with more external stakeholders. As part of promoting sustainable development, we will cooperate with all stakeholders to identify emerging important issues early and ensure they are handled promptly.



05

ROOTED IN QUALITY

The core competitiveness of our Group undeniably lies in the high-end products and services we provide. We advocate for product innovation and quality development, and would not compromise on the quality of products and services to short-term profits. Through our professionalism, efficiency, and responsible attitude, we comprehensively protect the interests of customers and strive to enhance customer satisfaction to the highest level. We firmly believe that compliance operations and supply chain management are key to providing the best quality, sustainable products and services. Therefore, Kaisa always strictly implements the supplier selection process and procurement procedures, and strives to minimize the environmental, social, and safety risks of the supply chain. During our operations, we adhere to the highest ethical standards to prevent corruption and bribery through a comprehensive risk management system. We are committed to creating an honest and transparent corporate culture to protect the common interests of customers, suppliers, and companies to the greatest extent possible.

Our Philosophy of Quality

The Group has always regarded "Quality is the lifeblood of the company and customer satisfaction is the driving force" as one of its important operating philosophies, and is committed to maintaining high-quality products and services through a series of management and oversight measures. In order to further strengthen the quality of the products and services provided, the group, on the basis of complying with relevant laws and regulations, has formulated a series of internal policies and regulations, ensuring the management quality of supply chain management, project delivery, customer rights, etc., and at the same time clearly defines advertising, privacy matters and remedial measures and other related management mechanisms.

Laws and Regulations

- Product Quality Law of the People's Republic of China《中華人民共和國產品質量法》
- Advertising Law of the People's Republic of China《中華人民共和國廣告法》
- Regulations on the Release of Real Estate Advertising《房地產廣告發佈規定》
- Copyright Law of the People's Republic of China《中華人民共和國著作權法》
- Computer Software Protection Regulations《計算機軟件保護條例》
- Trademark Law of the People's Republic of China《中華人民共和國商標法》

Policies and Guidelines

- Kaisa Group Holdings Self-built Project Engineering Inspection Management Regulations《佳兆業集團控股自建項目工程檢查管理辦法》
- Kaisa Group Holdings Project Construction Safety Management Regulations《佳兆業集團控股項目施工安全管理辦法》
- Kaisa Group Holdings On-site Project Material and Engineering Sample Acceptance Management Regulations《佳兆業集團控股在建項目進場材料及工程樣本驗收管理辦法》
- Kaisa Group Holdings Safety Production Supervision Management Regulations《佳兆業集團控股安全生產監督管理辦法》
- Kaisa Group Holdings Real Estate Red and Yellow Card Management Regulations《佳兆業集團控股地產業務紅黃牌管理辦法》
- Kaisa Real Estate Group Management Measures on the Quarterly Appraisal and Surveillance for Projects《佳兆業地產集團工程季度評估檢查管理辦法》
- Kaisa Group Holdings Implementation Rules on Customer Complaint and Claims Service《佳兆業集團控股客戶投訴、理賠服務實施細則》
- Kaisa Real Estate Project Promotion Red Line Handbook《佳兆業地產板塊項目推廣宣傳紅線手冊》
- Kaisa Group Holdings On-site Project Concealed Engineering Acceptance Management Regulations《佳兆業集團控股在建項目隱蔽工程驗收管理辦法》

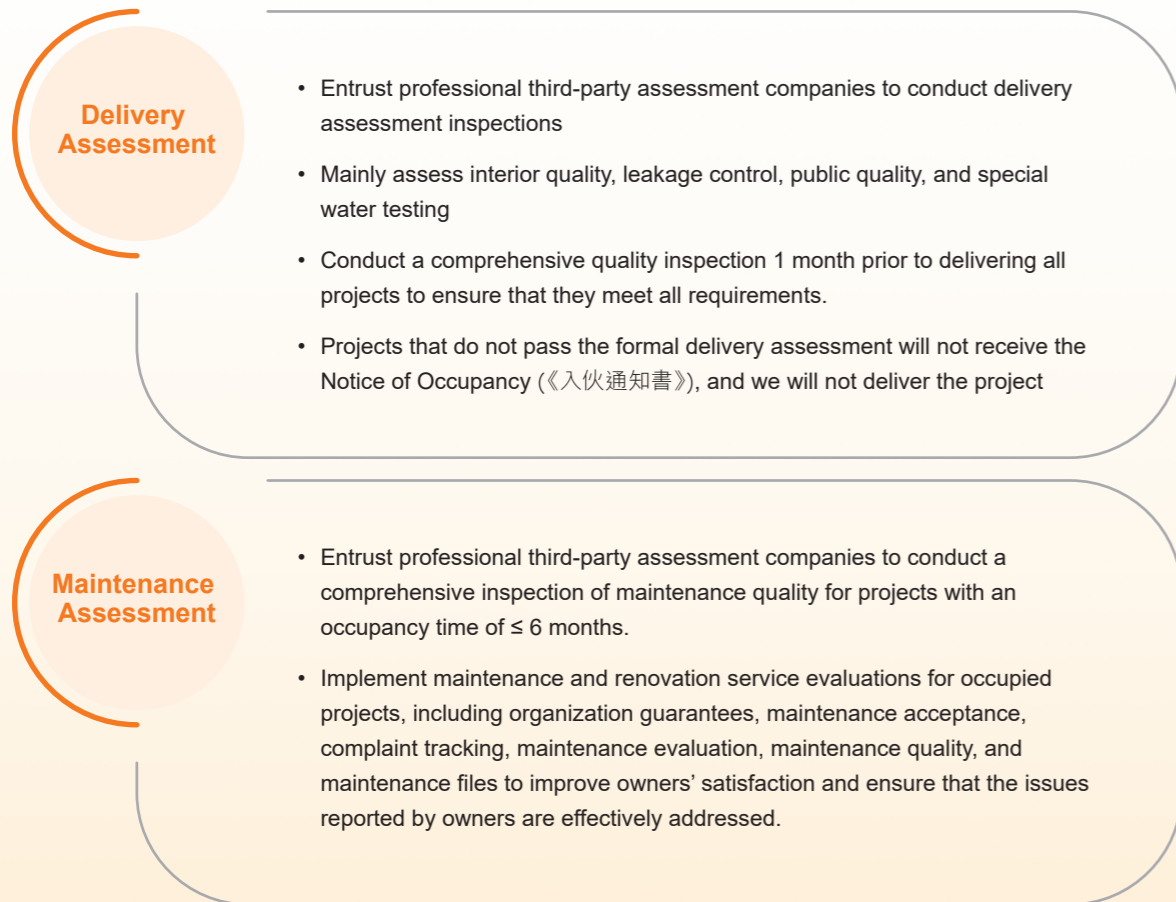
In order to ensure the quality of project delivery, the Group has formulated detailed inspection management guidelines for project details. The inspection team composed of the Group's engineering team is responsible for execution, ensuring that in terms of quality and safety, performance, functionality, and construction control, all reach a high level before they can be delivered to customers. After project delivery, we also deal with potential problems in a timely manner through maintenance and care assessments, ensuring the safety and stability of the project.

Process Quality Control

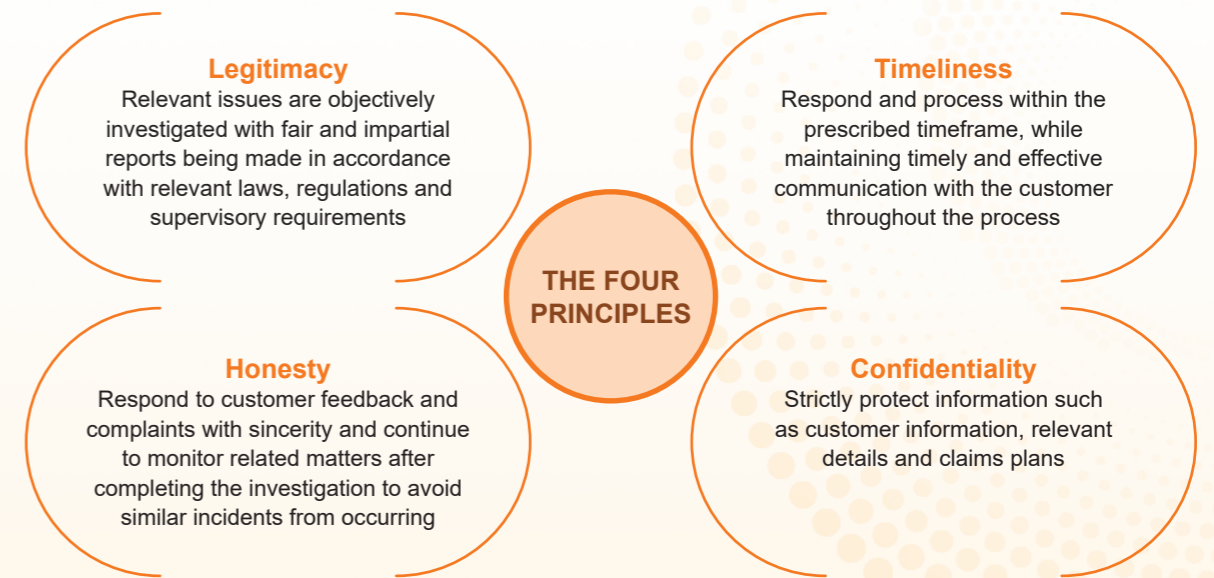
- Organize "self-assessment" for each regional group and conduct quarterly inspections
- Inspect raw materials, system equipment, management mechanisms, and functional performance used in the project to achieve quarterly quality assessments and thus ensure safety and quality
- Confirm the Process Evaluation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

Delivery Pre-assessment

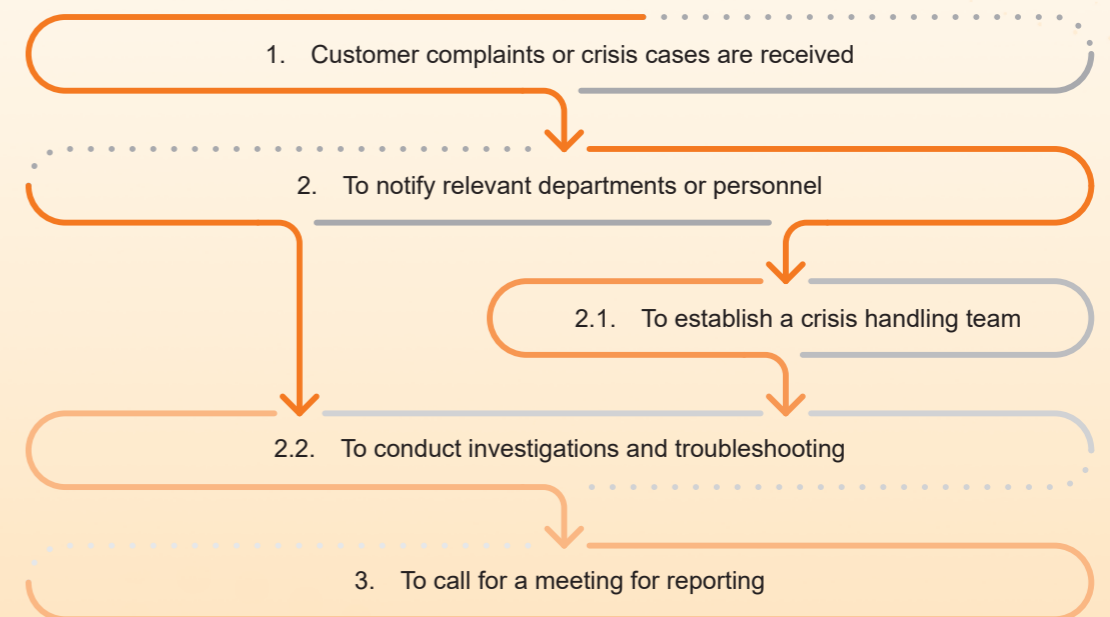
- Entrust professional third-party assessment companies to conduct pre-assessment checks on process quality, safety flight inspections etc.
- Mainly assess the progress of the process, process handover, process standards, quality and safety, finished product protection, leaks and cracks, major quality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



The Group fully understands the value of our customers' opinions and feedback to our business. Therefore, we regularly assess service levels and product quality, and make adjustments based on customer feedback. Only by responding timely and appropriately to customer needs and seeking to provide solutions that meet these needs, can we maintain long-term good relationships with customers. Therefore, our team is always focused on building and maintaining good relationships with customers. We communicate openly and regularly with customers in various ways, such as phone calls and emails. Whether it's daily business or crisis management, providing excellent customer service is our top priority. When dealing with customer complaints, we follow four principles and established processes, and respond quickly and fairly.



Process of Complaints or Crisis Handling



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

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

Protection of Rights and Interests

In terms of data confidentiality, Kaisa has strict rules and measures for data protection and confidentiality. We have formulated a series of internal rules, including *the Kaisa Group Password Management System* (《佳兆業集團密碼管理制度》), *Kaisa Group User and Authorization Setting Management System* (《佳兆業集團用戶及權限設定管理制度》), and *Kaisa Group Holdings Confidentiality Management System* (《佳兆業集團控股保密管理制度》), to ensure information security and data protection. In addition, our employee handbook has clearly listed the confidentiality system to regulate employee behavior.

The Group clearly lists the confidentiality requirements for protecting collected corporate data and information in the corresponding policy system, ensuring that relevant internal documents will not be misused or have the opportunity to be leaked. Our operation and maintenance service contracts also have confidentiality clauses, explicitly stipulating that the partners cannot disclose data to third parties. Through these measures, Kaisa's emphasis and practice on data confidentiality and data protection reflect our commitment to corporate social responsibility.

In terms of protecting intellectual property rights, the Group fully recognizes the importance of intellectual property rights in corporate development and is committed to strictly regulating the use of information and data to avoid infringing the rights of intellectual property holders, while protecting its own intellectual property from illegal use. We have formulated the *Kaisa Group Holdings Trademark and Project Name Intellectual Property Management Measures* (《佳兆業集團控股商號及項目名稱知識產權管理辦法》) and *Kaisa Group Holdings Intellectual Property Management System* (《佳兆業集團控股知識產權管理制度》) to supervise the group's performance in terms of intellectual property rights. At the same time, we will regularly review the validity of Kaisa trademarks to ensure that the Group's rights are protected. During the reporting period, our legal risk control department was responsible for communicating with regulatory agencies on the registration, registration and renewal of trademarks under the group, and preparing document evidence to further protect the Group's rights.

Data Confidentiality

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

Intellectual Property Protection

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

If any violations are found, the Group will conduct relevant investigations and, depending on the severity, impose corresponding internal punishments or refer the matter to judicial authorities. During the year, the Group did not find any cases related to data leakage or infringement of intellectual property rights.

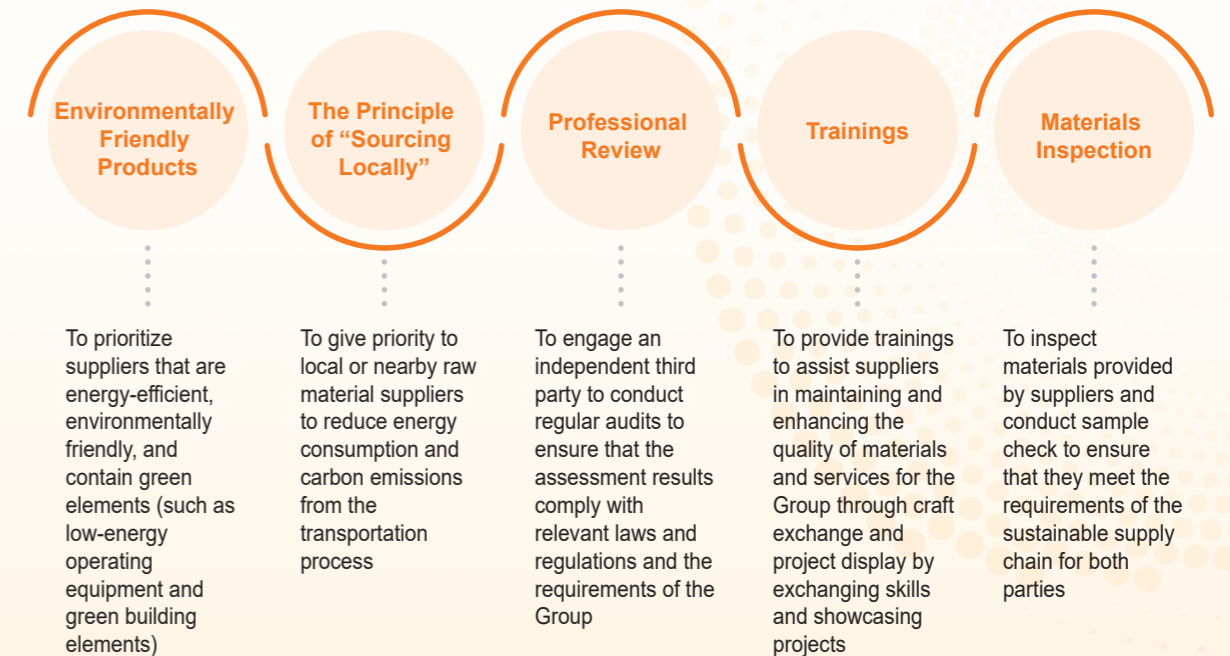
Supply Chain Management

The Group implements a rigorous supply chain management mechanism, covering the selection, supervision, and necessary quality control of suppliers. We have established a series of internal control mechanisms, including the *Kaisa Group Holdings Supplier Management Measures* (《佳兆業集團控股供應商管理辦法》), *Kaisa Group Holdings Real Estate Procurement Management Measures* (《佳兆業集團控股地產採購管理辦法》), *Kaisa Real Estate Group Contract Management Operating Guidelines* (《佳兆業地產集團合同管理作業指引》), *Kaisa Real Estate Group Procurement Inspection Management Measures* (《佳兆業地產集團採購巡查管理辦法》), *Kaisa Group Holdings Management Measures on Incoming Materials and Engineering Samples Acceptance for Real Estate Projects* (《佳兆業集團控股在建項目進場材料及工程樣板驗收管理辦法》) and *Kaisa Group Holdings Material Equipment Management Work Guidelines* (《佳兆業集團控股材料設備管理工作指引》), etc., to ensure our compliance in the procurement process and at the same time ensure the quality of raw materials, thus guaranteeing the overall quality.



In the selection of suppliers, we will prioritize those who value sustainable development. This includes considering the supplier's environmental measures and the international certifications they have obtained, such as ISO 14001 environmental management system certification, ISO 9001 quality management system certification, and OHSAS occupational health and safety management system certification, etc. In addition, we will verify the operational characteristics of the suppliers to ensure their operation methods are consistent with our philosophy. We clearly state the principles of sustainable development in our contracts, requiring suppliers to work with us to promote sustainable development.

The Sustainable Supply Chain



Integrity and Honesty

The Group has always adhered to the principles of fairness, justice, and transparency, and has established an effective supervision system to ensure clean operations. Through the participation of different functional departments, the Group can timely discover potential risks and take targeted improvement measures or responsive actions to improve the overall risk response capability. The Group has provided related guidelines and requires all employees to comply in order to protect its interests and ensure its operations are clean.

Laws and Regulations

- The People's Republic of China Constitution (《中華人民共和國憲法》)
- The Securities Law of the People's Republic of China (《中華人民共和國證券法》)
- The Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)
- The Securities and Futures Ordinance of Hong Kong (中國香港地《證券及期貨條例》)

Policies and Guidelines

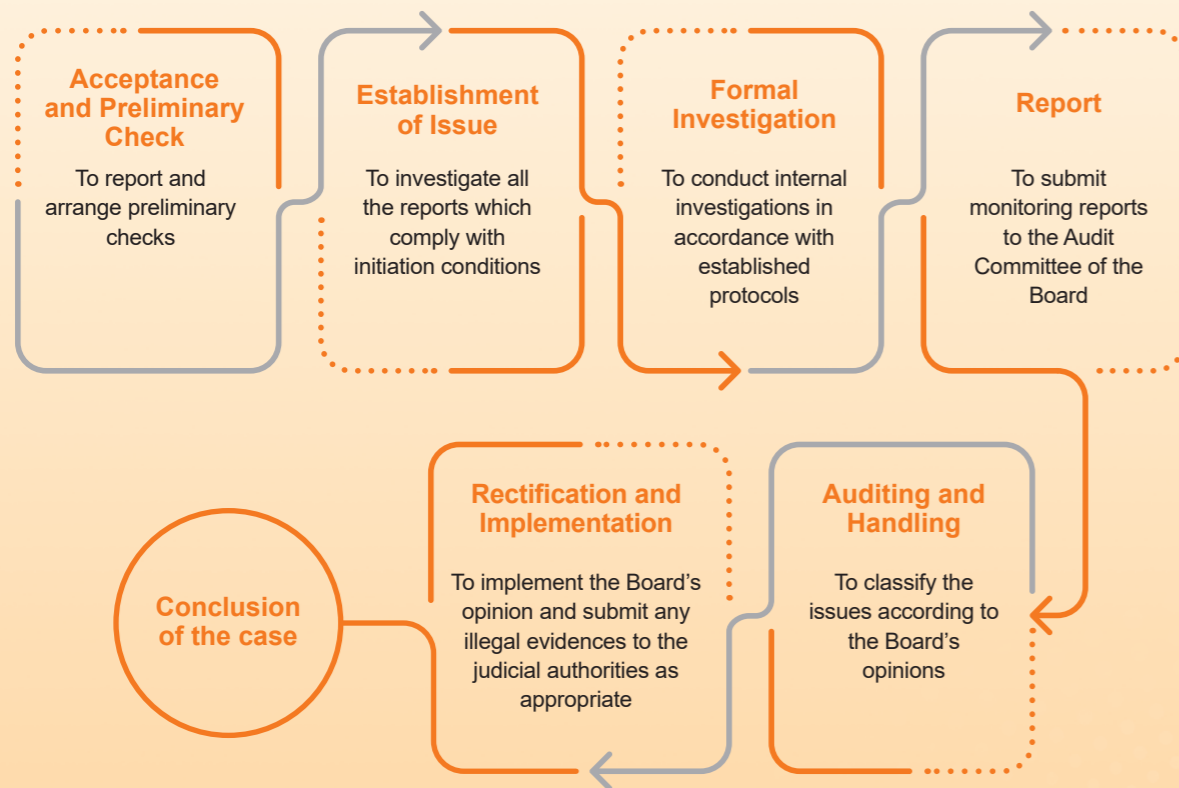
- Kaisa Group Holdings Supervision and Management System (《佳兆業集團控股監察管理制度》)
- Kaisa Group Holding Employees' Courtesy Management System (《佳兆業集團控股員工因公受禮管理制度》)
- Clean Cooperation Agreement (《廉潔合作協議》)
- Kaisa Internal Audit Rectification and Tracking Supervision System (《佳兆業內部審計整改跟蹤督查制度》)
- Kaisa Group Holdings Supervision of Case Management Measures (《佳兆業集團控股監察案件管理辦法》)
- Kaisa Group Audit Supervision and Reward and Punishment Management Regulations (《佳兆業集團審計監察管理獎懲管理辦法》)
- Kaisa Group Holdings Travel Management System (《佳兆業集團控股差旅管理制度》)

Additionally, we prioritize anti-corruption. By implementing a specific anti-corruption system, we enhance the oversight of our staff at every operational point.

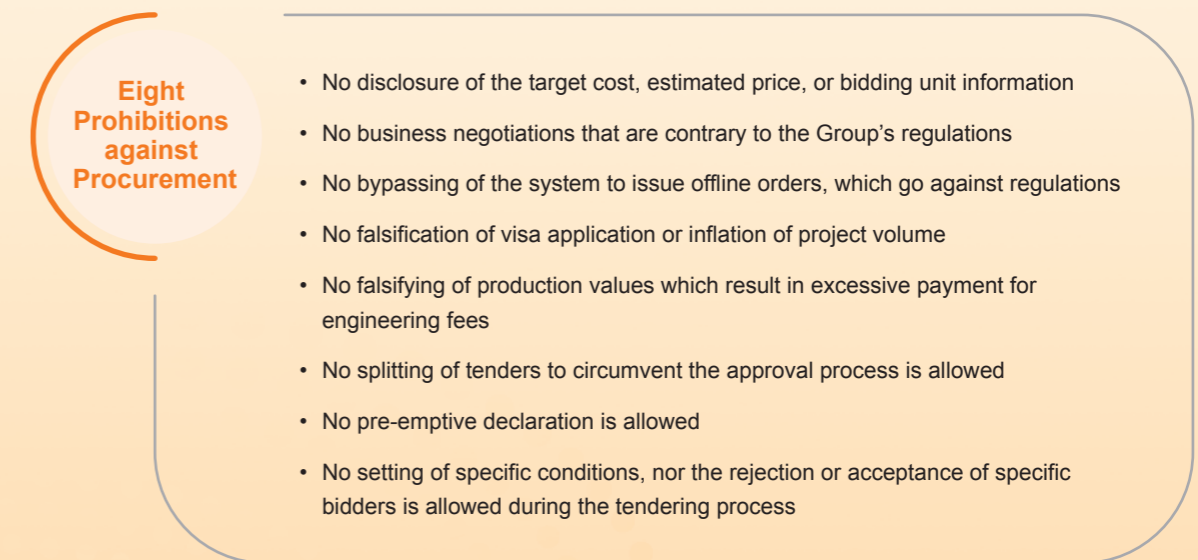
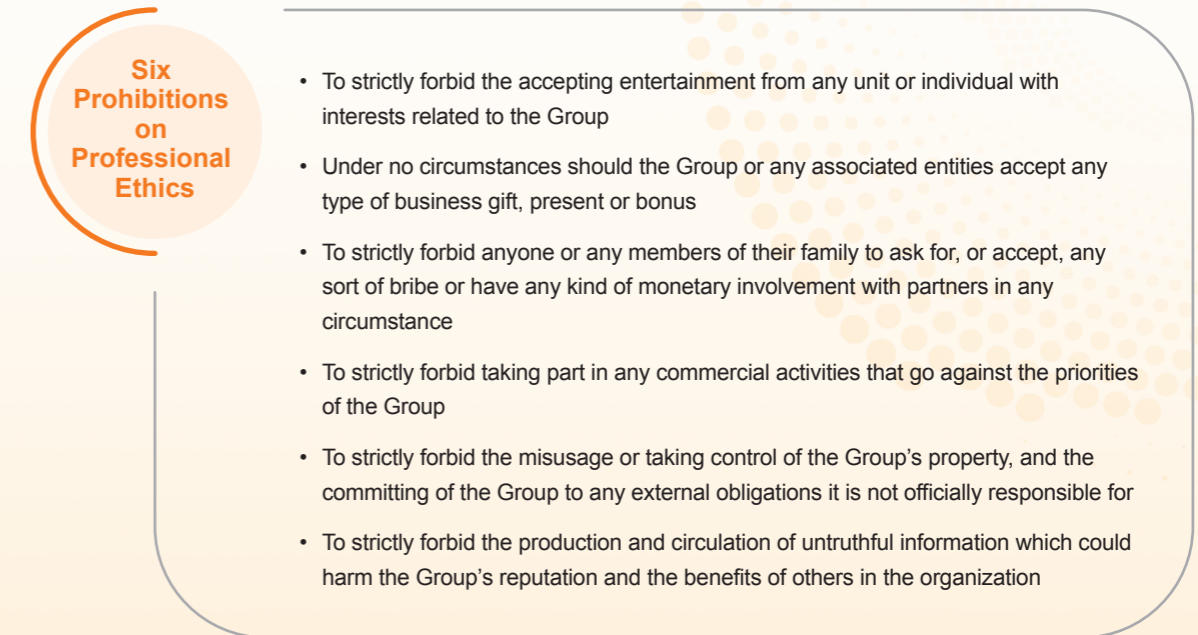


The Group fully understands the importance of clean operation for the long-term growth and brand image of the enterprise. For this purpose, we have established a series of measures and guidelines in the *Employee Handbook*, which clearly lists the information of the complaint reporting channels managed by dedicated personnel through phone, mailbox, WeChat public account, etc. At the same time, we have set up a reporting reward and whistleblower protection mechanism to ensure that the content of the report and the personal data of the whistleblower are strictly protected, thus encouraging employees and relevant personnel to disclose any suspicious unethical or illegal behavior.

Complaint Reporting Process



In our daily activities, we put forth clear guidelines covering areas such as conflict of interest, operational conduct, confidentiality, and prevention of bribery and corruption. Our actions are guided by the code of conduct titled "Six Prohibitions on Professional Ethics, Eight Prohibitions against Procurement." This code helps us govern employee behaviour and emphatically dissuades any form of bribery and corruption. By implementing these strategies, we're dedicated to fostering a just, equitable, and transparent business atmosphere, which in turn supports the sustainable development goals of the Group.



BASED ON TALENTS

Kaisa respects the unique abilities and willingness of each employee, hoping that they can excel in suitable positions and live a dignified life in their place of residence through what they earn from work. Therefore, the Group is committed to creating a safe, positive, equal, and respectful working environment, providing employees with a suitable platform to show their talents. At the same time, we are committed to maintaining a harmonious and friendly working environment, and continuously investing resources in employee training and career development. In addition, we also have a responsibility to fully protect the rights and physical and mental health of employees, so we will do our best to ensure that they work in a safe environment. We believe that this will help improve the efficiency and satisfaction of employees, while attracting and retaining excellent talents.



The Rights of Employees

The Group has always regarded talent as an important element for long-term and stable development, and is committed to creating a positive, legal, fair, and developmental work environment for employees. While complying with relevant laws and regulations, we have formulated comprehensive policies and regulations, and listed related provisions in the Employee Handbook for employees to review and refer to.

Laws and Regulations

- the Labor Law of the People's Republic of China《中華人民共和國勞動法》
- the Labor Contract Law of the People's Republic of China《中華人民共和國勞動合同法》
- the Social Insurance Law of the People's Republic of China《中華人民共和國社會保險法》
- Prohibition of Child Labor Regulations《禁止使用童工規定》
- Employment of Children Regulations《僱用兒童規例》

Policies and Regulations

- Kaisa Group Holdings Welfare Management System《佳兆業集團控股福利管理制度》
- Kaisa Group Holdings Remuneration Management System《佳兆業集團控股薪酬管理制度》
- Kaisa Group Holdings Recruitment Management System《佳兆業集團控股招聘管理制度》
- Kaisa Group Employee Overtime Working Management System《佳兆業集團員工加班管理制度》
- Kaisa Group Holdings Employee Performance Management Method《佳兆業集團控股員工績效管理辦法》
- Kaisa Group Holdings Reward and Penalty Management System《佳兆業集團控股獎罰管理制度》
- Kaisa Group Holdings Attendance Management System《佳兆業集團控股考勤管理制度》
- Kaisa Group Holdings Employee Entry, Departure and Regularization Management System《佳兆業集團控股員工入離職及轉正管理制度》
- Special Regulations for the Protection of Female Workers《女職工勞動保護特別規定》

The processes and systems of the Group in different categories are as follows:

Recruitment, Promotion and Dismissal	<ul style="list-style-type: none"> • To strictly adhere to the principle of "ability first" when recruiting, taking into consideration the applicant's adaptability and potential for development, and prohibiting any unequal decisions based on gender, age, race, religious beliefs, etc. • To rely on independent recruitment and standardize the recruitment and selection process to ensure fairness and compliance, in accordance with the principle of "avoidance of relatives" which prohibits employees with family relationships to work in the same company to further strengthening fairness • To clearly define the functional requirements and promotion conditions of each position, and regularly evaluate the performance, ability and attitude of employees according to the mechanism specified in the Kaisa Group Holding Employee Performance Management Regulations (《佳兆業集團控股員工績效管理辦法》), Kaisa Group Holding Reward and Punishment Management System (《佳兆業集團控股獎罰管理制度》), and Employee Comprehensive Evaluation Form (《員工綜合評價表》), Employee Quarterly Performance Assessment Form (《員工季度績效考核表》) and Employee Assessment Appeal Form (《員工考核申述表》), in order to make promotion, bonus payment or salary adjustment • To clearly stipulates the procedures for employee departure, protecting the rights of employees, in the Kaisa Group Holding Employee Entry and Exit and Formalization Management System (《佳兆業集團控股員工入離職及轉正管理制度》); to terminate the employment relationship according to the corresponding procedures if employees violate the established internal control system or requirements
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Welfare and Rights	<ul style="list-style-type: none"> • To outline the working hours and vacation arrangements for employees, including paid leave such as marriage leave, bereavement leave, maternity leave, nursing leave, and family visit leave, in internal policy documents, such as the Kaisa Group Holdings Attendance Management System (《佳兆業集團控股考勤管理制度》) and Employee Handbook (《員工手冊》) • To provide overtime pay or compensatory time off to ensure employees receive appropriate compensation for their overtime work according to the requirements and mechanisms stated in the Kaisa Holdings Employees' Overtime Work Management System (《佳兆業集團員工加班管理制度》) • To provide welfares and additional benefits, including social security, provident fund, commercial insurance, holiday allowance, meal allowance, and property discounts, to employees according to the Kaisa Group Holdings Remuneration Management System (《佳兆業集團控股薪酬管理制度》) and the Kaisa Group Holdings Welfare Management (《佳兆業集團控股福利管理制度》), and regularly review and adjust their salary and benefits, with performance bonuses issued in a timely manner
Equal Opportunities, Diversity and Antidiscrimination	<ul style="list-style-type: none"> • To adhere to the principles of fairness and justice in recruitment, promotion, and dismissal processes, prohibiting any form of discrimination and decisions based on personal gender, age, religion, and background, and strive to create a diverse talent pool by recruiting from campuses and the community, and hiring people from different backgrounds and experiences • To strive to implement an anti-bureaucratic system and create an equal working environment by providing employees with an equal platform for work exchange through regular anti-bureaucratic meetings • To protect the legitimate rights and interests of female employees, including guaranteeing their maternity leave and breastfeeding leave, abiding by the Special Provisions on Labor Protection for Female Employees (《女職工勞動保護特別規定》) • To establish a diverse board structure to provide equal opportunities for people of different genders, ages, religions, and other backgrounds according to the Board Diversity Policy (《董事會成員多元化政策》)
Labour Standards	<ul style="list-style-type: none"> • To strictly adhere to international, governmental and internal regulations, such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》), the Employment of Children Regulations (《僱用兒童規例》), the Employment of Young Persons (Industry) Regulations (《僱用青年(工業)規例》), International Labour Organization Convention No. 29 on Forced Labour (第29號公約《強迫勞動公約》), the Kaisa Group Holdings Recruitment Management System (《佳兆業集團招聘管理制度》) and the Kaisa Group Holdings Employees' Overtime Work Management System (《佳兆業集團員工加班管理制度》), to ensure that child labor or forced labor is prohibited in our operations • To verify the valid identity documents of applicants during the recruitment process to guarantee their employment eligibility • To clearly state the terms of employment, including the work location, working hours, wages and benefits, in the employment contract or agreement

Nurturing the Talents

Kaisa has always believed that employees are the key to our success and the crucial factor for our long-term development. To this end, we have formulated a series of internal policies to enhance our employees' professional skills and career prospects, and to establish a professional and stable operation team. The Group has formulated the *Kaisa Group Holdings Talent Ladder Construction System* (《佳兆業集團控股人才梯隊建設制度》) and the *Kaisa Group Holdings Training Management System* (《佳兆業集團控股培訓管理制度》), which clearly stipulate the requirements and development process for formulating training plans, evaluation, and course library building. At the same time, the *Kaisa Group Holdings Course and Lecturer Management Method* (《佳兆業集團控股課程及講師管理辦法》) also stipulates the training mechanism for potential employees and elite personnel, fostering more new driving forces for business growth. In addition, the Group also selects employees with rich experience and excellent performance to participate in the "Mentoring Program" through the *Kaisa Group Holdings Mentor Management System* (《佳兆業集團控股導師管理制度》), providing guidance for new employees and potential and elite personnel, to cultivate more professional talents.

The Three Training Series



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



Safe Guarding Our Employees

Kaisa places great emphasis on the health and safety of its employees, and believes that it is the cornerstone of the Group's operations. We firmly believe that every employee has the right to work in a safe and healthy environment. To this end, we have developed a series of policies and procedures to ensure that the health and safety of employees are properly protected, and to establish a zero-injury work environment, making safety a part of our daily operations. In order to achieve this goal, we provide various health and safety training to raise employees' awareness of potential dangers. In addition, we also actively promote various health promotion activities, such as regular physical examinations and health lectures, to raise employees' health awareness and encourage them to live healthier lives.

Laws and Regulations

- the Law of the People's Republic of China on Safety in Production《中華人民共和國安全生產法》
- the Regulations on Safety Management in Construction Projects《建設工程安全生產管理條例》
- the Regulations on Reporting and Investigating of Production Safety Accidents《生產安全事故報告和調查處理條例》
- the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases《中華人民共和國職業病防治法》
- the Fire Protection Law of the People's Republic of China《中華人民共和國消防法》
- the Regulations on Work-related Injury Insurance of the People's Republic of China《中華人民共和國工傷保險條例》
- the Regulations on Occupational Health Supervision and Management in Workplaces《工作場所職業衛生監督管理規定》
- the Catalogue and Classification of Occupational Diseases《職業病分類與目錄》

Policies and Guidelines

- Kaisa Group Holdings Safety Management Rules for Construction Projects《佳兆業集團控股地產項目施工安全管理辦法》
- Kaisa Group Holdings Safety and Civilization Construction Album《佳兆業集團控股地產項目安全文明施工圖冊》
- Kaisa Group Holdings Safety Production Supervision and Management Rules《佳兆業集團安全生產監督管理辦法》
- Emergency Response Plan for On-going Projects《在建項目應急處置方案》
- Kaisa Group Holdings Smoking Management Regulations《佳兆業集團控股禁煙管理辦法》
- Kaisa Group Holdings Office Environment and Security Management System《佳兆業集團控股辦公環境及安全保衛管理制度》
- Kaisa Group Employee Working Guide for Safety Management and Emergency《佳兆業集團員工安全管理危急事件處理工作指引》

The Group adheres to the safety management policy of "safety first, prevention-oriented, and comprehensive governance", establishes a sound safety management work mechanism, and comprehensively manages the construction safety of the project in the early, middle and later stages.

"Safety First, Prevention-oriented, and Comprehensive Governance"

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

Kaisa attaches great importance to the health and safety of its employees. During the construction process of the project, we adhere to the principle of preventing accidents and arrange for safety supervisors to manage the safety of the project. At the same time, we have established clear usage guidelines to ensure that employees can use the relevant work equipment correctly and safely. In the early stage of the project, we identify sources of danger, formulate corresponding measures and management systems in advance to reduce risks and ensure timely response to accidents.

Our engineering functions departments and branches regularly arrange safety meetings to report and review the operation and safety management of the project. If any safety accidents occur or events that pose potential risks to the personal safety of employees, the relevant departments will handle the related matters according to the early warning system and emergency measures to reduce personnel or property losses. We will make targeted handling based on the relevant incident reports, supervise the rectification situation, and punish the accident responsibility.

For the physical and mental health of employees, we respect and implement related policies and measures. For example, we have formulated the *Kaisa Group Holdings Smoking Management Regulations* (《佳兆業集團控股禁煙管理辦法》), strictly prohibiting smoking in the office area and promoting a smoke-free culture. We encourage employees to exercise regularly through the establishment of different sports associations such as fitness associations, football associations, and badminton associations. In addition, we have a group health room, providing rehabilitation and prevention services through full-time health directors to reduce the risk of occupational diseases. We also provide employees with regular annual physical examinations, purchase commercial insurance, set up medicine boxes in the workplace and other measures to assist employees in regularly reviewing their personal health and provide medical assistance.



COMMUNITY ORIENTED

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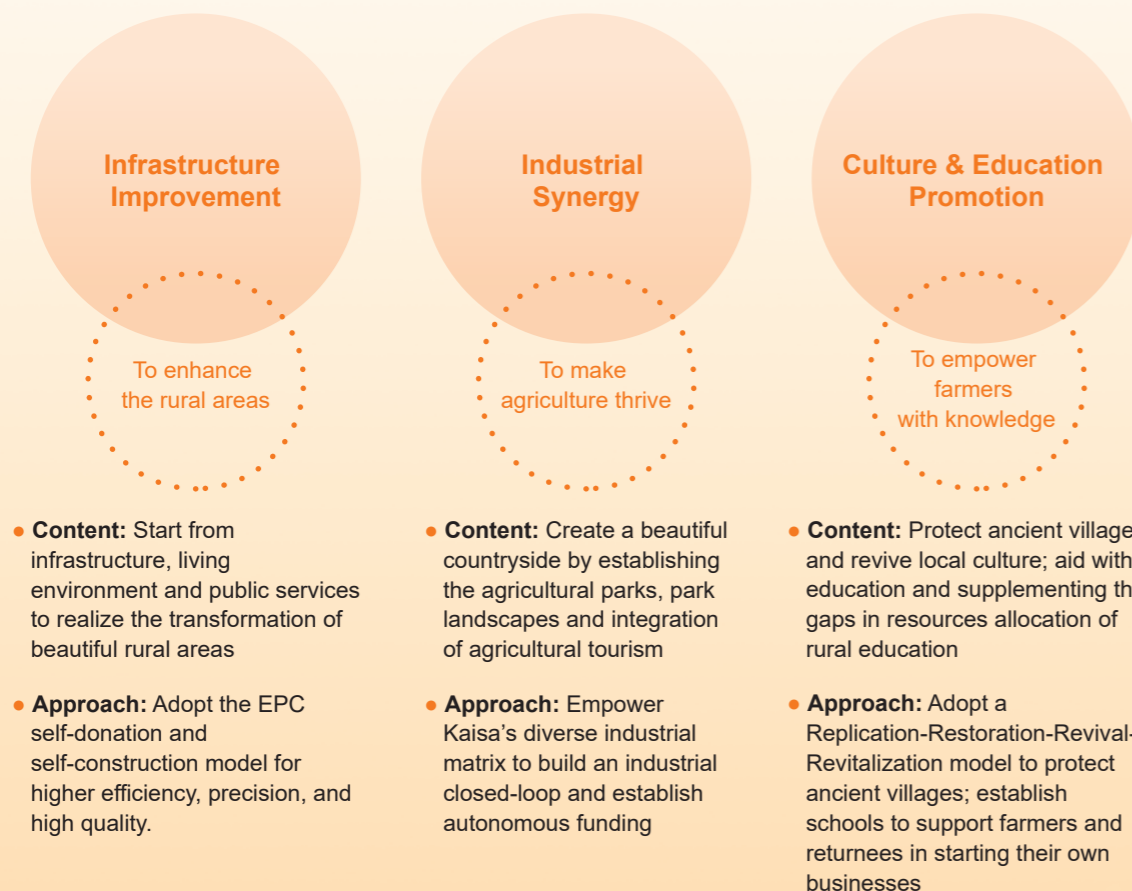
The Group understands that the success of a business is not only due to the smooth operation of its operations, but also stems from our investments and contributions to the community. We uphold the philosophy of "taking from society, dedicating to society", always taking the needs of the community as our source, actively understanding the needs of the community where we operate, and formulating targeted community investment strategies. Therefore, our Group actively participates in and invests in local community activities, carrying out various public welfare and community construction work, contributing to the community with our own advantages, aiming to enhance the livability of the community and achieve a harmonious and inclusive society. Through these investments and contributions, we hope to bring long-term value to the community.

We will continue to deepen our community investment strategy and view it as an important part of our sustainable development goals. We believe that only by developing together with the community can our business achieve success in the future competitive environment.

Implementing Rural Revitalization Strategy

Kaisa is well aware of the importance of social feedback. Therefore, we have formulated the *Kaisa Group Holdings External Donation Management System* (《佳兆業集團控股對外捐贈管理制度》) in accordance with the *Regulations on the Management of Foundations* (《基金會管理條例》) of State Council and the *Constitution of Shenzhen Kaisa Charity Foundation* (《深圳市佳兆業公益基金會章程規定》), to standardize the process of donations and material donations, ensuring the effective use of resources. In the past year, we have donated more than RMB100,000 in cash in the areas of education development and public welfare charity, and donated more than RMB25 million in materials in the areas of environmental protection, community construction, poverty alleviation, and public welfare charities.

Kaisa's community investment is mainly geared towards improving infrastructure, supporting education, and developing diversified industries. Among them, we are particularly focused on the development of rural areas, especially the improvement of grassroots governance. We believe that only by leading grassroots governance can we create a vibrant, harmonious, and orderly good governance village. At the same time, we value the combination of talent recruitment and local cultivation, preserving their lifestyle while developing rural areas, building their capacity for sustainable development, and responding to the national policy direction for accelerating the modernization of agriculture and rural areas.



Revitalizing Lingnan Agricultural Tourism to Improve the Quality of Life of Residents

Historically, Nanxiong City has served as a crucial pathway from Lingnan to the Central Plains. As a commodity distribution center situated on the border of Guangdong and Jiangxi, it's often referred to as "the First of the Five Ridges." This key position functions as a gateway between the north and south, lending the city immense historical significance. Since 2021, our group has been proud to contribute a total of RMB20 million to aid Nanxiong City, Guangdong Province. These funds support the development of local rural revitalization industry projects.

Through this project, our Group hopes to protect and reproduce the rural architectural features of "ancient post stations and ancient alleys" in Lingnan, supported by modern agricultural industry bases, forming a development model led by agricultural and tourism resources, giving the local area the ability to create longer-term value. This model successfully combines traditional culture and modern industry, forming a picturesque rural landscape belt.

By 2023, we have successfully completed the first phase of the project, built a modern agricultural planting base of 300 mu, effectively improved the level of local agricultural industry, strengthened the village collective economy, and achieved employment for villagers.



Conservation of Lingnan Ancient Village Culture to Carry on Historical Significance

Wangshan Village is located in the northwest of Qianwu Town, Doumen District, Zhuhai City, and was established during the Qianlong period of the Qing Dynasty. It is one of the few ancient villages left in Zhuhai and even the Pearl River Delta. As of 2021, nearly 70% of the houses in Wangshan Village still retain the yellow mud walls of the Qing Dynasty and the green bricks characteristic of Lingnan, with a total of about 118 Guangfu residences built in the Qing Dynasty. A large number of ancient trees are planted behind the village, with 35 ancient trees over 100 years old. Therefore, Wangshan Village is hailed as a "living fossil of Qing Dynasty Lingnan architecture" and has been rated as an "ancient village in Guangdong Province", with high conservation value.

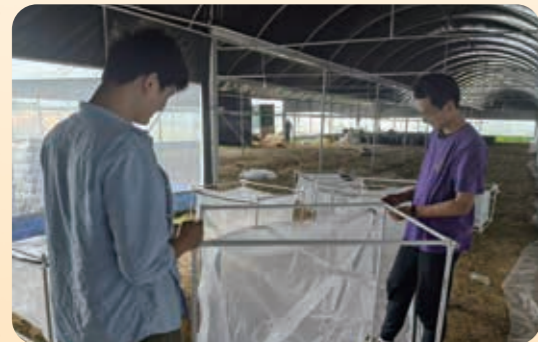
In line with the needs of balancing rural conservation and development, our group actively participated in the ancient village conservation project in Wangshan Village, Zhuhai City, with the aim of effectively preserving Lingnan cultural heritage and unique ancient architectural groups, while improving the economic vitality and quality of life of local villages. Therefore, we have carried out a series of renovations and upgrades, including improving the greening landscape around the Wudi Temple Square, enhancing the landscape around the Huanggong Temple and ancient well, and the appearance of the village west entrance square, comprehensively optimizing the environment of Wangshan Village while retaining its original appearance. In addition, our group has also added cultural exhibitions along the route of the underground party branch red spirit node in the local area, adding more attractions for local residents and tourists.

These efforts resulted in the transformation of Wangshan Village being basically completed in September 2023. This transformation not only improved the quality of life of local residents, but also made important contributions to the protection of our country's cultural heritage.



🌿 Research Project on Earthworm-Based Circular Agriculture Technology

The Group carried out an innovative research project in Longmen County, Guangdong Province, hoping to enhance local agricultural technology by studying earthworm cycle agricultural technology. The purpose of the project is to establish a circular agricultural model centered on earthworms, combining soil improvement technology and crop planting, to improve agricultural production efficiency, improve soil quality through soil remediation technology, and provide a better basic environment for local agricultural production in the long run.



Promoting Community Health Awareness

Kaisa insists on a community-based strategy, committed to enhancing community health awareness and contributing to the sustainable development of the community. In order to achieve this goal, we have implemented several important community investment projects aimed at improving the quality of life in the community and promoting healthy lifestyles.

During the year, the Group's Culture Sports and Technology Group provided nationwide fitness services all year round in 20 venues in 13 major cities across the country, allowing everyone to enjoy free fitness services without being deterred by economic factors. These venues offer a variety of sports, including football, basketball, badminton, table tennis, volleyball, tennis, swimming and other sports to meet the fitness needs of different citizens. In 2023, we provided a total of 37,373 hours of free national fitness open hours, and each year we received more than 2.67 million citizens for free, while also ensuring the smooth progress of 284 city public welfare activities.



When typhoon Sula struck, our venues in Guangdong region immediately stopped all fitness and training services, fully carrying out wind and flood prevention work to protect the safety of citizens' lives and property. Moreover, during this difficult period, our Nanshan Sports Center, Nanhai Sports Center, Gaoming Sports Center, and Huizhou Xingkai Grand Theater provided emergency shelter and related services, accommodating nearly 1,000 citizens who needed shelter.



In addition, the Group also attaches great importance to the health of young people, believing that "A strong youth will make a strong country", and has been committed to improving the physical quality of young people throughout the year. To this end, our Group participated in the "The First Sports Special Auction in Shenzhen" (《深圳市首届體育專場拍賣會》) initiated by the Shenzhen Municipal Bureau of Culture, Sports, Tourism, Radio & Television and hosted by the Shenzhen Sports Industry Association, hoping to assist in fundraising to help young people prevent and correct scoliosis. During the event, we successfully auctioned a "2019 Shenzhen WTA Finals Women's Tennis Doubles Champion Handprint", and used all of the RMB22,000 for public welfare projects to prevent and correct scoliosis in young people, supporting the healthy development of young people with practical actions.



Kaisa will continue to take practical actions to enhance community health awareness and contribute to the sustainable development of the community. We will participate actively in the health and development of the community in this way, demonstrating our social responsibility with practical actions.

Advocating Humanistic and Environmental Care Culture

In the past year, Kaisa has continued to uphold corporate social responsibility, committed to community investment, especially in promoting community culture and environmental care, and has invested a lot of resources, hoping to make our society more livable. Only when the needs of different groups are taken care of can society operate harmoniously and provide a more solid foundation for our development.

Among them, the Group noticed the difficulties in life of the blind and hoped to enhance the link between society and them, and better help them solve the problem of travel difficulties. Therefore, we cooperated with Yue'er Public Welfare, Phoenix Network Public Welfare, LeTV, Shenzhen Blind People's Association and other units to carry out the "Give me the way" public welfare activity, further paying attention to the travel situation of the blind, and calling on the public to pay attention to the safety of the visually impaired group. We transformed our shopping malls into the main venues for this public welfare activity. Through blind group knowledge popularization check-in and barrier-free construction snapshots in the mall, this topic has gained more public attention and increased society's understanding of vulnerable groups. This activity attracted 454 participants and accumulated about 40 social worker teams to serve more than 600 hours.



On the other hand, we also pay attention to environmental care and have noticed the importance of water resources and the necessity of water conservation. Therefore, we joined the One Foundation to carry out a clean water public welfare advocacy activity. This activity was held in 14 shopping centers in 9 cities under our flag. Through a variety of interactive games and exhibitions, it conveyed healthy and sanitary water use habits to the public, enhanced society's awareness of water conservation, and called on more people to actively participate in environmental protection and public welfare. This activity involved 14 projects and more than 120 team members. Calculated at an average service of 2 hours/day per project, the cumulative service time exceeded 6,000 hours.



We know that these activities are not only a way for us to fulfill our corporate social responsibility, but also a way for our malls, brands and customers to participate more deeply in public welfare activities and jointly promote the development of the community. We aim to transform our shopping malls into the main venue for public welfare activities, so that customers can understand the needs of different groups and different categories while shopping and entertaining, and further enhance their sense of social responsibility. We will continue to deepen our community involvement, create long-term value for our business through more community investment and humanistic and environmental care.



COMMITTED TO GREEN



In response to the pressure to curb global temperature rise, Kaisa actively supports the national carbon neutrality goal, aiming to peak carbon emissions by 2030, and achieve carbon neutrality by 2060, contributing our part in mitigating climate change. We are committed to advancing low-carbon green development strategies, continuously seeking ways to reduce the negative impact of our business on the environment, and enhancing the green standards of our projects. By focusing on areas such as green living, ecological conservation, energy saving and emission reduction, and responding to climate change, we aim to integrate the concept of sustainable development throughout the entire life cycle of our projects, covering the stages of planning, design, construction, and operation. We believe that through our determination to change and the application of technology, we can create a green, low-carbon, healthy and comfortable lifestyle for the public, realizing a better life in practice.

Green Living

Although current environmental protection measures exist, they are still insufficient to cope with the increasingly severe global environmental problems. Taking carbon emissions as an example, the global construction industry has a huge impact on carbon emissions, with sources including the energy use of buildings, emissions during the construction and material manufacturing processes, etc. According to reports from the International Energy Agency (IEA) and the International Building Energy Efficiency Organization (IEEB), the construction industry accounts for about 35% of global greenhouse gas emissions and about 40% of total global energy use.

Therefore, promoting the development of green buildings has become an inevitable global trend. In order to seize the opportunities in the low-carbon market and continue to provide environmentally friendly residences for people, the Group actively invests resources in technologies related to green buildings. In 2023, the Group had 16 construction projects that met the green building requirements, with a green building area reaching 1,976,000 square meters. As of the end of the year, the Group had a total of 90 projects that received green building certification, with a total certified area of 11,972,900 square meters.

🌿 Application of Green Technology – Changsha Binjiang Four Seasons Project

The Changsha Binjiang Four Seasons project is located in Furong District, Changsha City, which belongs to a subtropical monsoon climate. The climate is warm and humid, making natural ventilation a key factor in building energy conservation during spring and summer. At the same time, affected by factors such as heavy rain and rising river water levels, Changsha is prone to water problems during the rainy season. Therefore, in addition to applying a large amount of energy-saving technology, the Changsha Binjiang Four Seasons project has also specifically installed many flood prevention and drainage facilities. Thanks to the project's adaptability to the environment, energy-saving measures, and effective application of green environmental protection concepts, the Changsha Binjiang Four Seasons project has obtained a one-star certification of "Hunan Province Green Building Evaluation Standard" DBJ43/T314-2015.

The Changsha Binjiang Four Seasons project has the Liu Yang River Scenic Belt and other natural resources, belonging to a gentle slope riverside community ecosystem with a beautiful environment. To not waste the existing environmental advantages while also considering the ventilation effect in the park, the early design of the green plant planning, distribution of building groups, and pedestrian areas is very important. Improper design of individual buildings and group layout may lead to excessive wind speed or stuffiness, causing difficulty in moving or heatstroke for pedestrians. At the same time, to protect downstream pipelines, structures, and water bodies, the park has specially set up sunken green spaces and permeable roads. The former reduces surface runoff through detention, reducing rainwater discharge, while the latter uses ecological permeable concrete for paving, which allows rainwater to quickly permeate the surface, effectively replenishing groundwater, alleviating the urban heat island effect, and balancing the urban ecosystem. For the unutilized runoff rainfall, we will collect and use the treated rainwater to alleviate water scarcity.



In addition, the Changsha Binjiang Four Seasons project also uses a number of energy-saving and high-efficiency energy utilization designs and technologies:

- The use of a ventilated overhead heat insulation roof reduces the heat transfer of solar radiation through the roof into the room, reducing the cooling energy consumption of indoor air conditioning in summer. At the same time, the presence of the ventilated overhead layer can effectively absorb heat to reduce roof heat transfer;
- Choose high-efficiency lighting fixtures as much as possible, such as LED lights or other energy-saving lights, to reduce power consumption;
- The elevators in the project use energy-saving products and adopt energy-saving control measures, such as automatic light-off when the elevator car is unoccupied;
- Try to choose energy-saving electrical equipment, which must meet the energy-saving evaluation value requirements of the current national standard "Energy Efficiency Limit Value and Energy Saving Evaluation Value of Three-phase Distribution Transformers" (《三相配電變壓器能源效率限定值及節能評估值》) GB 20052. Among them, the energy efficiency limit value and energy efficiency grade of pumps, fans (and their motors) should meet the energy-saving evaluation value requirements stipulated by national relevant standards.

With the application of the above measures and technologies, the Changsha Binjiang Four Seasons project effectively reduces the project's environmental impact and resource use while ensuring safe, high-quality construction and healthy, comfortable spaces.

🌿 New Construction Mode

Traditional construction methods rely on labor input, and compared to industrialized operation modes, they require more time and are relatively inefficient, resulting in more energy consumption. Therefore, our group has been actively applying Building Information Modeling (BIM) and prefabricated construction technologies in various projects to effectively reduce energy consumption, improve construction quality, and better control project time to avoid delays. These two technologies are also used in the Changsha Binjiang Four Seasons project.

BIM (Building Information Model) and prefabricated construction are superior to traditional construction methods in many ways:

1. Improve efficiency and quality: BIM can identify and solve problems during the design stage, reducing errors and delays during construction, thereby improving construction efficiency and quality. Meanwhile, the prefabricated components of prefabricated construction are manufactured in factories, with a standardized process and better quality assurance.
2. Save time: Prefabricated construction saves a lot of construction time because most of the components are prefabricated in the factory, and the site mainly assembles the components.
3. Environmental protection: Prefabricated construction reduces a lot of on-site construction, reducing noise and dust pollution. At the same time, the material utilization rate in the factory prefabrication process is high, reducing the waste of building materials and contributing to environmental protection.
4. Reduce waste: Through BIM technology, the material demand can be accurately estimated at the design stage, avoiding the waste of materials caused by inaccurate estimates in traditional construction methods.

5. Sustainable development: The use of BIM and prefabricated construction contributes to the sustainable development of the construction industry, which is in line with the current trend of green building and sustainable development.

In the future, Kaisa will continue to focus on the national green building policy and seek development opportunities. While striving to obtain green building certification for more properties under its name, we will continue to improve the system construction of basic green building technology and study the implementation path of high-star green building technology. With the continuous accumulation of technical research and development results and engineering application experience, we are looking forward to continuously expanding the technical innovation and product application of green building, and providing higher quality green living construction solutions.

🌿 Enhancing Climate Resilience Empowering Urban Construction

As climate change intensifies, the frequency of extreme weather events is also becoming more frequent, bringing increasingly strong disaster impacts. Faced with the constantly increasing climate disasters, urban construction should no longer focus on 'prevention' or 'coping' capabilities, but rather on how to adapt to the new climate environment, being able to be like a sponge, with good elasticity and recovery when adapting to climate change and dealing with natural disasters. Cities can absorb, store, infiltrate, and purify water during precipitation, and 'squeeze' out collected rainwater for use at other times.

The Kaisa Yujing Garden project is a successful case of a sponge city. This project is located in Yantian District, Shenzhen, through the use of sunken green spaces, rooftop greening, rainwater detention and other sponge facilities, effectively controlling the discharge of plot rainwater runoff, reducing the drainage pressure of the municipal drainage system, achieving localized control of rainwater runoff peak and flow, achieving source control effect, and improving the overall environmental quality effect. At the same time, the rainwater reuse system also improved the project's rainwater utilization rate. After evaluation, the project's annual runoff control rate² can reach the sponge city construction goal of 55%.



In the Yujing Garden project, the function of the sponge city is mainly realized through the following technical applications:

1. Sunken Green Spaces
Sunken green spaces are a type of green space design mode, characterized by the green space surface being 2~3 centimeters lower than the surrounding pavement. This design can collect rainwater and retain it within the green space, infiltrating into the ground to reduce runoff discharge, increase soil water resources and groundwater resources. In addition, sunken green spaces can also serve as a sedimentation and sewage treatment system, depositing a large amount of solid pollutants in the green space and promoting the purification of organic pollutants within the green space, helping to improve urban water quality and increase soil fertility of the green space.
2. Rainwater Recycling
Rainwater recycling is an environmental technology that mainly collects and stores rainwater, which is then used for greening irrigation, road cleaning, etc. This system can effectively save tap water, reduce water treatment costs, and contribute to green environmental protection and energy saving.
3. Construction of Rooftop Gardens
Rooftop gardens are green spaces created on the roofs of buildings, including the planting of various vegetation. In addition to providing visual value, rooftop gardens also help to absorb rainwater, filter pollutants in the air, lower the temperature of the building, and thus alleviate the urban heat island effect. Moreover, rooftop gardens can collect rainwater for irrigation or other uses, achieving the purpose of saving resources. When a rainstorm comes, the runoff generated by the building roof is one of the important causes of urban flooding. Therefore, transforming the roofs of urban buildings into green roofs can effectively alleviate the pressure of urban rainwater runoff.



Conservation of Ecology

Throughout the entire lifecycle of a construction project, from project planning, design, construction to operation, Kaisa is always committed to implementing strict environmental policies and measures to minimize the negative impact of the projects on the environment and enhance environmental management of the projects.

🌿 Planning and Design

At the beginning of project development, our group will ascertain the potential impact of the project on the surrounding environment and residents, and formulate specific soil and water conservation plans. We will submit detailed environmental impact assessment reports, forms, and registers, reporting the environmental conditions, quality, and protection measures of the project to local environmental supervision departments and other relevant parties. The project company will only start the engineering project after obtaining consent and obtaining necessary documents such as the Construction Land Planning Permit (《建設用地規劃許可證》) and the Construction Project Planning Permit (《建設工程規劃許可證》). In addition, our group is committed to promoting green buildings. When planning projects, we will take into account factors such as green design, eco-friendly materials, and green construction methods.

² The annual runoff control rate indicator refers to the proportion of the total annual rainfall controlled (not discharged) on the site through natural and artificially enhanced infiltration, storage, utilization, evaporation, transpiration, etc.

🌿 Procurement and Tendering

The Group emphasizes the concept of green and environmental protection during the planning and design phase, and integrates this concept into the procurement process of building materials. For example, we choose to use energy-saving and environmentally friendly materials such as lightweight partition boards and high-precision blocks, and we also actively try to use more environmentally friendly main building materials such as concrete, bricks, and wood in the production process. In addition, we require our contractors to comply with our commitments to sustainable development, which include but are not limited to: ensuring that pollutant emissions do not exceed national and local standards, preventing environmental pollution and ecological damage, and reasonably and effectively using natural resources. Through this approach, we will be able to practice green environmental concepts in our operations and contribute to the future of the planet.

🌿 Construction

During the project development phase, the Group has formulated the Kaisa Group Holdings Catalogue on Safe and Civilized Construction of Real Estate Projects (《佳兆業控股集團項目安全文明施工圖冊》) as part of our construction contract to clearly put forward the requirements and management methods for safe and civilized construction to contractors. We require contractors to identify potential environmental impacts before starting construction and specify specific measures to deal with these impacts in the construction organization design.

In addition, the project company has also established environmental protection work leading groups, responsible for implementing environmental protection measures during the construction and operation period of the project, and carrying out daily environmental management work. The members of these groups will conduct regular site inspections to supervise whether the contractor has implemented the prescribed measures.

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

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

🌿 Project Delivery

After the completion of the project, the project company needs to submit an environmental acceptance application to the environmental regulatory department to inspect the placement and execution of ecological protection and pollution prevention facilities. Only after passing the inspection, can the project company enter the house delivery stage. The Group also pays attention to the impact of its properties on the environment during the usage stage, and considers community greening, drainage systems, and waste treatment and recycling facilities in the project. In some construction projects, we have also installed intelligent metering systems to help users monitor the use of electricity and water resources in order to control related expenses.

Energy Conservation and Emissions Reduction

In daily office operations, the Group strictly adheres to laws and regulations related to our business, and has developed and implemented policies and regulations in different areas according to the requirements for emission pollution and energy-saving management, in order to shape a green office culture. Various environmental goals aim to provide long-term guidance on resource conservation for the Group's management.

Laws and Regulations

- the Environmental Protection Law of the People's Republic of China《中華人民共和國環境保護法》
- the Law of the People's Republic of China on Energy Conservation《中華人民共和國節約能源法》
- the Air Pollution Prevention Law of the People's Republic of China《中華人民共和國大氣污染法》
- the Law of the People's Republic of China on the Prevention and Control of Pollution from Solid Wastes《中華人民共和國固體廢物污染環境防治法》
- the Water Pollution Prevention Law of the People's Republic of China《中華人民共和國水污染防治法》

Policies and Guidelines

- Office Environment and Safety Management System of Kaisa Group Holdings Limited《佳兆業集團控股辦公環境及安全保衛管理制度》
- the Guidelines for Energy Conservation Design of Electromechanical Energy Efficiency System for Projects of Kaisa Group Holdings Limited《佳兆業集團控股自持項目機電能耗能效系統節能設計指引》
- Guidelines for the Management of Office Supplies of Kaisa Group Holdings Limited《佳兆業集團控股辦公用品管理工作指引》

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



Energy Efficiency

Through the implementation of the Energy Conservation Design of Electromechanical Energy Efficiency System for Projects of Kaisa Group Holdings Limited (《佳兆業集團控股自持項目機電能耗能效系統節能設計指引》), the goal of the Group is to improve the energy consumption efficiency management system of the project and make the property achieve the best energy benefits. This guide can provide clear guidance to employees and clear instructions on how to collect data on electricity, hydraulic power, gas, heat and cold, and put forward requirements for intelligent management and analysis of data.

During the reporting period, the direct energy consumed by the daily operations of the Group is mainly gas, diesel, gasoline, etc., used for vehicle and staff canteen gas stoves; indirect energy consumption comes from purchased electricity. In order to reduce energy consumption, we set the minimum temperature of the air conditioning system to 26 degrees Celsius and encourage the use of video conferencing to reduce travel. During the Reporting Period, the total energy consumption of projects were 3,244 MWh, with an intensity of 0.01 MWh per square meter, all of which was purchased electricity, without any direct energy or purchased heat.

The use of related energy directly or indirectly generates air pollutants and greenhouse gas emissions. During the Reporting Period, the projects generated a total of 1,851.49 tonnes CO₂e. Electricity consumption remains the largest source of greenhouse gas emissions, accounting for more than 99%.

DIRECT AND INDIRECT ENERGY CONSUMPTION



Direct Energy		Indirect Energy	
Liquefied Petroleum Gas	0 MWh	Purchased Electricity	3,244.33 MWh
Gasoline	0 MWh	Purchased Heat	0 MWh
 Total Energy Consumption 3,244.33 MWh		 Intensity (by area) 0.01 MWh/square meter	

Water and Waste Management

The global pressure on water resources is increasing, and the allocation and management of water resources have become urgent issues for many countries to solve. Although the Group's headquarters and various project companies are currently fully provided with sufficient water resources by municipal suppliers, we still attach importance to water conservation and encourage employees to avoid waste through various means. At the same time, we are also committed to improving water use efficiency and minimizing the generation of wastewater in business processes. Relevant measures include but are not limited to, expanding the use of water-saving equipment, conducting water-saving education activities, and regularly recording water use to comprehensively analyze the water use situation. During the Reporting Period, the total water consumption of the projects were 260,475.05 cubic meters, with an intensity of 0.78 cubic meters per square meter. The Group will continue to evaluate water use data as a basis for formulating long-term reduction targets.

In terms of waste management, the group believes that reducing waste at source is the most effective way. Therefore, we encourage the use of emails and electronic office systems, and use double-sided printing as much as possible to reduce paper consumption, thereby reducing waste production at the source. We also continue to promote the classification and recycling of waste such as plastics and waste paper in daily operations. In addition, the the Management of Office Supplies of Kaisa Group Holdings Limited (《佳兆業集團控股辦公用品管理工作指引》) also stipulates the procurement of office supplies and requires each functional department to control and use them reasonably to avoid waste. During the Reporting Period, the projects generated a total of 0.0006 metric tons of hazardous waste such as waste batteries and ink cartridges, which were properly stored and regularly delivered to qualified recyclers for collection and processing. At the same time, the Group also generated a total of 897 metric tons of non-hazardous waste such as paper and computers, with an intensity of 0.0027 metric tons/square meter. All of them have been handed over to relevant municipal departments and professional recyclers for clearance and subsequent processing.

GREENHOUSE GAS EMISSIONS

Scope 1 Emissions 1.24 tonnes of CO ₂ e	Scope 2 Emissions 1,850.24 tonnes of CO ₂ e
 Total Greenhouse Gas Emissions 1,851.49 tonnes of CO ₂ e	 Intensity (by area) 0.01 tonnes of CO ₂ e/square meter

Climate Change

The impact of climate change on the construction industry is significant, especially during the design, construction, and operation processes. With global temperatures rising, the construction industry needs to consider how to improve building designs to adapt to higher temperatures and more drastic weather changes. Moreover, extreme weather events, such as floods and storms, may cause damage to building structures, necessitating stronger architectural defense systems. During the construction process, climate change could affect site conditions and the selection of building materials; during the operation phase, buildings require more efficient energy use and temperature control systems to reduce carbon emissions and withstand high temperatures. Therefore, the construction industry needs to innovate and adapt to climate change to ensure its long-term sustainability and resilience.

Ever since the country announced its goal to achieve carbon neutrality by 2060, our group has been actively researching actions that could further enhance our climate resilience and emission reduction effects. We believe that identifying and assessing climate-related risks and opportunities as early as possible is crucial to the group's development deployment. This will ensure that the group is well-prepared before the risks or opportunities arise. In the future, we plan to construct relevant climate scenarios under the guidance of the Climate Change Disclosure Framework (S2) designated by the International Sustainability Standards Board (ISSB) to help us identify and assess substantial physical and transition risks and opportunities, thereby formulating climate change response plans for our management and investment business.

OVERVIEW OF KEY PERFORMANCE INDICATORS



09



Environmental KPIs

No. of Key Performance Indicator	Key Performance Indicator	Unit	2023	2022	2021
A1.1 Emissions ³	Nitrogen oxides (NO _x)	kg	/	4.52	179.57
	Sulphur oxides (SO _x)	kg	/	0.53	6.74
	Inhalable particulate matter (PM ₁₀)	kg	/	0.36	4.76
	Fine particulate matter (PM _{2.5})	kg			
	Total particulate matter (TPM)	kg			
A1.2 Greenhouse gases ⁴	Scope 1: Direct emission of greenhouse gas				
	Deduction of greenhouse gas by the newly planted tree	tonnes of CO ₂ e	/	/	-0.87
	Total direct carbon dioxide equivalent emissions	tonnes of CO ₂ e	1.24	42.79	168.94
	Total direct carbon dioxide equivalent emissions intensity	tonnes of CO ₂ e/m ²	0.000004	0.001	0.001
	Scope 2: Indirect emission of greenhouse gas ⁵				
	Total indirect carbon dioxide equivalent emissions	tonnes of CO ₂ e	1,850.24	1,489.30	6,872.22
	Total indirect carbon dioxide equivalent emissions intensity	tonnes of CO ₂ e/m ²	0.01	0.04	0.03
	Scope 3: Other indirect emission of greenhouse gas				
	Waste paper discarded in landfills ⁶	tonnes of CO ₂ e	/	/	/
	Electricity consumed by governmental authorities for handling drinking water and sewage ⁶	tonnes of CO ₂ e	/	/	/
	Employees' business trips by airplane	tonnes of CO ₂ e	/	/	11.57
	Total other indirect carbon dioxide equivalent emissions	tonnes of CO ₂ e	/	/	11.57

³ The emissions sources included non-road mobile sources, road mobile sources and stationary sources. The references for calculation mainly include the Provisional Technical Guidelines for Road Mobile Sources Emission, Provisional Technical Guidelines for Non-road Mobile Sources Emission, Technical Guidelines for Compilation of Emission Inventory of Atmospheric Particulate Matter Primary Sources, and Industrial Boiler (Heat Production and Supply Industry) Industry Coefficient Manual of the Second National General Survey on Pollution Sources Production and Emission Calculation Coefficient Manual published by the Ministry of Ecology and Environment of PRC, the First National General Survey on Pollution Sources of Urban Domestic Source Production and Discharge Coefficients Manual by General Survey on Pollution Sources Office. The estimation of vehicle driving distance refers to the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Road Transport Enterprises (Trial) issued by the Office of the National Development and Reform Commission of PRC.

⁴ The emission sources included non-road mobile sources, road mobile sources, stationary sources, refrigerants, electricity purchased and business travel. The references for calculation mainly include Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Units (Trial) published by Office of the National Development and Reform Commission of PRC and Appendix 2: Reporting Guidance on Environmental KPIs from How to prepare an ESG Report of HKEX.

⁵ The emission factor of purchased electricity refers to the "Notice on the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry from 2023 to 2025" (0.5703 tCO₂/MWh)

⁶ Refer to Appendix 2 of the Hong Kong Stock Exchange's "How to Prepare Environmental, Social and Governance Reports": Environmental Key Performance Indicator Reporting Guidelines. The relevant categories are not included in the accounting and reporting scope of greenhouse gas emissions in 2023, 2022 and 2021.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2023	2022	2021
A1.3 Total hazardous waste	Battery	tonnes	0.0002	0.0002	2.40
	Fluorescent bulb	tonnes	/	/	0.01
	Waste toner	tonnes	/	0.008	0.001
	Waste cartridge	tonnes	0.0004	0.02	1.00
	Waste lightbulb	tonnes	/	/	0.01
	Waste activated carbon	tonnes	/	/	/
	Total hazardous waste	tonnes	0.0006	0.03	3.43
	Total hazardous waste intensity	tonnes/m ²	0.000002	0.003	2.00
A1.4 Non-hazardous waste	Waste paper	tonnes	896.00	2.24	48.20
	Plastic	tonnes	/	0.80	17.00
	Computer and equipment	tonnes	1.00	/	/
	Food waste	tonnes	/	5.11	36.00
	Foam	tonnes	/	/	/
	Total non-hazardous waste	tonnes	897.00	8.95	125.20
	Total non-hazardous waste intensity	tonnes/m ²	0.0027	0.0007	0.12

No. of Key Performance Indicator	Key Performance Indicator	Unit	2023	2022	2021
A2.1 Energy	Direct energy consumption				
	Coal gas	'000 kWh	/	/	0.58
	Diesel	'000 kWh	/	/	5.18
	Gasoline	'000 kWh	/	18.32	506.04
	Natural gas	'000 kWh	/	/	/
	Direct energy consumption	'000 kWh	/	33.32	525.54
	Direct energy consumption intensity	'000 kWh/m ²	/	0.001	0.002
	Indirect energy consumption				
	Electricity purchased	'000 kWh	3,244.33	2,566.52	11,770.30
	Indirect energy consumption	'000 kWh	3,244.33	2,611.43	11,838.42
	Indirect energy consumption intensity	'000 kWh/m ²	0.01	0.07	0.05
	Total energy consumption				
	Total energy consumption	'000 kWh	3,244.33	2,644.75	12,363.96
Total energy consumption intensity	'000 kWh/m ²	0.01	0.07	0.05	
A2.2 Water consumption	Total water consumption	m ³	260,475.05	315,392.00	624,998.12
	Total water consumption intensity	m ³ /m ²	0.78	8.29	2.54

Social KPIs

No. of Key Performance Indicator Key Performance Indicator	Unit	2023	2022	2021	2021
B1.1 Total workforce by gender, employment type, age group and geographical region	Total number of employees	person	11,243	15,881	18,650
	By employment type				
	Full-time	person	11,214	15,845	18,650
	Part-time	person	29	36	0
	By gender				
	Male	person	7,790	9,305	11,096
	Female	person	3,453	6,576	7,554
	By position				
	Entry-level employee	person	10,195	15,222	17,695
	Middle-level employee	person	951	563	786
	Management	person	97	96	169
	By age				
	30 or below	person	3,627	2,685	3,695
	31-40	person	4,494	4,304	5,955
	41-50	person	2,382	2,999	3,138
	51 or above	person	740	5,909	5,862
	By geographical regio				
	Pearl River Delta region	person	5,309	4,626	6,842
	Yangtze River Delta region	person	1,167	8,493	8,298
	Central China region	person	1,091	680	711
Western China region	person	1,892	1,304	1,627	
Pan-Bohai Bay Rim	person	1,407	634	980	
Other region ³	person	377	144	192	

No. of Key Performance Indicator Key Performance Indicator	Unit	2023	2022	2021	2021
B1.2 Employee turnover rate by gender, age group and geographical region	Employee turnover rate	%	48%	33%	34%
	By gender				
	Male	%	50%	37%	37%
	Female	%	44%	27%	30%
	By position				
	Entry-level employee	%	51%	34%	35%
	Middle-level employee	%	14%	4%	27%
	Management	%	16%	32%	14%
	By age				
	30 or below	%	75%	56%	57%
	31-40	%	39%	41%	39%
	41-50	%	28%	28%	23%
	51 or above	%	31%	4%	3%
	By geographical region				
	Pearl River Delta region	%	48%	51%	45%
	Yangtze River Delta region	%	58%	9%	12%
	Central China region	%	29%	52%	57%
Western China region	%	25%	39%	43%	
Pan-Bohai Bay Rim	%	64%	47%	46%	
Other region	%	123%	37%	35%	
B2.1 Number and rate of work-related fatalities occurred in each of the past three years	Number of work-related fatalities	person	0	2	0
	Rate of work-related fatalities	person/hour	0	0.01	0
	Lost days due to work injury	day	16	2,675	480

³ Including Hainan Island and Hong Kong.

No. of Key Performance Indicator Key Performance Indicator	Unit	2023	2022	2021	2021
B3.1 The percentage of employees trained by gender and employee category	Percentage of trained employees	%	100%	100%	100%
	By gender ⁷				
	Male	%	69%	59%	59%
	Female	%	31%	41%	41%
	By position ⁸				
	Entry-level employee	%	91%	96%	95%
	Middle-level employee	%	8%	4%	4%
	Management	%	1%	1%	1%
B3.2 The average training hours completed per employee by gender and employee category	Average training hours completed per employee	hour	36	34	30
	By gender				
	Male	hour	36	33	27
	Female	hour	36	35	33
	By position				
	Entry-level employee	hour	36	34	29
	Middle-level employee	hour	36	31	32
	Management	hour	36	11	34

⁷ The percentage of trained employees by gender = (Trained male or female employees / Total number of trained employees) × 100%.

⁸ The percentage of trained employees by positions = (Number of trained employees in a specific position category / Total number of trained employees) × 100%.

No. of Key Performance Indicator Key Performance Indicator	Unit	2023	2022	2021	2021
B5.1 Number of suppliers by geographical region	Number of suppliers	suppliers	12,658	11,700	10,702
	By category				
	Survey and Design	suppliers	1,364	1,267	1,034
	Consulting Services	suppliers	1,081	1,000	879
	Marketing	suppliers	3,560	3,323	2,936
	Engineering	suppliers	5,046	4,659	4,093
	Materials and Equipment	suppliers	1,230	1,140	1,198
	Administration	suppliers	377	311	562
	Others	suppliers	0	0	0
	By geographical region				
	Pearl River Delta region	suppliers	4,326	3,986	3,517
	Yangtze River Delta region	suppliers	2,889	2,662	2,362
	Central China region	suppliers	2,158	1,989	1,894
	Western China region	suppliers	1,939	1,787	1,687
Pan-Bohai Bay Rim	suppliers	1,002	923	864	
Other region	suppliers	344	353	378	
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Percentage of total products sold or shipped subject to recall for safety and health reasons	%	0	0	0
B7.3 Description of anti-corruption training provided to directors and staff	Number of anti-corruption training courses	number	6	4	7
	Anti-corruption training course hours	hour	6	4	8
	Number of directors attending anti-corruption training	person	8	6	12
	Number of employees attending anti-corruption training	person	823	3,000	3,000



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SEHK ESG REPORTING GUIDE CONTENT INDEX

Environmental

Subject Areas, Aspects, General Disclosures and KPIs	Chapters	Remarks
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Committed to Green (59-61) The Group is subject to various significant laws and regulations, including the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on Prevention and Control of Water Pollution. These laws and regulations establish clear requirements for emissions of exhaust and greenhouse gases, discharges to water and land, and the generation of hazardous and non-hazardous waste. Failure to comply with these laws and regulations may result in fines, suspension of operations, and/or legal action against the Group by regulatory authorities. The Group adheres to the relevant laws and regulations and did not identify any emission-related violations during the Reporting Period.
A1.1	The types of emissions and respective emissions data.	Overview of Key Performance Indicators (63)
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Overview of Key Performance Indicators (61, 63)
A1.3	Total hazardous waste produced and intensity.	Overview of Key Performance Indicators (61, 64)
A1.4	Total non-hazardous waste produced and intensity.	Overview of Key Performance Indicators (63)
A1.5	Description of emission target(s) set and steps taken to achieve them.	Committed to Green (59-61)
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Committed to Green (59-61)

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
A. Environmental			
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Committed to Green (59-61)	
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Overview of Key Performance Indicators (60,65)	
A2.2	Water consumption in total and intensity.	Overview of Key Performance Indicators (61,65)	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Committed to Green (59)	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Committed to Green (59)	During this Reporting Period, the Group's water was supplied by the municipal network, and there were no issues in sourcing water that is fit for purpose.
A2.5	Total packaging material used for finished products and per unit produced.		The Group operations generate very little packaging material.
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Committed to Green (54-59)	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Committed to Green (54-59)	
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Committed to Green (61)	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Committed to Green (61)	

Social

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Based on Talents (38-39)	The Group is subject to various significant laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Special Provisions on Labour Protection for Female Workers, and the Employment Ordinance of Hong Kong. These laws and regulations cover requirements related to remuneration, dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, treatment, and benefits. Employers also have statutory obligations and responsibilities under these laws and regulations. The Group adheres to the relevant laws and regulations and did not identify any employment-related violations during the Reporting Period.
B1.1	Total workforce by gender, employment type, age Group and geographical region.	Overview of Key Performance Indicators (66)	
B1.2	Employee turnover rate by gender, age Group and geographical region.	Overview of Key Performance Indicators (67)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Based on Talents (42-43)	The Group is subject to various significant laws and regulations, including the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, the Work Injury Insurance Ordinance of the People's Republic of China, the Fire Services Law of the People's Republic of China, the Regulations on the Supervision and Administration of Occupational Health in Workplaces, the Construction Work Safety Production Management Ordinance, the Production Safety Incident Reporting and Investigation Ordinance and the Hong Kong Occupational Safety and Health Ordinance. These laws and regulations impose specific requirements on production and operation units and employers to provide a safe working environment and to protect employees from occupational hazards. The Group adheres to the relevant laws and regulations and did not identify any health and safety related violations during the Reporting Period.
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Overview of Key Performance Indicators (67)	
B2.2	Lost days due to work injury.	Overview of Key Performance Indicators (67)	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Based on Talents (42-43)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Based on Talents (40-41)	
B3.1	The percentage of employees trained by gender and employee category.	Overview of Key Performance Indicators (68)	
B3.2	The average training hours completed per employee by gender and employee category.	Overview of Key Performance Indicators (68)	
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Based on Talents (38-39)	The Group is subject to various significant laws and regulations, including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Regulations on the Prohibition of Child Labour, the Employment Ordinance of Hong Kong, the Employment of Children Regulations, the Employment of Young Persons (Industry) Regulations and the International Labour Organization Convention No. 29 on Forced Labour. These laws contain clear provisions on the prevention of child labour or forced labour and elaborate on the legal responsibilities of employers. The Group adheres to the relevant laws and regulations and did not identify any labor standards related violations during the Reporting Period.
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Based on Talents (39)	
B4.2	Description of steps taken to eliminate such practices when discovered.	Based on Talents (39)	During the Reporting Period, there were no instances of non-compliance observed in the Group's operations.

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Rooted in Quality (26-29)	
B5.1	Number of suppliers by geographical region.	Overview of Key Performance Indicators (69)	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Rooted in Quality (26-29)	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Rooted in Quality (26-29)	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Rooted in Quality (26-29)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Rooted in Quality (26-31)	The Group is subject to various significant laws and regulations, including the Regulations of the People's Republic of China on Quality Control of Construction Projects, Construction Law of the People's Republic of China, Law of the People's Republic of China on Protection of Consumer Rights and Interests, Trademark Law of the People's Republic of China Law of the People's Republic of China on Product Quality, Copyright Law of the People's Republic of China, Advertising Law of the People's Republic of China, Real Estate Advertising Release, Computer Software Protection Ordinance, Buildings Ordinance and Personal Data (Privacy) Ordinance of Hong Kong, the Computer Software Protection Ordinance, the Hong Kong Buildings Ordinance and the Personal Data (Privacy) Ordinance. These laws and regulations impose specific requirements on health and safety, advertising and privacy matters in relation to products and services. The Group adheres to the relevant laws and regulations and did not identify any product responsibility related violations during the Reporting Period.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Overview of Key Performance Indicators (69)	
B6.2	Number of products and service-related complaints received and how they are dealt with.	Rooted in Quality (29)	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Rooted in Quality (30-31)	
B6.4	Description of quality assurance process and recall procedures.	Rooted in Quality (27-28)	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Rooted in Quality (30-31)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Rooted in Quality (33-35)	<p>The Group is subject to various significant laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Temporary Provisions on Prohibition of Bribery in Business, the Prevention of Bribery Ordinance of Hong Kong and the Securities and Futures Ordinance. These laws provide clear provisions for the prevention of bribery, extortion, fraud and money laundering and set out everyone's legal responsibility to uphold the integrity and fairness of society and to stop improper competition.</p> <p>The Group adheres to the relevant laws and regulations and did not identify any anti-corruption related violations during the Reporting Period.</p>
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		During the Reporting Period, there were no corruption proceedings initiated or concluded against the Group or its employees.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Rooted in Quality (34-35)	
B7.3	Description of anti-corruption training provided to directors and staff.	Overview of Key Performance Indicators (69)	

Subject Areas, Aspects, General Disclosures and KPIs		Chapters	Remarks
B. Social			
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Oriented (46)	
B8.1	Focus areas of contribution.	Community Oriented (46)	
B8.2	Resources contributed to the focus area.	Community Oriented (47-51)	



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