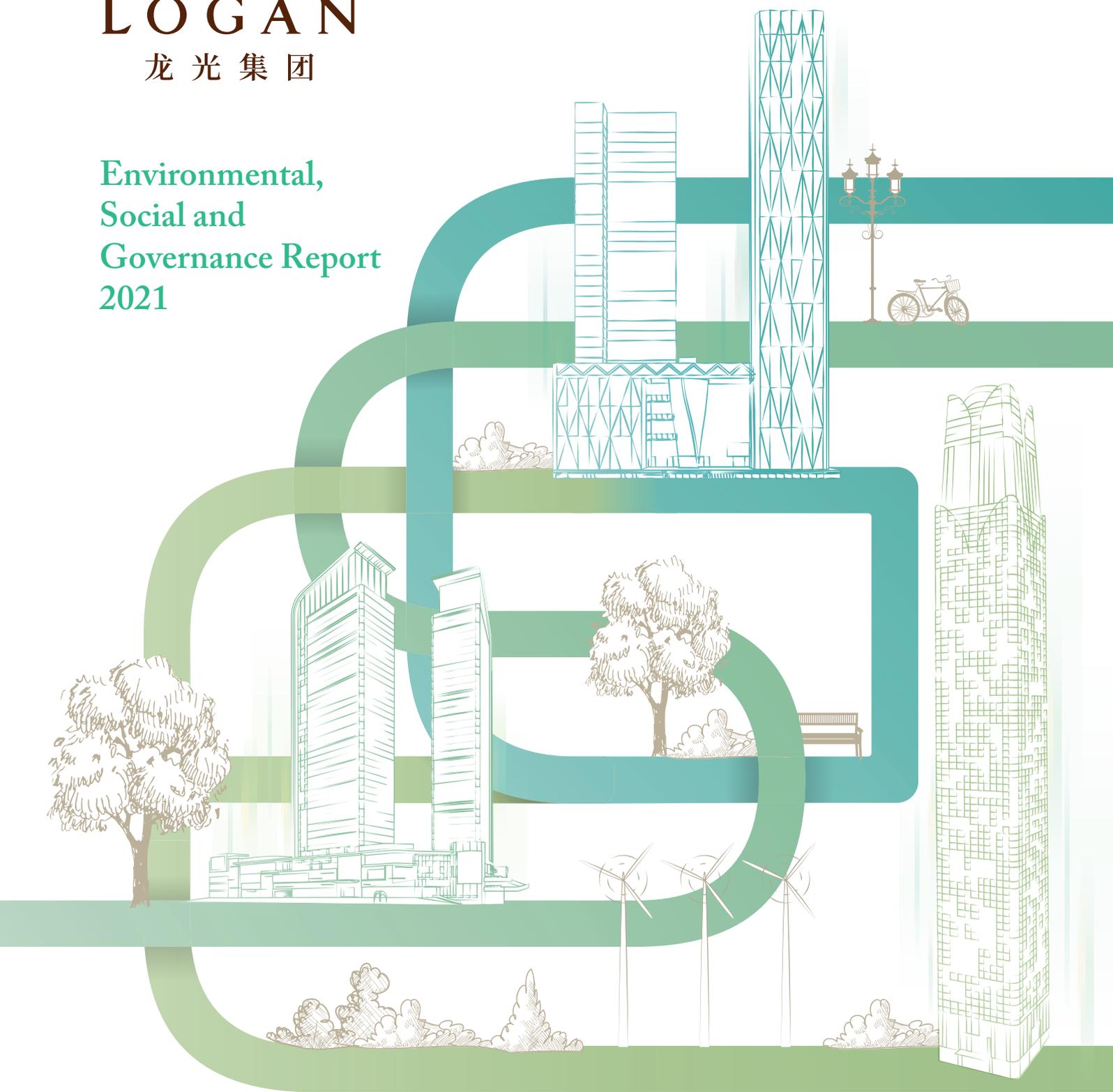


LOGAN

龙光集团

Environmental, Social and Governance Report 2021



LOGAN GROUP Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3380)

ABOUT THE REPORT

Logan Group Company Limited (the “Company”, together with its subsidiaries, “Logan”, the “Group” and “We”, “Us”) is a leading town services operator in China who supports the national strategy in building an ecological civilization in Chinese society. The Group has spared no effort to fulfill corporate social responsibility in the past 26 years with a view to carving out the future and kindling hope. We are pleased to present the 6th Environmental, Social and Governance (“ESG”) Report (the “Report”) of Logan Group to illustrate our progress and achievements in sustainable development throughout 2021 and share our journey towards a more sustainable future with you.

REPORTING SCOPE

This Report covers the ESG performance of the Group from 1 January 2021 to 31 December 2021 (the “Reporting Period”, or the “Year”). The Board has determined to report our core real estate business in Mainland China based on the revenue significance and geographical presence of our principal businesses.

In order to better demonstrate the Group’s commitments and achievements in sustainable development, the reporting scope for the Year will continue to cover our businesses such as property development, development management, urban renewal, property operation and related administrative work.

This Report includes information from the headquarters of the Group and its subsidiaries in China, being our major operating units. For the full list of our major subsidiaries, please refer to the section headed “CORPORATE AND GROUP INFORMATION” of the 2021 annual report. Unless otherwise stated, the environmental data of our operations in the Hong Kong Special Administrative Region and overseas regions are not included in this Report, as they are considered immaterial to the Group as a whole.

REPORTING STANDARDS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). We also disclosed measures and processes related to the goals in accordance with the United Nations Sustainability Development Goals.



REPORTING PRINCIPLES

We have prepared and compiled this Report under the following four reporting principles:

MATERIALITY



Based on our stakeholder engagement and materiality assessment, we have identified, prioritized and reported the issues that potentially have material impacts on Logan Group, or issues which Logan Group would directly or indirectly cause material impacts on the environment, society and stakeholders across all sectors. This Report, the preparation of which is based on the results of the materiality assessment, aims to provide meaningful and valuable information so that readers can better understand our commitments to the ESG performance.

QUANTITATIVE



In addition to measuring key performance indicators set out in the Environmental, Social and Governance Reporting Guide, we seek to present information about other aspects in a quantitative manner with accompanying explanations, which presents easily understood information and improves the readability of the Report. The standards adopted for data calculation, assumption or calculation tools used, and emission factors are all clearly explained in the section headed "STATISTICS SUMMARY".

BALANCE



We strive to ensure an accurate and objective presentation of major ESG issues, and take into consideration the short-term and long-term impacts of related issues. As such, we outline the full impact of Logan Group in important aspects to enhance operating transparency and build trust.

CONSISTENCY



We continue to ensure the reporting scope, reporting principles, data collection and calculation methods are consistent with those adopted in previous years, and disclose changes in the above standards to assist readers in making meaningful comparisons.

APPROVAL BY THE BOARD

The information contained in this Report has been provided and reviewed by the senior management of the relevant departments and reviewed and approved by the Board of the Group in August 2022 so as to ensure that the contents of the Report accurately, timely and truly reflect the ESG performance of the Group.

FEEDBACK

If readers have any questions or comments on this Report, please send us your feedback to i.r@logan.com.cn.

MESSAGE FROM THE BOARD

MESSAGE FROM THE BOARD

In 2021, the Logan Group continued to uphold the development concept of “Shaping Cities and Homes with Responsibility and Sincerity”, while maintaining active engagement in the pandemic fight. We were resolved to fulfill our corporate social responsibility and place public wellbeing above our own interests with our strengths in play, while continuing to improve the sustainability strategy. As for the business principles of sustainable development, employee care and growth, urban renewal and harmonization between human habitation and nature, environment protection and harmony, community development and public welfare, we advanced forward towards a new sustainability milestone and honored our commitment to the sustainable development of “To build a Better life and an Evergreen Logan”.

Logan Group’s sustainability strategy is driven by our Board of Directors, who attached great importance to the implementation of sustainable development within the Group. The Board’s role with respect to sustainability are:

- Establishing sustainable development objectives, priorities, policies and management framework;
- Evaluating sustainable development risks and opportunities, and review the sustainability of the Group; and
- Overseeing the implementation of sustainable development measures as well as ensuring the soundness of internal governance system.

We continued to improve the governance of our sustainable development with our resolve to build a better human habitat being reflected in each of our decisions, and also took into consideration the requirements of the environment and various stakeholders. In 2021, we formulated the “Green Bond Framework” in accordance with ICMA Green Bond Principles, and issued the first batch of green senior notes totaling US\$300 million, providing the Company with sufficient green funds to introduce more green building projects. In active response to climate changes, we provided the stakeholders with explanations as to climate-related financial impacts and our commensurate responses from the perspective of “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD). In terms of green buildings, Logan accumulated and developed a total gross floor area of more than 40 million square meters of green buildings in 2021, including 16.34 million square meters of national two-star and above green buildings. Shenzhen Logan • Carat Complex (深圳龍光•玖鑽) and Nanning Logan • The Chosen One (南寧龍光•錦麟玖璽) were the winners of the Platinum MUSE Award, demonstrating their outstanding performance in architecture, landscaping, interior and other design areas. In terms of service quality, we fully applied technologies such as the internet, big data and intelligent technology to smart construction plans and property management. Besides further upgrading the “Monolith Cloud Project Quality Management System (磐石雲工程質量管理系統)”, we promoted the Loganhui APP, property information platform and IoT cloud platform, fully initiating the Logan Construction 2.0 phase, which is aimed to facilitate the living experiences of our property owners. In terms of employee care and growth, in order to strengthen occupational health and safety, the Group Office conducted a total of 166 safety risk assessments in 2021. In addition, we purchased safety insurance and provide free medical checkups for all employees at construction sites and in offices. Apart from remuneration packages that are better than the market rate, the Group also granted outstanding employees the “Employee Award”. At the same time, we focused on community renewal and integration. In 2021, 4,025 diversified community entertainment and recreational activities attracted over 2.61 million property owners, enriching their leisure activities, and ensuring more comfortable residences. Bearing a sense of gratitude towards what molds us, we are enthusiastically dedicated to public charity by incessantly continuing with poverty alleviation, education investment, volunteer services and community construction. In 2021, the Group engaged in more than 30 public charity projects, and donated more than RMB130 million together with the Logan Charity Fund, ranking 9th on the China Charity Ranking, 11th on the Forbes Chinese Charity Ranking and 29th on the Hurun China Philanthropy List, respectively. Having warmth at heart, we are committed to building a livable and mutually supportive homeland of happiness.

MESSAGE FROM THE BOARD

The Logan Group is highly recognized among the public for its sustainable development performance, and has received a number of awards and certifications, strongly reflecting our stellar performance in public welfare and charity, environmental protection, construction quality, corporate development and finance. Besides our ESG rating upgraded to “BBB” by MSCI, a world-renowned index compiler, during the Year, we ranked 76th in the 2021 China Top 500 Private Enterprises, 161st in the list of Top 500 Enterprises in China, and 748th in the list of Forbes Global 1,000, respectively, showing that the Company ranks among the top industrial players in the world in terms of sustainable vision, development scale, comprehensive strength, and influence in the capital market.

In 2021, although the large-scale outbreak of the COVID-19 pandemic has been brought under control, sporadic outbreaks in various places were inevitable. While giving full cooperation on the pandemic prevention and control, the Logan Group accounted for the wellbeing of the communities, employees, customers and business partners. Logan Smart Services instantaneously prepared and distributed the “Logan Community Pandemic Prevention Convention” (龍光社區防疫公約), and was the first to introduce the “keyless home” smart travel, simplifying community verification procedures, and improving the efficiency and results of the pandemic prevention.

Looking into the future, we expect to continue improving our ESG performance to a new height, and resolve to shoulder more environmental and social responsibilities in addition to safeguarding the comprehensive strength of the Logan Group. Furthermore, we will continue to implement the spirit of sustainable development in all areas of our governance and operations, and work with our business partners, customers, investors and other stakeholders to promote sustainable development and build a better future.



MISSION

To become a widely respected group as its mission by operating as a comprehensive urban service provider that shapes cities and homes with responsibility and sincerity so as to realize mutual benefits for customers, employees, shareholders and society



VISION

To Build a Better life and an Evergreen Logan



CORE VALUES

Pragmatic, Innovative, Sunshine, Efficient

ABOUT LOGAN GROUP

Logan Group Company Limited (Stock Code: 3380.HK) is a comprehensive urban service provider dedicated to building a better life.

In pursuit of the development strategy of “regional focus + city penetration” since its establishment in 1996, the Logan Group continues to strategically consolidate its national market presence by introducing four business engines, namely, property development, urban renewal, asset operations, and industry chain services, while developing the urban service ecosystem to boost urban development. Besides striving to build a commercial civilization driven by development concepts such as innovation, coordination, greenness, openness and sharing, Logan Group continues its commitments to a better urban life by integrating social values.

Currently, to facilitate management, the Group has divided its business segments based on their products and services, the four reportable operating segments of which are as follows:

Property development	<ul style="list-style-type: none">development and sales of residential properties and retail shops;
Development management	<ul style="list-style-type: none">construction of office premises and residential buildings and provision of fitting-out services for external customers and group companies, and provision of interior fitting-out services to property buyers;
Urban renewal	<ul style="list-style-type: none">sale of land held for urban development;
Property operation	<ul style="list-style-type: none">lease of office units, retail shops and hotels to generate rental income and gain from property appreciation in the long term.

ABOUT LOGAN GROUP

BUSINESS LAYOUT

Logan synchronizes its own development with city development by focusing on the most valuable core areas in China, such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Region metropolitan area, and the southwest and central city clusters. During the Year, the Logan Group entered Wenzhou, Nantong, and Changsha for the first time, and continued land acquisition in cities such as Shanghai, Shenzhen, Guangzhou, Foshan, Dongguan, Suzhou, Chengdu, Nanjing, and Ningbo, elevating our national strategic layout to a new height.



ABOUT LOGAN GROUP

CORPORATE EVENTS

2021	ESG rating upgraded to “BBB” by MSCI
	Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 19th consecutive year)
	Ranked 161st in the list of Top 500 Enterprises in China (中國500強企業排行榜)
	Ranked 748th in the list of Forbes Global 1,000
2020	Included in Hang Seng Composite Index Large Cap
	ESG rating upgraded to “BB” by MSCI
	2020 Top 18 China Real Estate Enterprises by comprehensive strength, and 2020 Top 15 China Real Estate Brand Value
	Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 18th consecutive year)
	Ranked 22nd in Top 100 Chinese Real Estate Enterprises (for 10th consecutive year)
	Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 9th consecutive year, ranked 3rd)
	“Logan Property Holdings Company Limited” officially changed to “Logan Group Company Limited”
2019	Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value
	Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 17th consecutive year)
	Ranked 23rd in Top 100 Chinese Real Estate Enterprises (for 9th consecutive year)
	Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 8th consecutive year)
2018	Ranked 26th in Top 100 Chinese Real Estate Enterprises (for 8th consecutive years)
	Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 7th consecutive year)
	Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value
	Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 16th consecutive year)
	Ranked 266th in the list of Top 500 Enterprises in China (中國500強企業排行榜)
	Entering the Yangtze River Delta market by establishing strategic footprints in a one-hour living circle around Shanghai
	Logan • Acesite Park was awarded 2018 Typical Projects of China Real Estate Developers

ABOUT LOGAN GROUP

2017	Entering the Hong Kong real estate market for the first time by acquiring the Ap Lei Chau land lot in Hong Kong through a joint venture
	Ranked 29th in Top 100 Chinese Real Estate Enterprises (for 7th consecutive years)
	Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 6th consecutive year)
2016	Eligible Hong Kong stocks available for investment under Shenzhen-Hong Kong Stock Connect (深港通)
	Ranked 32nd in Top 100 Chinese Real Estate Enterprises
2015	The Hong Kong headquarters was relocated to International Commerce Centre in Kowloon
	Ranked 38th in Top 100 Chinese Real Estate Enterprises
2014	Included in the Hang Seng Composite LargeCap Index/the Hang Seng Composite MidCap Index and the MSCI China Small Cap Index Series
	Eligible Hong Kong stocks available for investment under Shanghai-Hong Kong Stock Connect (滬港通)
	Ranked 40th in Top 100 Chinese Real Estate Enterprises
2013	Logan Properties was listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3380.HK)
	Ranked 46th in Top 100 Chinese Real Estate Enterprises
2012	Established Hong Kong headquarters and increased capital investment
	Sales exceeding RMB10 billion, and included in Top 100 Chinese Real Estate Enterprises
2011	Logan Property's headquarters settled in Shenzhen Logan Century Building
	Included in Top 100 Chinese Real Estate Enterprises
2010	Logan expanded its footprint in the Chengdu and Hainan markets
2009	Logan began its foray into the Dongguan market
2007	Logan began its foray into Guangzhou, Huizhou, Zhuhai, Zhongshan, and other markets, initially implementing its strategic footprint in the Pearl River Delta region
2006	Logan expanded its footprint to the Nanning market from the Guangdong market
2004	Logan entered the Foshan market
2003	Logan entered the Shenzhen market, opening up a new chapter for establishing footprints in other regions
2001	Logan became a leading enterprise in the real estate industry in Shantou after securing one-third real estate market share in Shantou
1996	Logan was established

ABOUT LOGAN GROUP

REVIEW FOR 2021

Total revenue for the year	RMB78.29 billion
Total assets	RMB285.90 billion
Core profits attributable to the parent company	RMB9.58 billion
Saleable floor area	7.97 million square meters
Sales amount	RMB140.2 billion
Total GFA of short and medium term land reserve	34.31 million square meters
City coverage	36 cities
Constituent stock	Hang Seng Composite LargeCap Index Hang Seng ESG 50 Index Hang Seng Stock Connect Greater Bay Area Hang Seng High Dividend Yield Index Hang Seng Large-Cap (Investable) Index MSCI China All Shares Index FTSE Shariah Global Equity Index

ABOUT LOGAN GROUP

2021 SUSTAINABILITY PERFORMANCE

New certified green building area	9.58 million square meters
Stakeholder engagement satisfaction	8.7/10 scores
Customer satisfaction	82.2 points
Charity donation	Over RMB130 million
ESG rating	MSCI BBB
Published Logan's sustainability goals	21
China Charity Ranking for 2021	9th
Forbes Chinese Charity Ranking for 2021	11th
Hurun China Philanthropy List 2021	29th

INDUSTRY AWARDS AND RECOGNITION

Industry awards	Awarding bodies
The 52nd place for Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry	Sina Finance and the Growing of the Great Brand by CCTV-1
2021 ESG Pioneers (2021年度ESG先鋒企業)	International Finance News of the People's Daily
2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)	Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies, Tsinghua University China Index Academy
The 4th place in 2020 Top 10 Chinese Real Estate Listed Companies by Governance	Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies (Tsinghua University) China Index Academy
Hong Kong Corporate Governance Excellence Awards	the Chamber of Hong Kong Listed Companies The Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University
2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021中國地產年度鄉村振興樣本企業)	Hosted by Leju Financial, and co-hosted by Sina Finance, China Entrepreneur, Fangchan.com, and China Property Management Research Institution
"Outstanding Charity Project Award" for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021中國地產時代百強榜“優秀公項目獎”)	Time Media Group, China Real Estate Association, Institute of Enterprise Research under the Development Research Center of the State Council Institute of Real Estate Studies (Tsinghua University), China Index Academy
2021 Socially Responsible Property Developers (2021年度社會責任地產企業)	21st Century Business Herald

ABOUT LOGAN GROUP

Industry awards	Awarding bodies
2021 Socially Responsible Real Estate Enterprises (2021年度社會責任房地產企業)	Guandian Index Academy (觀點指數研究院)
The 9th place in China Charity Ranking for 2021	Guided by the Ministry of Civil Affairs, and China Philanthropy Times
Anti-pandemic Pioneer Enterprises of the Year (年度抗疫先鋒企業)	Guangzhou Bureau of Civil Affairs, Guangzhou Daily Group, and Guangzhou Charity Association
2020 Guangdong Real Estate Targeted Poverty Alleviation & Outstanding Contribution Enterprise	Guangdong Real Estate Association
2020 Targeted Poverty Alleviation Contribution Award (2020年度精準扶貧貢獻獎)	Economic Media Association of China, and China Times
2020 Contributing Enterprise of Corporate Social Responsibility	International Finance News of the People's Daily
2020 Best Social Responsibility Award	Gelonghui
Social Responsibility Contribution Award for Pandemic Fight (抗擊疫情社會責任貢獻獎)	Hosted by Nanfang Daily, and co-hosted by Shenzhen Charity Federation
The 6th place in Shenzhen Charity Donation Ranking for 2020	Shenzhen Bureau of Civil Affairs, Shenzhen Charity Alliance
"Ten Best Charity Institutions" under Shenzhen Project Care	Shenzhen Bureau of Civil Affairs
Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award (廣東省扶貧濟困紅棉杯金杯)	People's Government of Guangdong Province
Targeted Poverty Alleviation and Rural Revitalization Contribution Award (精準扶貧和鄉村振興貢獻獎)	Shantou Government
Gold Award for Outstanding Contribution (突出貢獻金獎)	
2019 Charity Star (Five Start) (2019年度愛心慈善之星(五星))	
Targeted Poverty Alleviation Award (精準扶貧貢獻獎)	
Guangdong-Guizhou Poverty Alleviation Collaboration Advanced Private Enterprise (粵桂扶貧協作先進民營企業)	Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, Guangdong Federation of Industry and Commerce, Rural Village Revitalization Bureau of Autonomous Region

ABOUT LOGAN GROUP

SUSTAINABILITY DEVELOPMENT HIGHLIGHTS

Issuance of US\$300 million green senior notes

In 2021, we developed a “Green Bond Framework” in accordance with ICMA Green Bond Principles, and issued the first batch of green senior notes totaling US\$300 million at 4.7% per annum for a 5-year period. The issuance of these green senior notes would provide the Company with sufficient green funds for future green building projects and current greening projects.

Enhancing disclosures related to climate change

In light of the increasingly important issue of climate change, we also strengthen the management of climate-related risks and seize opportunities arising from climate change. To enable the stakeholders to better understand the impact of climate change on the Group, we started to provide the stakeholders with explanations as to the climate-related financial impacts and our commensurate responses from the perspective of “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (“TCFD”) in 2021.

Selected as a constituent stock of the Hang Seng ESG 50 Index

According to the latest list of constituent stocks of the Hang Seng ESG 50 Index announced by Hang Seng Indexes Company Limited In August 2021, Logan Group was included in the Hang Seng ESG 50 Index, representing recognition of our ESG performance. This once again demonstrated that we are highly recognized by the international capital market.

As per the selection criteria for the Hang Seng ESG50 Index, a comprehensive evaluation is made over the top 200 listed securities which are based on their 12-month average market capitalization among the Hang Seng Index constituent stocks, with taken into account liquidity requirements, company size, listing time, and market capitalization. The evaluation follows a strict dynamic elimination mechanism, and finally selects the 50 companies with the best overall ESG performance among the larger companies listed in Hong Kong.

Logan was selected as a winner of Platinum MUSE Award, a highest honor

Logan Group achieved great results for the 5th MUSE International Design Awards in the US and the 2021 A' Design Award in Italy, both of which represent two most authoritative design competitions in the world. Shenzhen Logan • Carat Complex (深圳龍光•玖鑽) and Nanning Logan • The Chosen One (南寧龍光•錦麟玖璽) were the winners of Platinum MUSE Award, while Jiashan Logan • Polaris Palace (嘉善龍光•玖宸佳苑) was selected as a winner of Gold MUSE Award. Furthermore, Shenzhen Logan • Carat Complex (深圳龍光•玖鑽) and Nanning Logan • The Chosen One (南寧龍光•錦麟玖璽) were the winners of the Golden A' Design Award, while Shenzhen Logan • Acesite Park (深圳龍光•玖龍台) won the Silver A' Design Award.

The MUSE International Design Awards in the US represents one of the most influential international awards regarding creativity in the globe. It aims to identify and recognize outstanding works in various areas including architecture, landscape, and interior design. The Platinum Winner is the highest honor. The A' Design Award in Italy is currently the largest comprehensive design competition award with the largest number of categories, aiming to identify and recognize the world's most stellar design, technology and creativity.

ABOUT LOGAN GROUP

Included in the Top 500 Outstanding Chinese ESG Enterprises

In December 2021, Sina Finance ESG Rating Center and CCTV-1's "the Growing of the Great Brand" released the list of Top 500 Outstanding Chinese ESG Enterprises. With its ESG performance and related achievements, Logan Group ranked 52nd in the list of Top 500 Outstanding Chinese ESG Enterprises.

Sina Finance ESG Rating Center is the first Chinese integrated platform providing ESG professional information and rating in the industry, which aims to disseminate ESG corporate practices and role models, and promote the establishment of ESG assessment standards and the improvement of corporate ratings in China. The list of Top 500 Outstanding Chinese ESG Enterprises systematically analyzes outstanding companies with their listing of China A-shares, Hong Kong stocks, and US stocks, which involves nearly 50 key issues and about 450 specific indicators in the three ESG aspects, and fully covers environmental data of corporate carbon emissions and resource utilization, social responsibility data pertaining to employee development, supply chain management, public charity and donations, and corporate governance data such as the board of directors, remuneration system, business ethics, and tax transparency. Furthermore, six ESG rating agencies at home and abroad are introduced along with data from a number of think tanks for rating purposes.

Logan Smart Services Ranked 12th on the list of China Top 100 Property Service Enterprises

In April 2021, China Index Academy and the China Real Estate TOP 10 Research Team officially released the Latest Research Results for 2021 China Top 100 Property Service Enterprises. With its industry-leading comprehensive strength and service standards, Logan Smart Services was ranked the 12th among the 2021 China Top 100 Property Service Enterprises, and received other honors, including "2021 China Top 100 Property Service Enterprises with Leading Growth", and "2021 Leading Smart City Service Enterprise in China".

Logan Smart Services empowered value-added services with technology, and explored urban service products and models under diverse approaches. The new "community + e-commerce" model combines supermarkets with online community e-commerce platforms to build an ecosystem for communities and e-commerce, providing customers with new and convenient high-quality shopping experiences through multiple channels so that a better community life can be empowered.

TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

TOGETHER FIGHTING THE PANDEMIC TO BUILD A PREVENTION AND CONTROL CIRCLE FOR SAFETY

In 2021, the COVID-19 outbreak continued to affect the livelihood across the globe, posing social and economic challenges. To fulfill our corporate social responsibility in face of the pandemic, the Logan Group has been actively deploying and implementing pandemic prevention and control. As early as 2020, the Group established a pandemic prevention and control taskforce, which coordinates and mobilizes resources across our business segments to fully participate in pandemic prevention and control. In 2021, we unwaveringly continued to demonstrate our responsibility for communities, employees, customers and business partners.

SUPPORTING ALL PEOPLE TO FIGHT AGAINST THE PANDEMIC

Since the pandemic outbreak, the Group and Logan Charity Fund (龍光慈善基金會) have donated more than RMB50 million to support pandemic prevention and control in Hubei, Guangdong and other provinces. Such donation is mainly used for the procurement of pandemic supplies, community-based pandemic prevention, pandemic research and poverty alleviation, while our subsidiaries in various regions also continue in their corporate capacity to assist all walks of life to weather through challenges. The donations include:

- A portion of donations were used for holiday gifts of appreciation and anti-pandemic plaques delivered to all front-line pandemic workers in 15 quarantine stations in the region, which were our genuine actions to prove our due social responsibilities and commitments.

TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

- A portion of donations were used to construct a ward building for the Yongwu Hospital of Guangxi Zhuang Autonomous Region People's Hospital. The ward building is an ad hoc facility that was constructed for emergency purposes and put into use during the COVID-19 outbreak. Currently it is used as a military-civil-fusion project.
- A portion of donations were used to express our gratitude to the front-line staff at welfare institutions throughout the city during the Spring Festival.

The Group's contribution to the pandemic fight was recognized by the society and won many honors, including the "2021 Anti-pandemic Pioneer Enterprises" and the "Contributing Enterprise of Corporate Social Responsibility".



Contributing Enterprise of Corporate Social Responsibility by Nanfang Daily



Fighting with farmers against the pandemic to deliver good growth

In April 2020, the Group learned about the disruption caused by the pandemic in distributing pineapples from the local poverty-stricken village at Xuwen County, Zhanjiang City during the livestreaming "We will help farmers distribute goods during the fight against the pandemic" organized by Nanfang Daily, Agricultural and Rural Department of Guangdong Province, Foshan Municipal Party Committee Cyberspace Administration, Foshan Poverty Alleviation Office and other departments. To resolve farmers' challenge brought by the pandemic, we immediately purchased and distributed nearly 5,000 kilograms of pineapples in 7 project centers in Foshan, including Logan • TianYao (龍光 • 天耀), Logan • Aristocrat Palace (龍光 • 天闕) and Logan • TianYing (龍光 • 天瀛), for visitors to enjoy, while any remaining ones were distributed to property owners and visitors as presents for free, so that the farmers could get something in return for their labour.

TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT



Anti-pandemic Treasure APP under Monolith Cloud Engineering System (磐石雲工程系統防疫寶APP)

In February 2020, the Logan Group's Monolith Cloud Engineering System (磐石雲工程系統) included the Anti-pandemic Treasure APP (防疫寶APP) to digitalize our pandemic prevention work, which assisted the pandemic prevention and control taskforce in supervising the implementation of pandemic measures for various projects on the real-time basis. A full understanding of pandemic data of various places facilitated the orderly implementation of pandemic prevention and control measures of our projects.

In 2021, the Group further improved the Anti-pandemic Treasure APP (防疫寶APP):

- Released the Quality Control Management Standardization System Version 2.0, and implemented it in an all-round way, with a learning coverage rate of 98%. There were 166 sessions as to the promotion and implementation of the quality control management system, involving 202 projects with 3,662 participants, and all project system tables were 100% updated.
- 29 special learning and competition sessions were organized for all staff, recording 35,000 attendees and 11,500 hours in professional learning and training.

The following information is recorded in the Anti-pandemic Treasure APP (防疫寶APP):

Return of personnel	The company, work location, return information and contact method of the employee for work resumption
Pandemic supplies distribution	The quantity, inventory level, shortage, stock-taking officers and time record of pandemic supplies required for various projects
Daily temperature taking	Our employees must complete their reading result on the APP after taking their own temperature every day, the data of which will be inspected by the person in charge of the construction site each day
Disinfection at construction sites	The persons in charge of construction sites upload disinfection and cleaning records and photos for inspection by the Group each day

The person in charge of the construction site must summarize the above statements on the Anti-pandemic Treasure APP every day before submitting a report to the Group.

TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

DELIVERING CUSTOMERS SAFE EXPERIENCES

Since the end of 2019, the pandemic has lasted more than two years. As early as 2020, to protect the safety and well-being of our customers, we have established safety lines of defense in all aspects including sales, delivery, maintenance and property management. In 2021, we accumulated experience and further improved the customer experiences under the pandemic.

	From 2020	To 2021
Sales	<p>Following introduction of the Logan Treasury (龍光寶), our online marketing system, at the beginning of February 2020, the Logan Group assists home buyers to “choose houses online without going to our sales office in person”. The platform, which contains more than 100 Logan’s selected projects, displays their features through VR and 3D video, pictures and livestreaming, with one-to-one 24-hour sales consulting services online.</p> <p>By mid-March 2020, Logan had resumed operation of nearly 100% of offline sales offices for nearly one hundred projects. The property teams of our sales offices regularly disinfect the entrance halls, meeting rooms, bathrooms, showcase rooms and office areas every day, with our employees taking their temperature at least 4 times a day. When visitors leave, our employees immediately disinfect contact surfaces such as desktops and door handles. Customers also make an appointment using the Logan Treasury (龍光寶), and then the Group will arrange one-to-one reception to create a safe and worry-free environment for home purchasers.</p>	<p>In 2021, under the normalized COVID-19 pandemic, Logan Smart Services instantaneously prepared and distributed the “Logan Community Pandemic Prevention Convention”, and formulated an action plan for communities under our management nationwide, conducting public area disinfection and closed-off community management. By actively cooperating with government departments at all levels on five effective pandemic measures to wage a pandemic warfare, we carried out 65,088 disinfection sessions during the pandemic prevention and control campaign. When property owners were subject to quarantine, the property service center took the initiative to run errands, including grocery shopping, food delivery, package delivery, door-to-door garbage collection, and launched various novel “online” activities to appease the property owners who were engulfed by the pandemic.</p>
Delivery	<p>Prior to the date of delivery, property owners can make an online appointment for the delivery time slot, and the Group will send a message in advance to inform the property owners of the pandemic protection measures. The venue will be strictly disinfected, and stanchions will be used to divert traffic to reduce crowd gathering. Before entering the venue, the Group will register the property owners, verify the health code, take their temperature, and provide pandemic supplies such as mask and disinfectants to ensure the safety of the property owners. During the acceptance process, the house inspector carries a disinfectant spray around. The house inspector will disinfect the door handle prior to entry and then accompany the owner to inspect the details of their new home. Before entering the property owners’ new home, the maintenance personnel, equipped with pandemic supplies, must also pass the temperature check, and disinfect and clean the maintenance sites after service is rendered.</p>	<p>Logan Smart Services was the first to introduce the “keyless home” smart travel in the industry, which has played an important role in this pandemic fight. Logan property owners can enjoy the convenience of the whole community with only one face, one mobile phone and one license plate, as well as a safe and worry-free smart life. At the same time, installed with the online “Sky Eye” CCTV monitoring system and the property information management system platform, the Logan communities have significantly improved their efficiency and results of the pandemic prevention.</p>
Residential property management	<p>The Logan Property has centrally deployed the pandemic prevention for residential projects across the country, including strict disinfection, and body temperature measurement.</p> <p>During the two months of the anti-pandemic work, Logan Property teams logged a daily average of over 10,000 steps for community disinfection, with 1,519 temperature checks per day, and an average disinfected area of 700 square meters per person. The Logan Property also provided the property owners with pandemic supplies, and Shenzhen subsidiary also cooperated with professional medical institutions to provide customers with online consultation services. These measures, which provides reassuring residential conditions, are highly appreciated by the property owners.</p>	<p>In order to reduce the risk of cross-infection among property owners, Logan Smart Services launched a “vegetable basket” group purchase activity on the Loganhui App. Orders are placed on the same day and delivered the next day. Our property service centers will make the “contactless” delivery door to door.</p>

TAKE RESPONSIBILITY FOR THE PANDEMIC FIGHT

Clean Environment

To ensure a safe and comfortable environment for our customers during the outbreak, we carried out the following work at the Group's properties in 2021:

Ground cleaning and improvement	11,304 times
Reafforestation and landscaping	94,358 square meters
"I Love My Family" Bright Hall Action (“我愛我家”亮堂行動)	12,888 times
Floor Cleaning Action (煥新行動清潔)	1,072,000 floors
Disinfection Campaign for “Pandemic Control” (“疫情防控”消毒)	65,088 times
Debris disposal	13,992 times
Value-added services	8,172 times

OVERCOMING DIFFICULTIES WITH OUR BUSINESS PARTNERS

The Logan Group's business segments, including commercial shopping centers, office buildings and hotel projects, have all initiated emergency measures, upgraded resource allocation, strengthened health and safety management in various districts, and strictly controlled the flow of external personnel and vehicles. Furthermore, we clean and disinfect public areas, and engage in campaigning for pandemic prevention and control.

In order to mitigate the impact of the pandemic on the operations of the commercial tenants, with effect from 26 January 2020, we introduced commercial rent reduction and exemption assistance measures, and preferential rent reductions and exemptions were offered to commercial tenants of various commercial projects throughout the country during the pandemic period. Our actual actions helped alleviate the business pressure of the merchants, allowing the merchants to weather through the predicament, while overcoming difficulties with our business partners.



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



Loyalty and incorruptibility play a fundamental role in our development.

Upholding sincerity, perseverance and courage, we achieve extraordinary value through action.

ESG issues

- 1 Prevention of bribery, fraud and money laundering
- 2 Compliance and business ethics management
- 3 Personal privacy and information protection
- 4 Prevention of child and forced labour
- 5 Intellectual property rights



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

ESG issues	Logan's responses
1 Prevention of bribery, fraud and money laundering	<p>Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and has shared anti-corruption consulting and blacklists with various branded enterprises. In the meantime, our audit inspection office carries out inspections through the applications of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies. We have established a complete reporting and whistleblowing mechanism, and set up whistleblowing rewards.</p> <p>In addition, we regularly organize incorruptibility training sessions for our employees. In 2021, the Group held over 100 incorruptibility and anti-corruption training sessions, accommodating 3,805 attendees. At the same time, we strengthened third-party incorruptibility management, and conducted 8,939 incorruptibility culture campaigns for suppliers in 2021.</p>
2 Compliance and business ethics management	<p>The Group assesses the overall compliance of the Group each year, so as to comb and optimize the legal, risk, compliance and internal audit management structures adopted in the past. We also set out rules and regulations on the intranet, requiring the senior management of the Group to sign the Management Responsibility Letter (管理責任書) to hold them accountable for unethical conducts of our employees and subordinates. In addition, we disseminate incorruptibility information on the Group's public account, and circulate the Company's latest policies by internal emails.</p>
3 Personal privacy and information protection	<p>The Group observes various laws and regulations in Mainland China, and complies with the principles of data protection in the following six aspects: 1. the purpose and method of personal data collection; 2. the accuracy and retention time of personal data; 3. the use of personal data; 4. security of personal data; 5. information to be generally available; and 6. access to personal data.</p>
4 Prevention of child and forced labour	<p>The Group's Human Rights Policy ensures that recruitment of child labour and forced labour is prohibited, and stringent identity verification and background checks are carried out during recruitment. For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), pursuant to which the labour wage management commissioner checks whether employees are legal labourers and ensures that wages are paid accurately and payment records can be traced, while random inspections are conducted at sites of our subsidiaries and penalties are imposed on negligent managers.</p>
5 Intellectual property rights	<p>The Group has applied for more than 100 trademarks for its brands, and its employees are required to refrain from sharing the Company's resources externally, and prohibited from all forms of personal use, and avoid use of unauthorized tangible and intangible assets. At the same time, we have set up an internal audit system to prevent our employees from infringing on the patent rights of others.</p>

Logan Group has always been dedicated to making social contributions as well as creating economic benefits, aiming to bring success to our community. We pursue transparent, healthy and impartial corporate values to attain sustainable and quality growth.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

We take on responsibility for all stakeholders including our customers, investors, staff and others in the community by devoting ourselves to satisfying the true needs of stakeholders. While creating mutual values between the Company, shareholders and business partners, we strive for a rapid, steady and sustainable growth of the enterprise itself, so as to better assume the responsibility to all stakeholders. It is also the corporate citizen responsibility we faithfully undertake all the time.

GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

Our excellent corporate governance has established a solid foundation for sustainability of Logan Group. The Board diversity, including gender, age, culture, professional experience and skills, provides high-standard, innovative and balanced perspectives for governance decisions, and allows the Board to develop a better understanding of various stakeholder requirements. The Board highly appreciates the ESG issues and integrates sustainability governance into the governance structure of the Group.

Our Sustainability Committee is chaired by Mr. Kei Hoi Pang, the chairman of the Board, and the principals from the business centers participate in the coordinated management of sustainability affairs. The sustainability governance structure is as follows:

The Board

The Board is committed to taking full responsibility for our ESG matters and reporting, formulating overall ESG management policies, and procuring the senior management of different departments to handle related ESG matters.



Sustainability Committee

- reviewing the sustainable development of the Group, responding to the expectations from our stakeholders, as well as formulating feasible mid-term and long-term sustainable development policies, action plans, and specific targets;
- supervising the sustainability performance and progress of the Group based on the action plan and predetermined indicators over the course of maintaining effective ESG risk management and internal control system; and
- reviewing information related to the ESG report.



Sustainability Working Group

It is composed of dedicated personnel from the Group's operation center and external professional consultants to assist the Sustainability Committee in dealing with related matters, and connecting to various business departments.



Business Departments

Departments shall cooperate with the Group's ESG policies to encourage employees to pursue ESG practices. Departments shall also assess risks and opportunities arising from ESG issues involved in their operations, and report the same to the Sustainability Committee.



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

The Sustainability Committee will report to the Board at least once a year regarding the Group’s sustainability strategy and its latest status, providing sufficient information for the Board to evaluate the Group’s ESG strategy and performance.

COMPANY HONOR RANKING BY CORPORATE GOVERNANCE

- Hong Kong Corporate Governance Excellence Awards 2021
- The 4th place in 2020 Top 10 Chinese Real Estate Listed Companies by Governance

SUSTAINABILITY STRATEGY

Logan Property regards becoming a widely respected group as its mission by operating as a comprehensive urban service provider that shapes cities and homes with responsibility and sincerity so as to realize mutual benefits for customers, employees, shareholders and society. As the core development principle of Logan Group, sustainability is implemented in each of our operational decisions. We attach great importance to fulfilling corporate social responsibilities and contribute to stakeholders from all walks of life with care, prudence and a positive attitude. Our sustainable development strategy is reflected in five aspects, including corporate compliance, labour relations, quality projects, green environmental protection and community investment. The formulation of the following strategies also refers to the United Nations’ Sustainable Development Goals (“SDGs”) to help improve people’s lives and achieve a better future.

Sustainability topics	Development strategy	United Nations’ SDGs
 <p>Corporate compliance</p>	<p>We are committed to maintaining excellent and efficient corporate governance practices, and creating long-term and valuable growth for the stakeholders of Logan Group by upholding the principles of integrity, openness, transparency and accountability. We will ensure:</p> <ul style="list-style-type: none"> • to set up a robust corporate governance structure, including a high-level management team and control system; • to strictly comply with all applicable laws and regulations; • to adhere to high-standard business ethics and maintain professional codes. 	 <p>16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
 <p>Labour relations</p>	<p>We respect and care for every employee, and strive to build a sustainable elite team, so that employees can work together to achieve leapfrog growth with Logan Group. We will ensure:</p> <ul style="list-style-type: none"> to implement human resources policies to effectively promote the practice of our core values of “Pragmatic, Innovative, Sunshine, Efficient”; to create a healthy, safe, inclusive and equal working environment with enthusiasm and care; to provide various training resources to develop potential for employees. 	 <p>3. Ensure healthy lives and promote well-being for all at all ages</p>  <p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>  <p>5. Achieve gender equality and empower all women and girls</p>  <p>8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>  <p>10. Reduce inequality within and among countries</p>
 <p>Quality project</p>	<p>Adhering to quality, we strictly control the quality of the projects for the purpose of providing comfortable, innovative and exquisite products and services, forming a model of a pleasing residential environment, and meeting customer needs in all directions. We will ensure:</p> <ul style="list-style-type: none"> the quality, design and safety standards of the project keep pace with the times and outperform the market; customer satisfaction is paid attention, and the operation process could be continuously optimized to provide better products and services; sustainable supply chain will be established. 	 <p>9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>  <p>12. Ensure sustainable consumption and production patterns</p>

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
 <p>Green environmental protection</p>	<p>In order to empower green and environmentally friendly lifestyle, we incorporate environmental protection elements into our daily operations and project planning, and strive to reduce carbon emissions, save energy and reduce waste emissions, so as to build a civilized environment, and live in harmony with nature. We will ensure:</p> <ul style="list-style-type: none"> to adopt the latest green measures and technologies in construction, operation, management and purchase, and continuously evaluate and promote environmental performance; to actively respond to and adapt to climate change; to deliver environmental awareness to the public, communities and business partners. 	 <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>  <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p>13. Take urgent action to combat climate change and its impacts</p>  <p>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
 <p>Community investment</p>	<p>We are committed to the communities and the social groups. By actively giving play to our advantages, we make contribution to the society, and have always been enthusiastic in public welfare affairs and dedicated warmth to those in need. We will ensure:</p> <ul style="list-style-type: none"> to develop an effective community investment strategy so that resources could be used properly; to participate in community affairs in many ways and expand the scope of community investment; to improve employees' civic awareness to participate in public welfare affairs together. 	 <p>1. End poverty in all its forms everywhere</p>  <p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>

ESG Corporate Honor Ranking

- The 52nd place for Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry
- 2021 ESG Pioneers (2021年度ESG先鋒企業)
- 2021 China ESG Responsible Real Estate Companies (2021年中國ESG責任地產企業)
- 2021 ESG Leading Model Enterprises in Real Estate Industry (2021年度房地產行業ESG領先樣本企業)
- 2021 ESG Green Company Star (2021ESG綠色公司之星)
- Best ESG Award, Most Valued Property Developers
- 2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

STAKEHOLDER ENGAGEMENT

We recognize the importance of stakeholder engagement to the sustainable development of Logan Group. Therefore, we maintain active communications with the internal and external stakeholders to understand the impact of Logan Group's operations and the expectations of various stakeholders with regard to the ESG performance of Logan Group.

We analyze the dependency and impact of stakeholders on the Group with our operations and management departments so as to identify our key internal and external stakeholders. Over the usual course of our business, we respond to our stakeholders' concerns by understanding their demands through communication channels as follows:



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Since 2020, the Group has published 18 sustainable development policies on its official website, presenting stakeholders with the Group's commitment and management methods to sustainable development. We conduct an annual review on our sustainable development policy and a revision on the same every three years. Our press release also provides an English version on the official website, further broadening information coverage. In addition, we have joined the Chamber of Hong Kong Listed Companies for better communications with regulators, peers and business partners.



Official WeChat Account

Logan Group proactively builds a communication platform with stakeholders through its official WeChat account to deliver corporate information in a timely manner. In 2021, our official WeChat account continued to be recognized by the industry. In addition to 2nd place in Phoenix.com's "Top 20 Official WeChat Activity Index of Real Estate Enterprises in 2021", our WeChat account ranked 11th in China Real Estate's Official WeChat Accounts with Annual Influence for 2021 issued by Leju Finance. Leju Finance's award was granted in terms of influence, vitality and communication of its official WeChat account based on eight indicators including "readings and likes", showing that the Logan Group effectively delivered rich and valuable corporate development information to its stakeholders.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



Capital market communications

In 2021, the Company continued to strengthen its management of capital market communications, by actively communicating with investors through various platforms on a regular basis, and arranging tours for our investors and analysts to Logan's boutique projects in Shenzhen, Shanghai, Suzhou, Nanjing, Foshan and other cities. In addition, the Company proactively introduced the latest development of corporate governance and ESG practice, so that the capital market were better informed of the sustainability of Logan.

Throughout the Year, Logan arranged a variety of meetings, roadshows, and announcements, including 1 "Shareholders' Meeting", 2 "Online Performance Meetings", 5 "Capital Market Opening Day", 65 "announcements", and over 100 "Domestic and Overseas Roadshows", so that more comprehensive business and financial information was provided to our investors for their analysis and decision-making.



In 2021, we surveyed on the stakeholders' satisfaction over the means of communications with the Group, with the average satisfaction score reaching 8.7/10. In the future, the Group will continue to seek and establish more diverse and close models of communications and engagement for our stakeholders to facilitate cooperation and exchanges.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Stakeholders' Concerns

The concerns of our stakeholders during the Year are basically the same as last year, including:



Novel Coronavirus

Due to the impact of the novel coronavirus pandemic on our operations, the stakeholders paid attention to the Group's relevant measures under the new normal of fighting against the pandemic, and the management of the safety of our employees and customers.

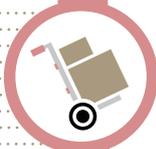
As early as 2020, the Group established a pandemic prevention and control taskforce, which coordinates and mobilizes resources across our business segments to fully participate in pandemic prevention and control. In 2021, we unwaveringly continued to demonstrate our responsibility for communities, employees, customers and business partners.



Talent Training

Our management and employees pay attention to talent training to support the long-term business development and individual development at Logan Group, which will in return develop core competitive strengths of the Group.

We recognize the importance of employee training and development, and continue to invest resources in training activities. In 2021, our talent training programs were available for all employees of the Group, providing training on management skills, business awareness, strategic planning and other training to more than 600 employees with leadership potential, which help them advance to the management level. We also provided training on professional knowledge, business expertise, team building and other training to more than 2,000 employees with outstanding business ability, which help mold them into professionals. The total training hours during the Year were 103,690 hours.



Supply Chain Management

Stakeholders are concerned about expansion and synchronization of the supply chain of Logan Group during its rapid business growth, and propose to strengthen the management and review of the ESG issues of suppliers to promote sustainable supply chains.

We are constantly identifying business partners that share the same sustainability philosophy as Logan Group to join us. As at 31 December 2021, we had 3,485 suppliers across the country, representing an increase of 62% from the previous year. In the future, we will further expand the review scope of the ESG issues of the supply chain and implement stringent control.



Green Building

Stakeholders generally recommend that Logan Group should develop more green buildings to save energy, reduce carbon dioxide emissions in cities and minimize the impact of human habitation on the environment.

We are committed to delivering eco-friendly buildings, and incorporating various environmental and energy-saving elements to building planning and designs to create healthy and comfortable human habitation. By the end of 2021, Logan has accumulatively developed green buildings with a total gross floor area of over 40 million square meters.



Promotions of Sustainable Development Cases

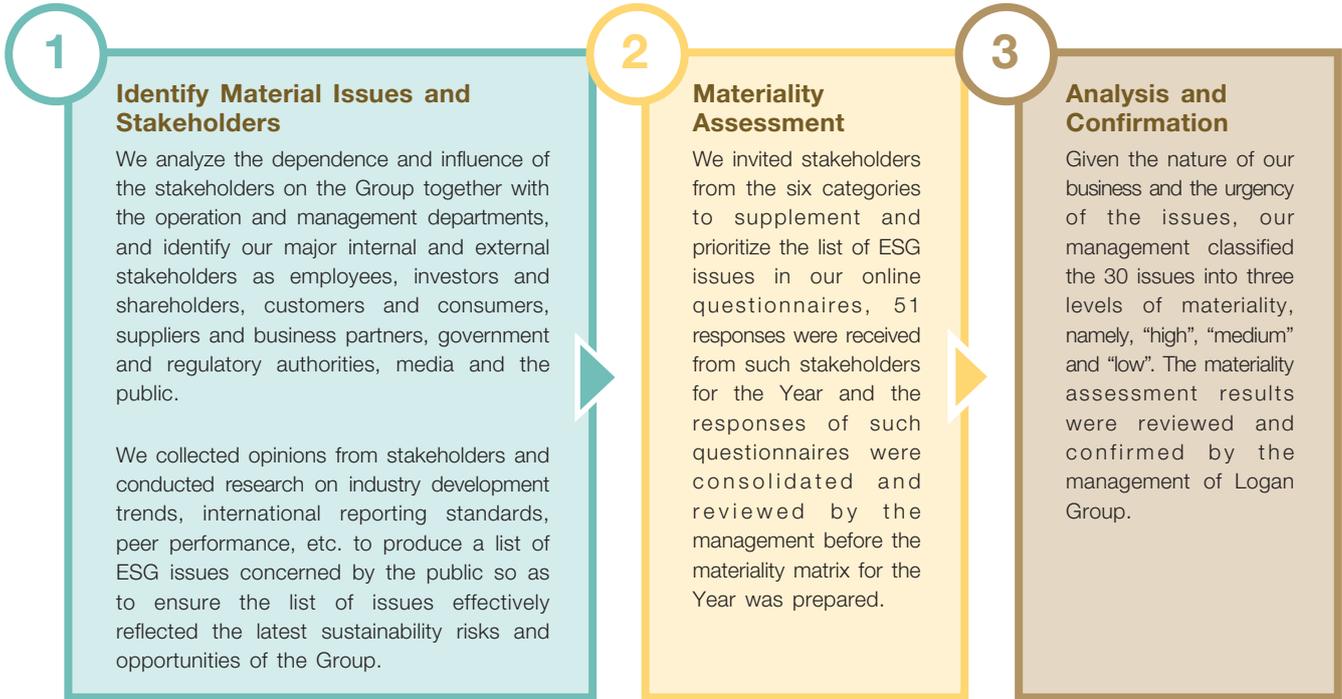
Stakeholders believe that we could strengthen the publicity of Logan Group's achievements, performances and cases regarding sustainable development, the sustainability concept of which can be shared with a wider spectrum of stakeholders to enhance their understanding and awareness.

We constantly expand the disclosure scope of the ESG report, and improve its transparency. For instance, we started to provide the stakeholders with explanations as to the climate-related financial impacts and our commensurate responses from the perspective of "Governance", "Strategy", "Risk Management", and "Metrics and Targets" by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures ("TCFD") in 2021. We also continue to publish numerous updates of our sustainable development on the website and WeChat public account of the Group. Stakeholders are welcome to follow our WeChat account for the latest information.

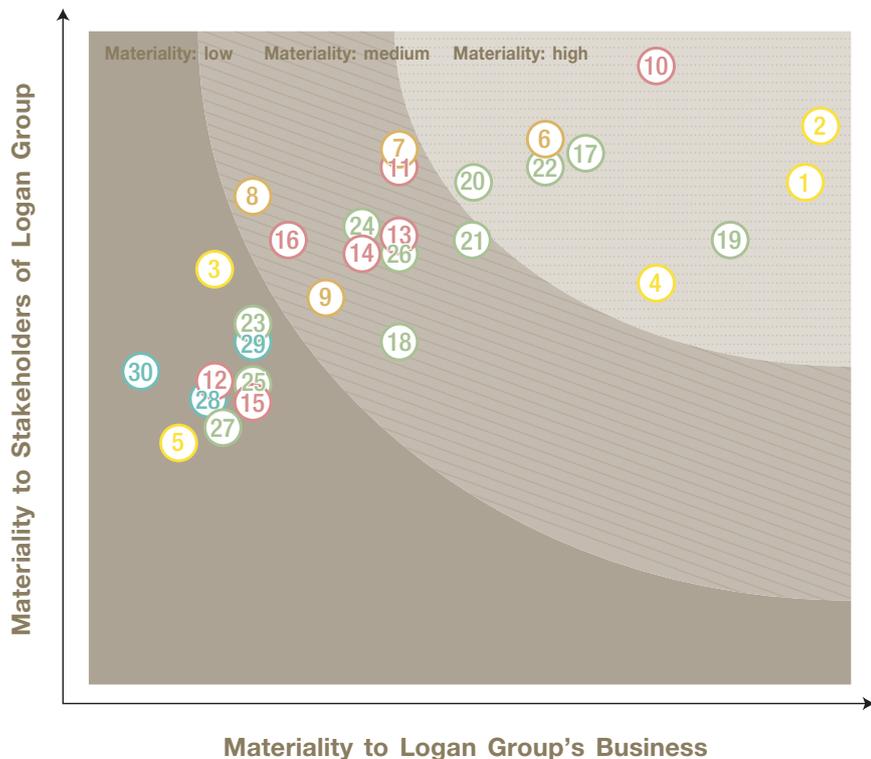
BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

MATERIALITY ASSESSMENT

In order to identify our major ESG issues and their priorities, we have performed the following three steps to determine and prioritize the major issues of Logan Group from multiple dimensions. As compared to last year, the stakeholders heightened the level of concern on the ESG issues for the Year.



MATERIALITY MATRIX



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



Corporate compliance

- 1 Prevention of bribery, fraud and money laundering
- 2 Compliance and business ethics management
- 3 Personal privacy and information protection
- 4 Prevention of child labour and forced labour
- 5 Intellectual property rights



Labour relations

- 6 Occupational health and safety
- 7 Employee policy
- 8 Equal opportunity and anti-discrimination
- 9 Development and training



Quality project

- 10 Product quality and safety
- 11 Service quality
- 12 Technology and innovation
- 13 Supply chain management
- 14 Environmental and labour performance of suppliers and subcontractors
- 15 Industry development
- 16 Community renewal and integration



Green environmental protection

- 17 Environmental impact of construction
- 18 Climate change
- 19 Pollutants and greenhouse gas emissions
- 20 Waste disposal and management
- 21 Green and local procurement
- 22 Green building
- 23 Noise pollution
- 24 Energy use
- 25 Promotion of environmental awareness
- 26 Use of water resources
- 27 Biodiversity



Community investment

- 28 Stakeholder engagement
- 29 Community charity and investment
- 30 Heritage of traditional culture

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Compared with 2020, the materiality of some issues has changed:



COMPLIANCE AND BUSINESS ETHICS MANAGEMENT

So far as the Logan Group is concerned, understanding and compliance with laws represents the basic principles we uphold during our operation. We always keep in mind the core values of the Logan Group, promote the “Sunshine” policy, and pursue an honest, trustworthy, standardized and transparent business environment.

Sustainability Risk and Compliance Management

The Audit Committee of the Board will annually assess the existing and potential risks of the Group as a whole, including ESG risks, and develop an understanding of the Group’s risk tolerance and acceptance. We have also established a sound internal audit, risk management and legal compliance system. Upon completing regular internal audits and risk assessments, results are reported to the Board in order to improve our operation efficiency and ensure the effectiveness of our risk assessment and internal control system.

We will engage external professional consultants to conduct a comprehensive risk assessment for the Group every year, and update risk exposures in the risk database based on policies and regulations, industry development, market dynamics and operating conditions. At present, the Group has a total of 91 risks, of which 54 are ESG-related risks and cover occupational health and safety, construction quality, climate change, corruption prevention, etc. The Group will subsequently monitor and manage these risks through our internal audit and risk control mechanism.

The Group has sorted out and optimized the legal, risk, compliance and internal audit management structure, imposed stricter requirements on the three lines of defense and responsibilities, and improved management standards, to strengthen the Group’s risk and compliance management performance in full manner from early warning of risks, process inspection and post-event supervision.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



First Line of Defense

It is regulated by the internal control process of each business department, and reviewed and evaluated by the management.

Second Line of Defense

The daily monitoring, inspection and correction of key processes are conducted by dedicated personnel, including persons in charge of risk control, compliance, law, safety management and environmental compliance.

Third Line of Defense

Internal audits are carried out by the audit inspection office and it is reported to the chairman and president of the Board.



External Audit

Special review shall be conducted by an independent third party every 3 to 6 months for business processes, site quality and safety and site compliance performance.



Regulatory Authority

Government regulatory agencies regularly send personnel to inspect the Group for compliance matters, and issue licenses and accreditation certificates to ensure lawful operation.

Risk control office

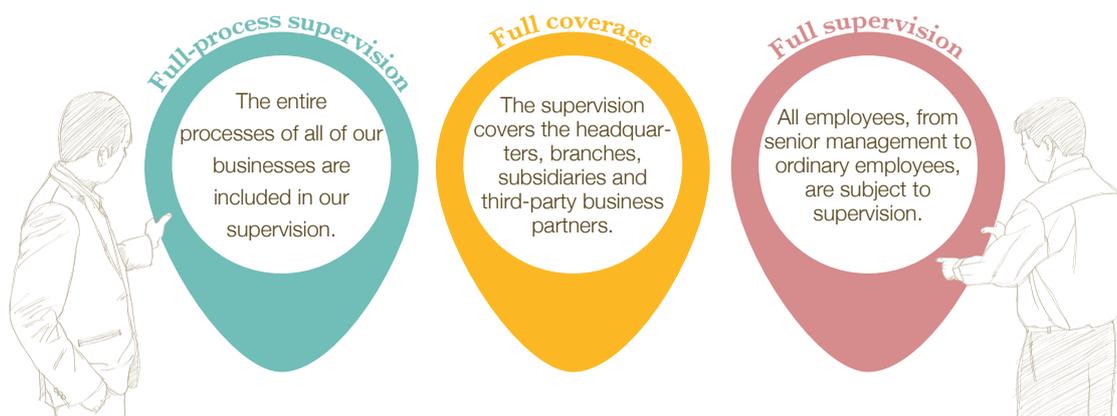
The risk control office is in charge of the Group's risk management, legal and compliance affairs. The Group will conduct annual risk assessments with third party professional consultants and report the same to the office of the President. Each subsidiary must prepare a risk report every month, whereby listing risk events and levels, and then submit the same to the management of headquarter for approval. The Group has also established the Logan Group's Plan for Major Risk Events and Publicity Guideline (龍光集團重大風險事件預案與對外口徑工作指引), listing emergency management measures and reporting mechanisms upon occurrence of major risk events. In addition, the risk control office will also conduct investigations into high-risk businesses for confidentiality so as to research the causes of risks, management effectiveness and improvement methods. In 2021, the Group has completed three high-risk business investigations.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Legal personnel are responsible for providing legal advice to the Group, including due diligence and risk assessment of investments in mergers and acquisitions, formulation and supervision of contracts, assistance in handling litigation cases and regular legal risk assessments. Compliance personnel establishes a knowledge base including compilation of real estate laws and regulations and its cases, advocates the relevant legal knowledge, and assists the business centers to conduct training on laws and regulations.

Audit inspection office

The Group's audit inspection office reports directly to the Board, and adopts three major principles:



The audit inspection office, which is responsible for internal audit and integrity-related inspections and publicity work, will determine the key monitoring and audit scope based on the Group's risk assessment results to conduct various audits and inspections. The work completed in 2021 includes:

- Online and offline monitoring of business on a daily basis
- Annual comprehensive audit of all subsidiaries
- 120 regular inspections on a sample basis
- 90 project settlement audits
- 30 audits on the dismissal of key positions
- 7 targeted special audits
- A 2-month incorruptibility special training with Logan Management Academy

During the Year, we discovered a total of 25 irregularities during our internal audit activities, all of which were 100% rectified during the Year. In addition, the audit inspection office, which will analyze key cases, establishes and manages whistleblowing channels, regularly conducts audit quality inspections, and provides integrity and anti-corruption training sessions to all employees. Based on our principle where awards are granted if the reported suspicion proves to be the case, the effectiveness of internal audit activities will serve as an important performance indicator for the audit inspection office. We conduct an annual review of our internal audit process and an overall revision of our internal audit system every three years.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

2022 Working Plan by Audit Inspection Office

- In terms of monitoring, the Group will further strengthen the management of target plans and clarify the targets to be achieved and their achievability in each period. In addition, we will take the initiative to strengthen the mechanisms of communication and coordination with legal departments and superior directors in key work areas, enhance communications with the audit department, and intervene in doubtful issues identified during audit in advance.
- In terms of auditing, the Group will fully implement the audit frequency requirements for “three new” companies, and define audit risks and sampling ratios for each segment and business line based on different risk levels. In addition, during the audit process, various means, including planning target management, performance appraisal, project follow-up, and incentives, will be adopted to enhance the work performance. The audit inspection office will also actively cooperate with other departments and coordinate with IT to build an anti-corruption model to prevent occurrence of issues at source through early warning or big data auditing, which would systematically resolve recurring problems.

Robust internal control system

In order to assist the Group in achieving its operation and governance targets, all businesses of the Group has internal control procedures and rules and regulations in place, and built information-based business system in the fields of marketing, engineering, investment and construction, to clarify employee responsibilities and approval authority, thereby enhancing the decision-making standard and reducing the risk of human errors or business manipulation. All new business processes must clarify rights and responsibilities and complete system settings within one week after approval. The Group will review the current internal control process and business system every six months to ensure the effectiveness of its design and implementation.

Building a culture of compliance

The Group's internal rules and regulations, including the Ten Prohibitions on Integrity Construction of Logan Group (龍光集團廉政建設十不准), Code of Conduct for Position (職務行為準則) and Regulations on Employees' Incorruptibility in Work (員工廉潔從業規定), are listed on our intranet for inspection by employees, while the Group also clarifies the terms of reference for our employees and partners and our supervisory measures in our Anti-corruption Policy (反腐政策) on our official website. All employees must abide by the professional ethics and standards in their daily work, such as compliance with laws and regulations, incorruptibility, and protection of company interests. In addition to publishing requirements of “Ten Nos” principles at the office premises, we have set out other requirements in the Employee Handbook (員工手冊), including no abusing power to seek personal gains, no committing corruption or bribery, and no divulging trade secrets, etc., so that the employees will abide by the incorruptibility requirements of the Group.

The senior management of the Group shall also sign the Management Responsibility Letter (管理責任書) to hold them accountable for the corruption practices and breach of incorruptibility committed by the management themselves and their subordinates. Upon employment, new employees shall sign Incorruptibility Statement (廉潔告知書) to ensure that they understand the Group's principles of incorruptibility and its implementation.

Furthermore, the Group also issued the “Notice on Reaffirming the Administrative Rules on Employees' Interested Persons and Units Undertaking the Company's Business”, which requires that within the scope of the unit or business line managed by the employees, their interested persons and units are prohibited from undertaking the Company's business, and that for the recommendation of a unit without interested relationship, the employees are required to declare the interested relationship with a request for abstention to both their direct superiors and the audit department. If an employee conceals or fails to report such interested relationship, when detected following inspections, the audit department will deem it as a corruption matter and impose severe penalties.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

In addition to advocating incorruptibility on the Group's official social media account, we maintain close communications with our employees by circulating the Company's latest policies through internal emails, report violation cases as references for our employees, and maintain high level of transparency, so as to facilitate the cultivation of incorruptibility as part of our corporate compliance.

PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING

Big data monitoring

We are determined to combat all offences involving bribery, extortion, fraud and money laundering, and implement the "zero tolerance" strategy for any corruption and illegal behavior in accordance with the Criminal Law of the People's Republic of China. Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and shares anti-corruption information and blacklists with companies such as Vanke, Alibaba and SF Express. All employees must pass background checks by these institutions before joining us. We have also established an internal employee blacklist to place non-compliant employees on record. The principals of each subsidiary and construction site must inspect new employees and employees of on-site contractors, and those on the blacklist will not be hired.

Our audit inspection office actively monitors and carries out anti-corruption campaigns, including the application of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies, so as to send an early warning of abnormal conditions during the monitoring of business process. The audit inspection office will also investigate into potential corruption, bribery, fraud, and money laundering incidents as referred to in detected and reported cases during our internal audit activities, and when necessary, report the same to law enforcement agencies, which will further conduct more effective investigations to crack down on fraudulent practices.

Starting from the end of 2020, our audit inspection office planned to build a comprehensive business data platform to aggregate all-round business data of all subsidiaries for a full picture of the data, which will facilitate more precise data mining, indicator calculation and analysis, and further enhance the monitoring effectiveness of Logan's Big Data.

We have established the Anti-corruption Policy (反腐政策), which can be found on our official website: <http://www.loganestate.com/html/policy.php>.

Whistleblowing mechanism

We have established a whistleblowing mechanism which is managed by the audit inspection office to receive information from internal and external whistleblowing (including suppliers, clients, and other third parties). The whistleblower can complain about and report any dishonest, improper and non-compliant action to the audit inspection office using emails, phone calls, letters, corporate WeChat accounts, etc. in real name or anonymously. The whistleblowing channel operates 24 hours a day to ensure timely receipt of whistleblowing messages. The audit inspection office appoints a special officer to complete the preliminary collection of information on the reported matters within three working days, determine the authenticity and importance of the matters, and report to the leader of the center to determine whether to open a case. If approved, the cases will be included in the audit plan, and the timeframe will be established (usually one to two weeks, depending on the complexity of the issue). Upon the investigation, a report is prepared and reported to the office of the president, the head of which requires the relevant responsible personnel to be held accountable for the audit issues. The audit inspection office will issue an audit report, and the responsible personnel will be censured in the announcement, alongside other administrative penalties such as deduction in performance bonus, salary reduction and demotion, termination of contractual relationships. In case of corruption, such personnel, upon approval

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

by the head of the office of the president, will be handed over to the judicial body for legal responsibility. At the same time, in case of rectification, the audit inspection office will issue an audit rectification confirmation letter to the responsible unit to follow up and implement rectification of the relevant issues and punitive deductions.

All reporting channels and information have been uploaded on the official website and intranet of the Group and posted at conspicuous locations of administrative offices and construction sites, and are displayed outside all construction sites to raise public awareness. Relevant information will also be mentioned in the new employee induction training and regular integrity training sessions, and included to the Incorruptibility Statement (廉潔告知書) of business partners. To encourage whistleblowing, the Group will award the whistleblowers, and promise to keep the whistleblowing completely confidential and protect the interests of the whistleblower from being damaged. Furthermore, any reprisal will be strictly prohibited, and wherever necessary, the Group will provide legal counsel and support to the whistleblowers. In 2021, the Group accepted a total of 30 whistleblowing cases.

Incorruptibility training

The Logan Group attaches great importance to building a corporate culture of incorruptibility and anti-corruption. Logan Management Academy (龍光管理學院) holds incorruptibility training sessions for all employees (including part-time employees) every quarter, and the deputy director of the audit inspection office and above position are invited to explain and strengthen integrity awareness to all management and employees, including the president and executive director of the Group, using the livestreaming, so as to clarify the red line for corporate violations. All business centers and subsidiaries must also hold incorruptibility and anti-corruption training sessions for employees every year, while the Hong Kong subsidiary invites ICAC representatives to provide incorruptibility training every year. The induction training for new employees held every two months also includes incorruptibility and self-discipline courses, and employees are required to pass the exams to ensure that they understand the Group's requirements on incorruptibility and self-discipline.

In 2021, the Group held a number of incorruptibility and anti-corruption training sessions:

- Over 100 incorruptibility and anti-corruption training sessions to employees
- Over 1,000 supplier trainings on anti-corruption
- Covering 100% of the employees and suppliers

During the same period, we provided 3,805 trainees with one-hour special training sessions to promote the awareness of incorruptibility among our employees.

Third-parties incorruptibility management

We promote Logan's value and spirit of incorruptibility and cooperation to our suppliers and contractors on a regular basis, and learn from our suppliers about the incorruptibility and self-discipline of our employees. In 2021, we organized over 8,939 trainings on incorruptibility culture among our suppliers. All cooperating partners are required to sign our Incorruptibility and Cooperation Agreement (廉潔合作協議), Honest Performance Undertaking (誠信履約承諾函), Incorruptibility Statement (廉潔告知書) and other agreements to understand the Group's requirements on business ethics, integrity, anti-corruption, fair competition, conflicts of interest, prohibition of gifting and hospitality, etc., while publishing whistleblowing channels for reporting of fraudulent activities. Partners shall be blacklisted and its engagement shall be terminated in case of any issues on incorruptibility which have been audited and confirmed.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

We have been in strict compliance with the major commercial laws and regulations in Mainland China, including 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 Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定), and the Criminal Law of the People's Republic of China (中華人民共和國刑法) etc., so as to ensure compliance with legal requirements, curb any form of illegal and criminal acts, and safeguard business ethics.

PERSONAL PRIVACY AND INFORMATION PROTECTION

We understand that all personal data of our employees, customers and other related parties are protected under the Civil Code of the People's Republic of China (中華人民共和國民法典), the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法), the Data Security Law of the People's Republic of China (中華人民共和國數據安全法) as well as other relevant laws and regulations that are aimed at protecting the use of personal data and personal privacy. As we need to collect and use personal data of customers or consumers during business operation, the Group attaches great importance to the management and protection of personal data. To ensure safety of personal data, we will comply with the following six principles for data protection:

- Principle 1 — purpose and manner of collection of personal data
 - Personal data must be collected for a lawful purpose. All personal data shall only be collected and used for our business operation, but not excessive in relation to that purpose. When collecting personal data from individuals, we will notify them of the purpose/use of such information.
- Principle 2 — accuracy and duration of retention of personal data
 - Data users must ensure that the data held are accurate and up-to-date. If there is doubt as to the accuracy of the data, we should stop using the data immediately. We should not keep the data any longer than is necessary for the purpose for which the data were collected.
- Principle 3 — use of personal data
 - Unless personal data are used with the consent of the data subject, we will not use such data for any purpose other than the one mentioned at the time the data were collected (or a directly related purpose). Logan Charity Fund (龍光慈善基金會) pays great attention to the privacy and portrait rights of service targets and will not publish the privacy information of such data subject when carrying out public welfare activities. Prior consent must be obtained when using their image data.
- Principle 4 — security of personal data
 - Appropriate security measures shall be taken to protect personal data. Our customer data is stored in the internal system and has multiple passwords and electronic security clearances. Only qualified officers in specific departments can access, request for or modify these data. Employees are also required to follow internal guidelines when handling customer personal data to prevent data leakage due to improper manual handling. We also regularly review the protection measures for personal data to ensure that the storage and use of data meets the requirements to prevent occurrence of any potential divulgence.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

- Principle 5 — information to be generally available
 - We have formulated a “Privacy Policy Statement”, which specifies information such as the accuracy, retention period, security and use of the data as well as measures taken regarding data access and data correction requests.
- Principle 6 — access to personal data
 - A data subject is entitled to ask a data user whether or not we hold any of his/her personal data, and to request a copy of such personal data. If it is found that the data contained therein is inaccurate, the data subject has the right to request the data user to correct the record. We will process the relevant request within a prescribed period.

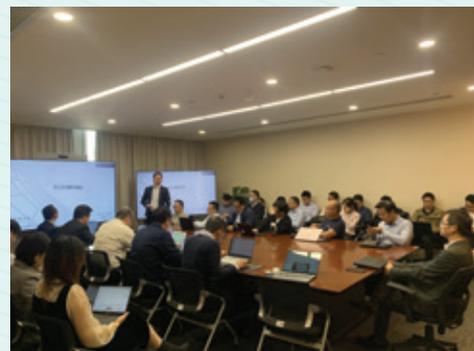
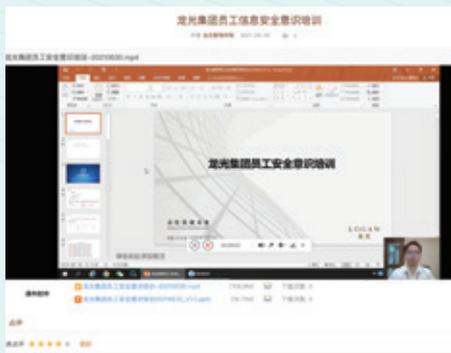
In order to ensure the effective and safe operation of the IT business system, in August and December 2021 the Group held a total of 3 security audits or vulnerability assessments or penetration tests for different business systems, including the Enterprise Service Governance Platform, Enterprise Portal and Logan Treasury (龍光寶). The Group is currently in the process of launching the national protection 2.0 certification, and plans to start the application for the ISO27001 certification in the second half of the year, so that information assets in our custody are more secure.



Cybersecurity training

In 2021, the Group held several cybersecurity training sessions, including:

- Cybersecurity online training for all employees during the interim period
- Two offline training sessions in the second half of the year



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

MONITOR AND RESPOND TO DATA BREACHES AND CYBER ATTACKS

In terms of data breaches and cyber attacks, the Group's security department takes measures for external and internal network access layers, server security, daily management and monitoring.

For example, there are firewalls at the external and internal network access layers, with four layers of access control for intranet access server traffic and different security isolation zones to avoid exposure of high-risk ports and control of traffic behavior between zones; identify the attack characteristics of the full protocol data in the traffic, detect and block the protection, and provide protection for the business system ; anti-virus and server security systems are deployed on servers to detect and intercept viruses and intranet attacks; auxiliary management and monitoring are conducted regularly to audit and analyze database access traffic, security system's security log files, production business system equipment operations, security detection and response systems, mail security gateways, etc. to quickly locate and eliminate corresponding security risks, and data transmission of the Company's business systems are encrypted to ensure the security of the network transmission process.

PREVENTION OF CHILD AND FORCED LABOUR

The Group's Human Rights Policy (人權政策) clarifies that the Group respects human rights and is committed to promoting the development of human rights involving our employees and business partners. We strictly abide by the requirements of the Labour Law of the People's Republic of China (中華人民共和國勞動法), which prohibits the use of child labour under the age of sixteen and forced labour, including the rigorous verification and background check of identification documents in the process of recruitment. We also set out prohibitions on the use of child labour and illegal forced labour in sub-contracting agreements. All employees are required to reach the legal working age and enter into labour contracts before being duly hired. Before entering construction sites, the workers will learn to understand the handling and reporting methods in case of labour disputes by signing the Workers' Undertaking Prior to Entering Construction Sites (工人進場承諾書).

For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), which stipulates our labour and wage management specialists will manage the attendance and payroll of our employees at construction sites. Before distributing monthly wages, the Group will check the list of contractors' employees to ensure that the employees are legally hired, and strictly follow up the contractor's wage calculation and payment performance. All wage payment records and supporting documents must be uploaded to the Monolith Cloud System for inspection by the Group. The Group also regularly conducts spot checks on construction sites of its subsidiaries to ensure that there is no illegal labour, forced labour or other violations of relevant laws and regulations. In case of any negligence, the Group will penalize the project department of our subsidiaries and contractor in accordance with the Measures for Warning Classification and Accountability of Project Red Line Behaviors (工程紅線行為分級警示與問責辦法).

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

INTELLECTUAL PROPERTY RIGHTS

We respect and protect intellectual property rights, including compliance with the Patent Law of the People's Republic of China (中華人民共和國專利法), the Copyright Law of the People's Republic of China (中華人民共和國著作權法) and the Trademark Law of the People's Republic of China (中華人民共和國商標法), and we attach equal importance to both its own and others' intellectual property rights. We have applied for more than 100 trademarks for our brands and properties to ensure the exclusivity and quality of Logan Brand. Furthermore, Our employees are required to exercise caution when using company resources to avoid sharing with external parties. No replication, imitation, reproduction, extraction, dissemination, or other form for personal use is permitted.

In addition, our employees are required to avoid using unauthorized tangible and intangible assets, and our internal review system will prevent infringing upon others' patent or trademark rights. Any employee who is in violation of the rules are subject to legal responsibilities and the Group reserves the right to claim for any damage.

Based on the above measures, during the Reporting Period, the Group was not aware of any material violation of the aforementioned laws or other laws and regulations relating to anti-corruption and bribery, fraud, money laundering, protection of human, privacy and intellectual property rights.



EMPLOYEE CARE AND GROWTH



Cohesion produces strength, and happiness comes from the team. Logan's members join forces to work hard and strive for goals.

ESG issues

- 6 Occupational health and safety
- 7 Employee policy
- 8 Equal opportunities and anti-discrimination
- 9 Development and training



EMPLOYEE CARE AND GROWTH

ESG Issues	Logan's response
6 Occupational health and safety	<p>The Group has formulated safety rules and regulations and an internal evaluation mechanism for safety indicators, which regulates the conduct of our employees and contractors, and ensures that the performance of relevant management personnel is linked to occupational health and safety performance. In addition, the Group pursues certification of safety management systems for systematic safety management and conducts safety qualification selection for all partners.</p> <p>In addition to safety drills, we take into account the needs of female employees (especially pregnant or breastfeeding women) and physically challenged employees by providing health and safety-related auxiliary facilities. To promote the physical and mental health of our employees, the Group regularly organizes various recreational activities.</p>
7 Employee policy	<p>Logan Group has formulated detailed policies for human resources system, compensation and benefits, and employee communication and inclusiveness. In recognition of the stellar performance of our certain employees, for instance, we granted awards to a total of 613 outstanding employees in 2021, encouraging these employees to pursue better performance.</p>
8 Equal opportunities and anti-discrimination	<p>The Group has standardized selection criteria and management procedures for recruitment, promotion, employee treatment and other areas, and has implemented the principle of equality into all aspects of human resources management. In 2021, we held training sessions in respect of equal opportunities, anti-discrimination and anti-harassment for all employees. On Women's Day (8 March), we launched the Logan Goddess Special Report to implement the anti-discrimination principle of equality between men and women.</p>
9 Development and training	<p>The Group has formulated the Training Management System of Logan Group (龍光集團培訓管理制度) and other internal rules and regulations, which strictly manages the planning and implementation of training activities, and assigns assessment tasks to our employees to ensure performance. The Group organizes training activities at Logan Management Academy and other institutions, providing diversified career development courses and abundant training resources. In 2021, 100% of our employees received a total of 103,690 class hours of training.</p>

Since its inception in 1996, the Logan's members have been growing, as talented professionals are being attracted from all over the world. The Logan's members demonstrate the spirit and strength of Logan Group by virtue of their fighting morale, and form the pragmatic, innovative, sunshine and efficient values of Logan members, which are carried on into the future.

EMPLOYEE CARE AND GROWTH

The following important elements are contained in our core values:

LOGAN
龙光集团



Pragmatic

Hard-working, thorough,
precise, and
results-oriented



Sunshine

Incorruptible, daring,
straightforward,
and impartial and
transparent



Innovative

Quick-learning and
aggressive, innovative,
multidimensional,
and rational



Efficient

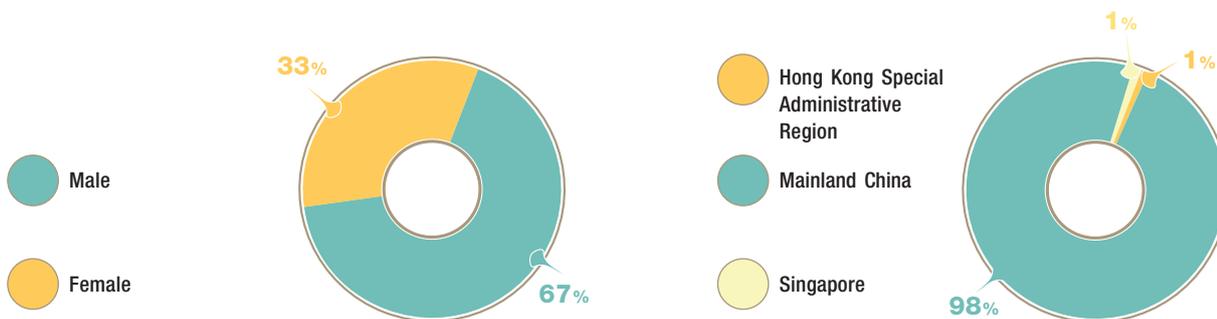
Active, effective,
cooperative, and
efficient

We have established the human resources department with comprehensive human resources policies and procedures in place. We strictly comply with the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Administrative Regulations on the Work Safety of Construction Projects (建設工程安全生產管理條例), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), the Law on Prevention and Control of Occupational Diseases of the People's Republic of China (中華人民共和國職業病防治法), the Regulation of Guarantee for Farmers Migrant Workers' Wage Payment (保障農民工工資

EMPLOYEE CARE AND GROWTH

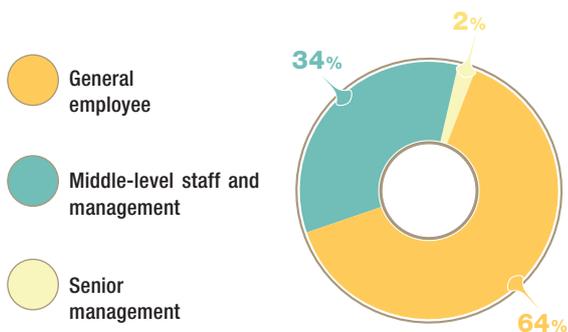
支付條例), the Regulations of Guangdong Province on Population and Family Planning (廣東省人口與計劃生育條例), the Notice of Shenzhen Municipal Housing and Construction Bureau on Strictly Implementing the Project Payment Guarantee System and Guaranteeing the Full Wage Payment to Migrant Workers (深圳市住房和建設局關於嚴格落實工程款支付擔保制度及保障農民工工資足額支付工作的通知) and other labour-related laws and regulations in Mainland China to ensure the compliance with legal requirements. We internally organize a study seminar for the actual impacts and compliance promotion of the Regulation of Guarantee for Farmers Migrant Workers' Wage Payment (保障農民工工資支付條例) and the amendments to the supporting policies in Shenzhen, as well as the publicity and implementation of the relevant compliance matters. Furthermore, external counsels and experts are appointed to provide special training sessions on labour law and labour dispute to the relevant department of the Group so that we maintain high standards of labour treatment and provide a safe and healthy workplace for our staff. During the Reporting Period, we were not aware of any serious violation of the above or other labour-related laws and regulations.

As of 31 December 2021, we have a total of 2,897 staffs in Mainland China, Hong Kong Special Administrative Region and Singapore, all of which are full-time staff under long-term contracts. Below are our employee data:

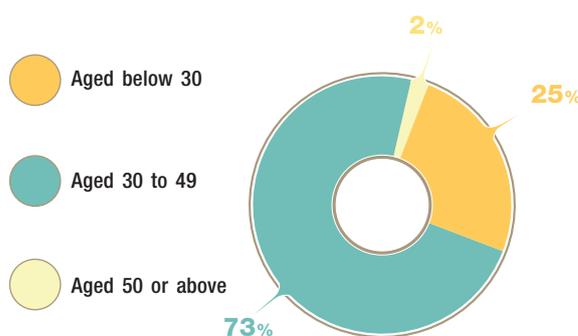


EMPLOYEES BY GENDER

EMPLOYEES BY GEOGRAPHY



EMPLOYEES BY POSITION



EMPLOYEES BY AGE

EMPLOYEE CARE AND GROWTH

OCCUPATIONAL HEALTH AND SAFETY

By acknowledging the importance of occupational health and safety for each employee, the Group strives to create safe workplace conditions for our employees so that they can focus on work with peace of mind. Our safety management mechanism clarifies management objectives, strategies and staffing, and promotes the implementation of safety measures at construction sites and offices.

Health and safety management system

The Group's engineering management center, administration center and human resources center jointly manage the occupational safety of its employees, and the chief of these centers will submit a report to the chairman of the Board and president. The report contains monthly safety accidents, construction site safety/safety accidents of contractor workers, quality accidents, etc., which will be reported immediately upon their occurrence. We have formulated safety rules and regulations, including the Management Rules for the Safety of Construction Sites (工地安全管理制度) and Uniform Standards for Safe and Civilized Construction Measures (安全文明施工措施统一标准), to regulate the safety-related matters of our employees and contractors, and set out management requirements for site safety in the sub-contracting agreement. We have established an internal evaluation mechanism for safety indicators where internal personnel and third parties regularly monitor and evaluate the safety performance of different operations, including fire prevention at construction sites, safe use of electricity, safety facilities, large-scale machinery and equipment, compliant construction, daily safety management behaviors, safety information. Quarterly safety assessments over all projects will be carried out so as to keep track of the completion status of safety targets. The performance of relevant management personnel will be linked to the occupational health and safety performance, and bonus will be given to those with outstanding management performance. The management personnel are from the project management center, the branch project management department, and the project department management personnel, with the ranks covering the project grassroots to management personnel.

Our organizational performance has always focused on the assessment over employee safety. Senior executives, leaders of the operation department at the headquarters and the engineering department, regional management, project managers, and engineering leaders are also responsible for employee safety. In case of major engineering quality and safety accidents, deductions will be directly made based on the negative issues list.



Bi-weekly Online Construction Site Safety Conference

As far as our construction workers exposed to greater occupational hazards are concerned, the project management center of the Group organizes online safety meetings with the employees of engineering management centers from all subsidiaries, site leaders and partners every two weeks, to discuss the latest safety issues (including the monthly safety accidents in the construction industry and the publicity and implementation of national safety laws and regulations), and conduct case reviews over recent occurrence of in-house safety management issues to remind and ensure that all employees understand the Group's construction site safety standards and prevent any potential safety hazards and risks.

EMPLOYEE CARE AND GROWTH

Health and safety goals

We expect to minimize the probability of accidents and continue the safety performance of zero fatalities. In 2021, we have set the following targets for the occupational health and safety of our employees:

Targets	Status	Progress in 2021
Zero death for construction site employees of fatal accidents due to work	●●●	As scheduled, the work-related fatality rate of ordinary construction site employees in 2021 was 0%
Zero occupational disease rate	●●●	In 2021, the occupational disease rate of construction site employees (including employees of the Group and contractors) was 0%

●●● Completed ●●○ As scheduled ●○○ Behind schedule

In addition, the Group is currently seeking to obtain safety management system certification, which includes determining the scope of safety management system certification for offices and construction sites, and approach third-party certification service agencies. The Group also continues to monitor the existing safety management structure and conducts feasibility studies for the establishment of an Occupational Health and Safety Committee headed by the Board, with a view to further demonstrating to the public our appreciation of the occupational health and safety.

Five safety management rules

The Logan Group takes full responsibility for the on-site safety of all projects, and protects the physical and mental health of our employees and contractors of Logan. Our "five safety management rules" are applied to construction sites to improve workplace safety in a multi-pronged manner.

EMPLOYEE CARE AND GROWTH

1

First: Prevention and planning



- During the tender and bidding process, the Group will conduct safety qualification screening on all partners to ensure that we cooperate with qualified contractors without adverse safety records.
- The Group specifies the civilized construction in sub-contracting agreements, including the requirements that the contractor must purchase safety insurance for employees, set up a safety management mechanism and provide adequate training and safety equipment. All construction sites must be approved by the government for construction. The Group will be responsible for the expenditure on safety equipment and protective measures at construction sites.
- The contractor must follow the Group's safety standards and formulate a sound management system in accordance with law to clarify safety affairs at construction sites, accident and emergency plans, extreme weather plans, as well as the safety responsibilities and reporting channels of contractors, supervisors and the Group. Each construction site shall have at least 1-2 safety management specialists.

Safety management specialists

The safety management specialists are required to hold the safety production assessment certificate issued by the construction department, and is mainly responsible for promoting production safety practices among our employees and training them up for these practices, as well as thoroughly inspecting the implementation of production safety at construction sites. The safety management specialists mainly report to the project leader.

- In the planning process, the contractor must assess the hazards of construction sites, make plans for the site layout and engineering steps, prepare for alert signs, early warning and protection, and obtain approval from the supervisor and personnel from the Group.
- All of our employees in high-risk positions are required for physical examinations to ensure that they satisfy physical quality requirements of the position, and the photo IDs and identity details of qualified operators are attached to the machines for verification.

EMPLOYEE CARE AND GROWTH

2

Second: Use of safety equipment



- The contractor must provide workers with sufficient safety equipment, including eye shields, ear muffs, safety helmets, safety belts and other necessary protective equipment. Health and safety equipment such as AED packages will be available at construction sites in proportion.
- The QR code is affixed to workers' specialized helmets, which contains basic information such as employee name, ID number, and blood type, for quick and accurate access to employee information when an accident occurs.
- The safety helmet positioning system is set up at the construction site to help locate workers and count the number of on-site personnel and regulate their entry and exit in special areas.

3

Third: Training and drills



- Safety training sessions for new and existing employees will be provided at construction sites, so that employees can understand the hazards of the site, the way to wear safety equipment, emergency treatment methods, safe construction procedures, etc. Workers must pass the examination before taking up the position.
- We develop safety themes every month, and arrange engineering staff from our subsidiaries to provide training sessions at construction sites. The engineering staff from the headquarters hold online safety training sessions for engineering staff, site leaders and workers from all subsidiaries each quarter. A record of attendance to these training sessions shall be kept. The site safety meeting is held bi-weekly, with each meeting receiving over 2,000 attendees.
- The construction site will hold daily safety morning meetings and morning exercises to explain recent safety risks, such as treatment methods for heatstroke and food poisoning in summer. Quarterly safety drills are held, which involve dangerous accidents such as falling from height, fire and electric shock. The number of attendees (including our employees, contractors' employees, supervisors, and other site employees) to safety training sessions exceeded 20,000 in 2021.

EMPLOYEE CARE AND GROWTH

4

Fourth: Emergency management



- Upon any occurrence of emergencies, we would deploy emergency taskforces in accordance with emergency rescue plans, comprising an on-site incident commander, an injury rescue team, a fire-fighting team, and others, to carry out emergency actions so that personal injuries and property loss can be minimized. We would handle the compensation and follow-up works, work-related injury leave and employee insurance claims.
- The persons in charge of construction sites will strictly follow the reporting mechanism of major risk events and report the same to the Group's risk control command center on the same day.
- We will also investigate into the cause of the accident after the event. In case of any violation or negligence, the personnel involved will be punished in accordance with the sub-contracting agreement and the Group's rules.

5

Fifth: Safety inspection and audit



- Daily safety inspections before and after work will be carried out at construction sites, and led by electricians, mechanical technicians, plumbers, engineers, etc., to ensure the safety of machinery, equipment, scaffolding, tools and materials. During construction, supervisors and managers will supervise and check whether they comply with safety instructions and procedures.
- Different safety managers, supervisors, and our engineering center workers conduct safety inspections to check the safety performance of construction sites, and identify and rectify dangerous situations, on a weekly, monthly and quarterly basis.
- All construction sites must be installed with "Sky Eye" cameras to transmit real-time videos to the Engineering Center at the Group's headquarters, which will be supervised by dedicated personnel. We also fly drones for a thorough inspection over construction conditions at construction sites.
- The Group will conduct random inspections on project sites every month. Since 2018, we hired external agencies to conduct a comprehensive review of construction civilization every quarter, and rated the safety performance of all construction sites. Rating includes production safety on site, safe and compliant construction activities, safety management behaviors, serving as one of the important performance indicators of the construction department and project department of our subsidiaries.

EMPLOYEE CARE AND GROWTH

In addition to the above-mentioned “five safety management rules”, we also regulate the reporting of safety incidents at construction sites. We have established a risk management team responsible for coordinating, tracking and solving safety accidents at construction sites. The risk management team includes the office of the president, the risk control office, audit legal center, engineering management center and other departments. In case of casualties and major economic losses due to safety accident at construction sites, work-related injuries, quality accidents, and others, the contractors and the project department are required to report to the risk management team immediately, who will coordinate to ensure that the accident is properly handled, and that the injured victims receive effective treatment or assistance, and effective settlement of these incidents will be reported. We require contractors to submit work-related injury records on a monthly basis to strengthen the control of all work-related accidents of contractors.

Office

We pay particular attention to the health and safety of our employees in office premises. In 2021, a total of 180 safety risk assessments were conducted in the Group’s offices. Property management officers conducted safety assessments and inspections over offices, elevators, buildings, parking lots, etc., and formulate management and contingency plans for potential fire, electric shock and other safety risks. We also conducted fire drills for all employees every six months.

We are committed to ensuring the indoor air quality in the office, including regular monitoring of indoor air indicators (such as formaldehyde emissions), etc. The office must also have certain proportion of greening to ensure a safe and comfortable workplace for employees.

In addition, we also consider the needs of female employees (especially pregnant or women during the lactation period) and employees with disabilities, providing health and safety-related auxiliary facilities. We have set out occupational safety guidelines in the “Employee Handbook” to provide prevention and solutions to the health and safety concerns that employees may suffer during work, so as to reduce the chance of accidents.

We organize medical health checks for all employees of the Company every year and purchase insurance policies for the employees. The Company releases monthly recreation allowances to employees based on the head count of the department, which are mainly used for regular physical exercise and outdoor activities to establish and promote the healthy corporate culture of the Company. The Company headquarters and the front-line human resources administrative department make available heatstroke and daily medicines for our employees throughout the year.

EMPLOYEE CARE AND GROWTH

Recreational activities

In addition, we are committed to promoting physical and mental health of our employees by organizing various recreational activities including employee games, while encouraging the headquarters and subsidiaries to actively hold other sports activities to promote a healthy lifestyle. In 2021, we cooperated with external fitness rooms to offer the employees free-of-charge fitness and swimming activities every week. Employees from our headquarters also performed at least two badminton games a week to alleviate their work pressure and enjoy sports.



Chinese New Year Gathering



EMPLOYEE CARE AND GROWTH

EMPLOYEE POLICY

Human resources system

The Logan Group believes that a high caliber talent plays the role of cornerstone for our business development. We have employment policies in place to manage our human resources, including the Recruitment Management Measures (招聘管理辦法), Employee Promotion Management Measures (員工晉升管理辦法) and Salary Management Measures (薪酬管理辦法).



Recruitment

The Group formulates its human resources management plan every year, and coordinates recruitment according to the demands for talents of each business segment and its subsidiaries. We recruit staff through public recruitment, internal recommendation, campus recruitment and other channels to form a diverse, professional and efficient team.



Promotion

We have well-defined positions and promotion channels in place, and prioritize promoting internal employees. Employees have to pass interviews and fulfill performance requirements. Employees will participate in training upon promotion to prepare for challenges arising from the new position.



Resignation

The Group appreciates the rights and interests of employees and never dismisses employees without reasonable cause. Dismissal procedures must strictly follow rules and regulations. Dismissed employees will receive due compensation and remuneration in accordance with employment contracts. We will also conduct interviews with employees for their resignation to understand their reasons for leaving, so as to develop better plans for human resources management.

EMPLOYEE CARE AND GROWTH

Compensation and benefits

Logan Group provides attractive remuneration packages for our staff to attract and retain top performers. The remuneration of the staff is determined with reference to the market and industry practices. Employee compensation comprises of basic salary, short-term bonus, long-term reward (such as Share Option Scheme) and other employee benefits. The Remuneration Committee of the Group would also conduct an annual review or as necessary to ensure our staff enjoy a high-standard remuneration package and stay in line with the human resources development goals of the Group.



Long-term business partnership plan

In 2020, we launched a long-term business partnership plan with a validity of 15 years, and set a performance growth indicator higher than the industry average for the management. The total number of all awarded shares under the share award scheme can account for up to 3% of the total number of the Company's issued shares, which will effectively motivate the team to create more and greater value and promote its long-term sustainable development.

As for employee benefits, the number of working hours, holidays and welfare of the staff are strictly in compliance with the Labour Law of the People's Republic of China (中華人民共和國勞動法) and other relevant laws and regulations, ensuring that each employee has reasonable working hours and holidays. We also provide our staff with insurance and allowances to alleviate their working and living pressure.

Benefits for Logan's members include:



- ★ Statutory Holidays
- ★ Marriage Leave
- ★ Maternity Leave & Paternity Leave
- ★ Breastfeeding Leave
- ★ Annual Leave
- ★ Paid Sick Leave, etc.



- ★ Medical Insurance
- ★ Pension Scheme
- ★ Unemployment Insurance
- ★ Work Injury Insurance



- ★ Transportation Allowances
- ★ Meal Allowances
- ★ Housing Allowance
- ★ Health Check-up Allowances
- ★ Allowances For High-temperature Conditions
- ★ Other Special Benefits

EMPLOYEE CARE AND GROWTH

In addition, based on business development and job rotation training arrangements, we must obtain prior consent from our employees before dispatching them to different places, and provide allowance to them for job relocation, including subsidizing employees' rental expenses. Meanwhile, the administrative departments of the two places will provide our employees and their families with care and support actions.

We also grant awards to our outstanding, loyal, and accountable employees. Our awards include ten-year service award, twenty-year service award, outstanding Logan award, etc. In 2021, a total of 613 outstanding employees have received these awards, which are aimed to motivate them to pursue better performance.

Employee communication and inclusiveness

We hold a variety of employee activities every year, including annual gathering and employee birthday parties and festival activities, to enhance interaction between staff. Besides providing a comfortable workplace, we strive to provide a happy and healthy on-the-job experience to our staff. During the Year, we organized 2,887 sessions of cultural and recreational activities for our staff.



Logan Forum

The Group establishes the Logan Forum on its intranet to provide an online platform for all employees to enjoy the freedom of speech, while our employees can directly converse with the senior management, share work experience and discuss corporate policies, which will facilitate positive changes as the employees will enhance their sense of participation and the Group can acknowledge the employees' feedback.

EMPLOYEE CARE AND GROWTH



Logan Birthday Party

During the Year, Logan held 52 Logan Birthday Parties, where the employees received flowers, cakes, gifts and custom-made birthday cards despite the fact that no party activities took place during the pandemic. Practical gifts include compact irons, thermal cups, foldable electric kettles that fit in any suitcase, battery banks and travel kits, conveying a message that the Company cares about the wellbeing of our employees at work.



EMPLOYEE CARE AND GROWTH

We understand that the Company may expose to different risks in various human resource activities. The human resources department reviews relevant activities annually to identify potential risks, examples of which are as follows:

Human resource activities	Potential risks	Points to consider	Measures
Recruitment process	<ul style="list-style-type: none"> Hiring incompetent and unfit employees Adopting inappropriate practices to recruit new candidates 	<ul style="list-style-type: none"> Is there a proper screening process prior to hiring potential employees? Has the human resources department made undeliverable promises to candidates? Did the candidate sign the policy and employment contract prior to employment? 	<ul style="list-style-type: none"> There will be various interviews and background checks before hiring to ensure that the results of the screening are relatively accurate The human resources department shall not make undeliverable promises to candidates Candidates generally sign the employment contract and some policy agreements upon induction after the employment is confirmed
Promotion and development	<ul style="list-style-type: none"> Promote inappropriate employees Training sessions do not meet business development requirements 	<ul style="list-style-type: none"> Whether promotion eligibility is strictly scrutinized and who has the authority to decide on promotions? Is there a fair and open assessment process? Is the corporate strategy taken into account when designing the training program? 	<ul style="list-style-type: none"> Promotion qualifications shall be reviewed by the personnel in the appropriate rank in strict compliance with the Company's promotion management system We give promotion in a fair and transparent manner according to the "notification – registration – screening – interview – employment" procedures Talent training is based on the Company's 5-year strategy, and market demand design
Reimbursement and benefits	<ul style="list-style-type: none"> Potential financial misappropriation 	<ul style="list-style-type: none"> Who has the authority to sign up for such reimbursements and benefits? 	<ul style="list-style-type: none"> All reimbursements are initiated by our employees, and the front-line leaders and department heads will approve it before verification and approval by the financial sharing personnel

EMPLOYEE CARE AND GROWTH

EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

As an employer who promotes equal opportunities, we strongly oppose discriminatory behaviors and is committed to building a fair, equitable, and diverse working environment for all staff. We adopt the principle of equality in the management of human resources, including recruitment, promotion, and welfare packages, which also contain standardized selection criteria and management procedures. The employment terms for our staff are also set out in labour contracts in accordance with laws and regulations. Only the experience, expertise and performance will be taken as the scoring criteria for all selection processes to ensure objectiveness and fairness.

Among our core values are respecting equality and opposing all acts of harassment and discrimination, which are highlighted in our corporate culture presentations. To build a diverse and inclusive team, we held training sessions on equal opportunity, anti-discrimination and anti-harassment for all employees during the Year.

Anti-discrimination, diversity and gender equality

We have established a diversity committee led by the trade union of the Group, which is responsible for ensuring equal opportunities within the Company, monitoring whether there are unfair practices in the employee recruitment and development, and maintaining an atmosphere of diversity and inclusion at the workplace and employee activity venues. Furthermore, the committee is in charge of dealing with complaints about discrimination.

We have established a special training program of “workplace diversity” to increase investments in workplace diversity training, whereby introducing to our employees the value and significance of diversity to organizational development and individuals, enhancing all employees’ understanding of workplace diversity, and building an inclusive enterprise culture that unleashes the potential of diversity.

EMPLOYEE CARE AND GROWTH



Case: The Development of “Goddess with a healthy work-life balance”

On Women’s Day (8 March) in 2021, Logan Group issued a special report headed Logan • Goddess Day, introducing 9 female employees working at Logan, as well as their life stories and work mottos. This aims to promote the women values in the new era to the public, and wish female professionals to achieve a healthy balance between the workplace and life. On the same day, female employees received a beauty training session and fresh roses.

DEVELOPMENT AND TRAINING

Talent Philosophy of Logan Group: “Professionalism, Career orientation, Passion, Fortitude, Accountability.”

As our employees are the key to business success of the Logan Group, we have been systematically training our employees so that they could achieve self-development in their posts and further climb their career ladder. Our Logan Management Academy (龍光管理學院) coordinates training activities of our Group and our subsidiaries, and strictly manages the planning and implementation of training activities in accordance with the internal rules and regulations, such as the Training Management System of Logan Group (龍光集團培訓管理制度) and the Logan Group Five-step Talent Development Scheme (龍光集團人才培養五部曲).

Logan Management Academy (龍光管理學院), business centers and subsidiaries organized training sessions to provide a diverse range of career development programs tailored to our employees based on different business features and individual ambitions, abilities and development requirements. The Group sets training standards, including at least two training sessions required for each business center and subsidiary each month, and business centers are further required to conduct work standard training on a quarterly basis, with an annual minimum of 30 hours for each employee.

Upon completion of the training, the Group assigns assessment tasks to the employees, and assesses training effectiveness based on the achievement rate of the training activities, the satisfaction survey of each training session and the completion rate of the employee assessment tasks, which also constitute part of the performance indicators of each business center and subsidiary. In 2021, our average training satisfaction score for the year was 98.8.

Our employees are provided with ample training resources, including more than 700 in-house lecturers, and 30% of these lecturers are department heads or above level and facilitate the transfer of knowledge. Our Logan E-learning platform and expertise management system contain a large number of online self-learning textbooks, and our employees are sponsored for third-party professional training programs to acquire the latest real estate market knowledge. Our training models also include face-to-face seminar, online live streaming, adventure events, job rotations, on-the-job practices, action learning, instructor guidance, case study, group seminar, and leadership commentaries, which help broaden our employees’ horizon and strengthen their market competitiveness.

EMPLOYEE CARE AND GROWTH

Our employees are provided with training sessions that cover management skills, expertise, and systems and standards, so that they can better discharge their job responsibilities. At the same time, human rights training and corporate citizenship training are provided to our employees so that they can improve their awareness of rights and responsibilities. Our talent training programs were available throughout the year for all employees of the Group, providing training on management skills, business awareness, strategic planning and other training to more than 600 employees with leadership potential, which help them advance to the management level. We also provided training on professional knowledge, business expertise, team building and other training to more than 1,000 employees with outstanding work capability, which help mold them into professionals. In 2021, a total of 28,436 trainees spent 113,294 hours in attending 770 training sessions.

To strengthen the monitoring of human resource development performance, the Group set targets for the following indicators related to human development and training in 2021:

Target	Status	Progress in 2021
Over 35 hours of average number of training hours of employees	● ● ●	The average number of training hours for employees was 35.8 hours
More than 98% of trained employees	● ● ●	100% of our employees were trained
100% completion rate of annual training plan	● ● ●	100% completion rate of annual training plan was achieved

● ● ● Completed

● ● ○ As scheduled

● ○ ○ Behind schedule

EMPLOYEE CARE AND GROWTH



“Julong Class” – Training middle and senior management talents

The trainees of the “Julong Class” training program cover all middle and senior management personnel across the Company from deputy directors to vice presidents. According to the training objectives, they are divided into four categories: strategic leaders, comprehensive general managers, professional general managers, and professional directors. In 2021, the “Julong Class” developed a total of 44 courses throughout the year, which attracted 15 classes of eligible employees and covered 17 professional lines. A total of 1,237 attendees participated in the 60 training sessions, where 41 lecturers gave lectures and 38 executives provided class commentaries.

The “Julong Class” provides a small class of approximately 20 trainees. During the classroom training, the general manager of the headquarters center serves as a lecturer, and the general manager of each of the front-line companies serves as a commentary assistant, both of who present a three-dimensional knowledge structure to trainees from theoretical learning to work practice, and enable trainees to clarify job responsibilities and induction standards and ensure their actual implementation so as to address typical business issues. We have also established a learning portfolio for each meta-trainee, which helps to understand the growth milestone and comprehensive aptitude of such trainee, and provides a basis for the appointment of talents in our organizational development.

General training of talent reserve projects

In cultivating comprehensive project management talents, we set up a general training program for talent reserve projects. By focusing on the five core competencies of “business objectives”, “plan management and control”, “outreach coordination”, “risk prevention and control”, and “team management”, we have provided learning assignments in the corresponding course and practical training tasks, which is aimed at assisting trainees in facilitating the achievement of their learning objectives.

Reserve director training

For on-the-job employee candidates eligible for department manager, we focus on cultivating their in-depth professional capabilities and multi-module management capabilities, and facilitate their promotion to functional directors through professional competence courses, management courses, targeted on-the-job practices and action learning.

Reserve department manager training

In cultivating department managers with solid professional competence and capability to assert team leadership, we select high-potential talents from the on-the-job professional candidates eligible for professional manager to receive intensive training. By participating in professional courses and management courses according to the annual training plan, the trainees continue to strengthen their professional capabilities, and on the other hand they complete the role transition from professional contributors to managers.

EMPLOYEE CARE AND GROWTH



“Logan Elites” – Graduate Talent Program

Our “Logan Elites” – Graduate Talent Program continues to cultivate outstanding fresh graduates for the Group as part of the Group’s talent pool, who will inherit our cultural values and enhance our long-term competitiveness. Graduates admitted to the training program will go through three stages: induction training, job rotation internship, and position assignment. Among them, at the induction training stage, graduates receive knowledge about the real estate industry and Logan business, participate in graduate outdoor training, and receive the professional counseling for one-on-one “mentor-apprentice program”; at the job rotation internship stage, graduates embark on a road trip to growth and experience from the rotation internship, and will gradually transform into professionals for Logan; at the stage of position assignment, we will determine the position based on the performance of the graduates in the early stage and personal wishes. So far, Logan has cultivated 112 outstanding Logan Elites, many of whom have taken up management positions and become the backbone of the Company.



EMPLOYEE CARE AND GROWTH



Control 2.0 training in 2021

Knowledge and skills training programs are established for the implementation of the Group's Control 2.0 working standard. According to the four stages of publicity and implementation examination, job rotation learning, knowledge competition, and accumulation of case studies, the implementation of Control 2.0 is consolidated. A total of 175 core standards were publicized and implemented among 2,118 persons, with 2,086 persons participating in the examination, and 123 persons subject to rotation internship. 12 knowledge competitions were held, and 12 business lines shared their positive and negative cases of Control 2.0.

New employee training

New employees are provided with training on Logan's corporate core values, "Logan Eight Operation Concepts", career objectives and job requirements, etc. 2,005 trainees (including 1,915 persons online and 95 persons offline) spent a total number of 12,030 class hours attending 50 training sessions (including 48 online sessions and 2 offline sessions).

Front-line company training

The front-line companies conducted massive training on business skills and professional capabilities based on actual work. Among them, 12,328 trainees spent a total of 61,642 class hours in participating in and completing 602 training sessions of different types.



Training Live Streaming

During the pandemic, the Logan Group continued to explore new opportunities in response to the changing market conditions, while seeking to empower the team. Logan Management Academy (龍光管理學院) consolidates training resources to promote online training and sharing in efforts to enhance the system construction and business capability of each professional department.

Our weekly special training courses, which offer not only special training sessions about "product competitiveness", "cost competitiveness" and "sales power", but also "Artisan School" and "Research School" to upgrade their expertise, are provided to all of our employees online, allowing them to seek personal improvement at any time.



URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



We present exquisiteness by pursuing building craftsmanship. In this exquisiteness are all essence including grass, wood, bricks, and tiles.

ESG issues

- 10 Product quality and safety
- 11 Service quality
- 12 Technology and innovation
- 13 Supply chain management
- 14 Environmental and labour performance of our suppliers and subcontractors
- 15 Industry development
- 16 Community renewal and integration

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

ESG issues	Logan's Responses
10 Product quality and safety	<p>In order to ensure the quality of delivery, the Group organized 6 open days for construction sites in 2021, of which 3 were livestreamed to showcase the process and construction approaches to the public. In 2021, we hired a third-party consulting entity to conduct 698 security risk assessments for our projects. At the same time, the Group fully applied technologies such as the internet, big data and smart technology to smart construction solutions. For instance, the Group launched the Logan Construction 2.0 and designed the “Monolith” cloud engineering system (「磐石」雲工程系統).</p>
11 Service quality	<p>Besides the establishment of the “Three Sales Guarantees”, the Group trained sales employees, and adopted the practices of “unannounced visits by mysterious customers”, and “preliminary planning and design consultancy services” to ensure sales quality. To handle complaints and feedback, we make various platforms and channels available for our customers to file their complaints, and conduct customer satisfaction surveys through independent third parties every year. The overall customer satisfaction on delivery services in 2021 was 82.2 points, representing an increase of 2.5 points as compared to 2020.</p> <p>We ensure high-quality property services, and our property management team successively obtained the certificates for ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management. In addition, in order to enrich leisure activities of the property owners, we organized 4,025 sessions of diversified community recreational activities in 2021, attracting over 2.61 million property owners.</p>
12 Technology and innovation	<p>The Group has adopted high-tech applications in health pass, global security and intelligent systems, so as to maintain its leading advantages in product innovation and smart community ecological creation. For instance, Foshan Logan • Lakeview Garden was awarded the “China Smart Ecological Community Award” (中國智慧生態社區獎). Logan Smart Services provides property owners with multiple product lines such as Logan Cloud, Loganhui APP, property information platform and IoT cloud platform, and a new retail department has been established. 35 “Logan Convenience Centers” of our self-operated brand have been established in various locations, including Shenzhen, Foshan, Nanning, and eastern Guangdong, while the community e-commerce platform “Pinpinwang” now has nearly 5 million members. At the same time, the E-control center of Logan Smart Services Headquarters has achieved the intelligence and integration of property service management.</p>
13 Supply chain management	<p>In 2021, the Group conducted more than 8,939 supply chain site visits to understand the supply status and material quality of suppliers and contractors. At the same time, a third-party independent institution was appointed to conduct external audits for the Group's suppliers and contractors. In addition, we conduct internal control audits on the procurement and cost management departments of the Group and branches every year, the scope of which covered 5 business processes in 2021.</p>

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

ESG issues	Logan's Responses
14 Environmental and labour performance of our suppliers and subcontractors	In accordance with the principle of fair and equitable procurement, the Group assigns an average of 6 supervisors to bidding activities. During the year, we had higher technical and qualification requirements for suppliers and contractors, and priority will be given to advanced environmental businesses. In terms of supplier management, we assess suppliers and contractors, and determine the follow-up cooperation plan according to the assessment results, namely, grades A, B and C, and cease cooperation with suppliers that are in serious violation, who are added to the blacklist, and violations will be rectified.
15 Industry development	We held 4 on-site observation and exchange meetings in 2021, and leaders and representatives from corporate departments involved in construction and supervision for some projects in progress participated in the meetings and discussed the development landscape of the industry.
16 Community renewal and integration	The Group has led the establishment of hundreds of property owners' associations and organized various community activities. We have introduced six series of themed activities throughout the year, including the "Logan Festival Celebration Series". In 2021, the Logan Communities launched 10 campaigns focused on customer satisfaction and thoughtful services, including delivery of 344,000 breakfast packages, extra care for more than 50,000 people with special needs, 63,000 deliveries of services on Singles' Day, and 356 special homeowner events, 1,248 manager meeting days, and 912,000 door-to-door household visits to resolve property owner issues.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

PRODUCT SERIES

Despite grand transformation from “Sunshine”, “Joy” and other urban lifestyle collections to three major product lines of “Jiu”, “Tian” and “Jiangnan” collections, Logan Group has always persisted in the brand philosophy “To Build a Better Life” and committed to creating a high-quality smart and beautiful city lifestyle. In recent years, the Group created and launched a new “Modernization” collection that introduces a new residential lifestyle driven by health technology.



“Modernization” collection products

Smart Access: The ultimate “zero-touch” intelligent homecoming scenario is created through sophisticated layout and technology. With the use of a face recognition system, residents can enter the building through face recognition at each door, and the lift system can be connected to automatically identify the floor they live on, making the entire process of returning home intelligent and automated.

Regional security: The building’s intelligent community management system is based on advanced technologies such as artificial intelligence, Internet of Things, big data, cloud computing, video analysis and pan-awareness, and is connected to the access control, gates, monitoring, lifts and fire-fighting systems of the community, which can carry out various research and analysis tasks such as image matching, trajectory tracking and alarming, realising round-the-clock guarding in a 24-hour day.

Mobile application: Logan Group has developed Loganhui (龍光薈), a smart community application for residents, which provides more than 40 services including online reporting, online payment, housekeeping services and lifestyle services. Another application, U-Housekeeper (優管家), also provides housekeeping services for residents.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

**Modernization**

The "Modernization" collection is positioned to provide an "international ultimate home", which aims to create the classical metropolitan residence by reinventing functional values of a mansion with modern aesthetics, and empowering healthy living with smart technology under the "ultimate recreation" product rule.

**Jiangnan**

The "Jiangnan" collection is positioned as the "Charming Jiangnan gentlemen's hall". It is a combination of traditional Jiangnan architectures, which are reflective of Jiangnan scenes, customs, and elegance, and low-density house planning to present residents with the most beautiful cultural essences of Jiangnan charm.

**Tian**

The "Tian" collection is positioned as the "Chinese residence with the ancient Tang style". The site surrounds by precious natural scenery, the landscape and design of which are based on the grand architectures in the Tang Dynasty, and rare and unparalleled as natural gifts. This truly reflects the top human habitation of locals in Lingnan.

Jiu

The "Jiu" collection is positioned as the "exquisite mansion surrounded by grand landscape". With the theme of "scenic tour in modern landscape", we create "nine landscapes" in the nine public spaces within the residential area. Our practices of rigorous site selection, high-end quality, extraordinary facilities and superior transportation enable this "Jiu" collection to be the first option for the premium urban lifestyle in the eyes of the elite echelon.



URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

LOGAN COMMERCIAL

Keeping a highly keen eye for urban lifestyle, Logan Commercial combines the needs of urban lifestyle with the experience of commercial space to carve out city complexes by developing commercial real estate above the TOD hub, which build experience-based shopping malls as the center surrounded by high-end office buildings, boutique hotels, and other business formats.



Business case: Blue Whale World in Guangming (光明藍鯨世界)



The Blue Whale World in Guangming (光明藍鯨世界) is the debut of Logan's new shopping center product line, the "Blue Whale" series. Located in the core area of the comprehensive national science center in the Greater Bay Area, as well as the golden central axis of Guangzhou, Shenzhen and Hong Kong, the shopping center is in close proximity to the Guangming District Government. Seamlessly connected to Metro Line 6 and Line 13, the shopping center can be directly connected to the first cultural and art center of Guangming. As a themed IP shopping center, the project takes into account the composition of the customer group to form an exclusive brand matrix, resolving all the living requirements of citizens, while emphasizing the creation of artistic scenes in public venues so that its unique scene aesthetics attract the attention of citizens. Within a walking distance of 800 meters, this project together with the themed shopping street, selected hotels, premium residences, ecosystem parks and other business functions provides citizens with a comfortable and convenient living space.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE


Office case: Nanning Logan Century Center
 (南寧龍光世紀中心)


The 381-meter-tall Nanning Logan Century Center (南寧龍光世紀中心) has a total gross floor area of approximately 390,000 square meters, the exterior design of which appears as a hydrating lotus integrated with the local culture and folk customs of Nanning. Located in the ASEAN Business District, China's international window to ASEAN, this project, which is comprised of premium offices, shopping malls and hotels, represents a comprehensive business landmark providing business, office and living services to top domestic enterprises settled in Nanning, as well as to regional governments and business institutions from ASEAN countries and other countries.


Boutique hotel case: Na Lotus Hotel, A Luxury Collection Hotel in Nanning
 (南寧龍光那蓮豪華精選酒店)


As the first luxury brand hotel under the Marriott Group in Guangxi, Logan's Na Lotus Hotel, A Luxury Collection Hotel in Nanning (南寧龍光那蓮豪華精選酒店) offers 290 guest rooms, 3 restaurants and 1 lounge, in addition to more than 1,700 square meters of banquet space. As a high-rise building overlooking the city skyline, the hotel provides luxury experience and stellar services for high-end business travel, conferences and banquets, casual dining and other activities by incorporating the unique features of Nanning in Guangxi, and also brings infinite convenience for guests to explore Guangxi and surrounding destinations in ASEAN.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

CITY DEVELOPMENT

Urban Renewal Projects

Urban renewal is the continuing theme of urban development. By improving hardware and software facilities, revitalizing inefficient construction land and promoting industrial upgrading and transformation, our projects will assist to revamp and vitalize cities that enjoy a long development history. The Group has been carrying out a forward-looking investment strategy, under which, we have so far developed more than 100 urban renewal projects across 8 cities, promoting the sustainable and healthy city development.



Foshan Acesite Park (佛山玖龍台)



Foshan Acesite Park (佛山玖龍台) is located in Lvhu Island District, Foshan, covering an area of 82,000 square meters, with a total gross floor area of 720,000 square meters. The location where the project lies was formerly a worn electrical appliance factory with problems such as noise pollution and traffic congestion. The community land planning failed to meet the required demand of the public. The Group's urban renewal transformed old communities, improved the spatial structure of human settlements, restored natural ecology and strengthened urban infrastructure to comprehensively improve the city quality. After the transformation, Foshan Acesite Park (佛山玖龍台) project has improved the community space for more than 14,000 community residents, provided more than 7,000 sets of residences, approximately 40,000 square meters of shopping centers and emerging industry bases, equipped with 5,500 parking spaces and gardens, thereby comprehensively satisfying the demand of residential life.



Pingshan Shahu Project (坪山沙湖項目) in Shenzhen



The Pingshan Shahu Project (坪山沙湖項目) (Plot 5) is located in Pingshan District, Shenzhen, covering a site area of 26,100 square meters and a total gross floor area of 108,400 square meters. The site of the project was formerly a private residence in Shahu Village, with various issues including dilapidated conditions and incomplete supporting facilities. Logan Group actively participates in urban improvement projects and promotes the redevelopment of Shahu Village. At present, the demolition of the project has been completed and construction has started. After completion, original villagers and citizens will be provided with 94,200 square meters of comfortable residential units, as well as 10,000 square meters of commercial facilities and a kindergarten of 12 classes. As a result, the quality of living in the area and the happiness of citizens will be further enhanced.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Supporting urban facilities

The Group is committed to becoming an integrated service provider for better city life, which is a diversified group of businesses to cover residence, commercial and office operations, boutique apartments, and hotel operation, and provides a variety of ancillary facilities covering the entire life cycle of its customers. At present, the self-owned commercial properties of Logan Commercial (龍光商業) cover an area of approximately 2 million square meters, including Guangming Blue Whale World (光明藍鯨世界), Nanning Blue Whale World (南寧藍鯨世界), Nanning Logan Century (南寧龍光世紀), Shenzhen Logan Century Building (深圳龍光世紀大廈) and Huizhou Logan Commercial Plaza (惠州龍光商業廣場).

Government-subsidized housing

We cooperate with local governments to develop government-subsidized housing to solve the housing difficulties of low- and middle-income families. By 2021 we have developed 51 subsidized housing projects in 11 cities, including Shenzhen, Foshan, Nanning, Shanghai, Zhongshan and Zhuhai, providing 12,291 government-subsidized housing units, so that people from all walks of life in our communities have a happier life. The Logan Group has undertaken to constantly address the housing needs of the society in the future, support the national housing policy and promote the high quality of the city.

Geographical Distribution of Subsidized Housing Units

City	Saleable (unit)	Non-saleable (unit)
Shenzhen	986	1,376
Foshan	282	1,055
Guangzhou	211	0
Huizhou	1,424	114
Nanning	1,411	3,010
Chengdu	0	145
Zhongshan	0	629
Zhuhai	420	161
Jiaxing	170	261
Shanghai	0	373
Nanjing	0	48
Ningbo	0	39
Wenzhou	176	0

Set out below is the progress of government-subsidized housing development in 2021:

- 6 new cities
- 39 new projects
- 4,053 new government-subsidized housing units

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

**Shenzhen Acesite Elegance (玖譽雅築)**

The Shenzhen Acesite Elegance Project provides a total of 541 housing units, including 186 government-subsidized housing units, with a gross floor area of over 15,000 square meters, which comply with the outfitting standard commensurate with that for ordinary commercial housing units. As part of the eastern metropolitan region under the Shenzhen Eastward Development Strategy for Central Cities in the Guangdong-Hong Kong-Macao Greater Bay Area, the project is located in Pingshan District and adjacent to the Maluan Street Public Cultural Service Center with a gross floor area of approximately 21,000 square meters in the south, which is one street away from the Pingshan Sports Center with a site area of approximately 50,000 square meters. Rich in cultural and sports activities, the project provides approximately 5,000 square meters of commercial space, with two other commercial cluster projects in the surrounding area, namely, Yitian Holiday World and Rainbow Shopping Mall, which is surrounded by rich educational resources, such as Zhongshan Primary School, Zhongshan Middle School and Xinhe Experimental School.

**Shenzhen Guangming Auspice Mansion (玖瑞府)**

The Shenzhen Guangming Auspice Mansion Project was acquired by the Company through land auction in May 2021, with a total of 428 housing units. Among which, 138 government-subsidized housing units accounts for one-third of all housing units, with over 10,000 square meters of comfortable accommodation to 138 families at an affordable price. Located in Guangming District, the center of northern Shenzhen, the project is in the core area of Guangming Science City and Fenghuang City as part of the strategical urban development, safeguarding its easy accessibility in terms of transportation. Adjacent to Guangming High-speed Railway Station, the project enjoys multi-dimensional transportation network, smoothly connecting to downtown Shenzhen and even the Guangdong-Hong Kong-Macao Greater Bay Area. Qilin Mountain Park stands right next to the project, where residents can enjoy a green and oxygen-rich life. Rich in educational resources, the project is 1 kilometer away from Guangming Foreign Languages School and Guangming Phoenix School, and neighbored by another nine-year compulsory school under planning.

**Foshan Tianying (佛山天瀛) Project**

The Foshan Tianying (佛山天瀛) Project is located in Daliang Street, the core area of Shunde District, Foshan City, as a residential community with sophisticated community facilities featuring residential units, commercial centers, office buildings, schools (kindergartens and primary schools), transportation hub, and an ecosystem of leisure activities. Two government-subsidized housing buildings would be built in the scattered low- and high-rise buildings. After two years of construction, the project was delivered in June 2021, with 184 families to move into new comfortable housing units.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Nurturing start-up talents

Being keen on nurturing social talents, we are committed to providing development platforms for talents, while addressing the shortage of funding for start-up talents and difficulties in identifying venues. To support the introduction of talents by governments, we join in Shantou Overseas Chinese Pilot Zone (汕頭市華僑試驗區) to create a provincial pilot zone for talent development and reform, including provision of 38 buildings of the East Coast Yuhai Tianxi Project (東海岸禦海天禧項目) with a total area of approximately 5,800 square meters for free, as well as decoration and office facilities as a venue for talent building, for a period of 3 years.

PRODUCT QUALITY AND SAFETY

All of our building products are known for their “quality” and craftsmanship, allowing us to provide customers with premier residences. We strictly comply with the quality management requirements of the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council (國務院) regarding project planning, construction works, supervision, inspection and acceptance and maintenance. Additionally, we implement the standard construction management procedures, including:

Project Planning	Prior to the commencement of the construction project, the project team, strategic development team, marketing team, design team, costs control team, and procurement team jointly prepare a project plan to confirm the design drawing, construction arrangement, personnel and resources allocation, major obstacles and solutions. The Group will also pay the costs related to the quality management of the project, which is clearly stated in the sub-contracting agreement.
Construction Works	The construction team is required to strictly follow the construction plan. In case any emergency occur which would cause delay to the construction work or damage the project quality, they should report to the management immediately, and work out solutions as soon as possible.
Project Supervision	The Group would hold regular meetings with contractors, supervisors and suppliers to follow up project progress and its quality and safety performances. The Group has more than 200 site quality officers who inspect the site on a daily basis and provide guidance and training to site personnel. Any event involving material non-compliance risk will be reported when it occurred.
Independent testing	The Group engages a third-party independent organization to conduct quarterly inspections on construction sites and hold quarterly meetings on the quality of construction sites where the heads of all business partners must attend. The Group will rank the quality performance of the construction sites and reward outstanding units at the meeting. Those who are not qualified must be rectified.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Logan establishes a standardized construction procedure manual for every project to ensure that every detail is closely seamed. The Group will accumulate project experience and user opinions to prepare standardized documents. By optimizing product functions and reducing defects from the design level, we ensure various standards include “use of stainless-steel sculpture materials for easy cleaning and maintenance, and adoption of circular designs for corners around the swimming pool to prevent customers from scratching” and other opinions to improve product quality and safety.

We carefully inspect raw construction materials and equipment to ensure that the quality is up to standards specified in the contract and drawings. At present, there are 108 types of materials that need to be inspected and accepted. We have established the Material Inspection and Acceptance Management Policy (材料進場驗收管理制度) to define responsibilities of the relevant departments, inspection and acceptance procedures, quality checklist, and stock and inventory requirements, etc., which provides our staff with clear guidelines for raw material management. All incoming raw materials must be sampled at the on-site supervision of the 4 site management officers for quality inspection to ensure that the quality meets the contractual requirements and the defective products are returned.

We arrange relevant government institutions and third-party experts for checking in accordance with the Completion Examining Requirement of Housing Construction Projects and Municipal Infrastructure Projects (房屋建築工程和市政基礎設施工程竣工驗收規定) issued by China Ministry of Housing & Urban-Rural Development (中國住房城鄉建設部) after completion and conducting quality inspections for construction work of all completed projects, including but not limited to foundation, main structure, decoration and outfitting works, drainage, heating, electricity and energy conservation and obtain quality certificates. The Group will also inspect the index of hazardous substances and formaldehyde, etc., which will ensure every detail of the projects of the Group is in strict compliance with the national requirements on real estate projects and bolsters confidence of our customers in our product quality.

Quality Delivered

Being well aware of the owner’s good expectation for their future homes, we organized open days for the construction site, allowing property owners to enter the site, and provided an opportunity for them to understand the details. The procedures and methods were open and transparent to the public.



Livestreaming on the Open Day for Construction Sites

Due to the pandemic outbreak, we organized 6 open days for construction sites during the Year, including 3 livestreaming events for more than one hour. Such innovative livestreaming activities helped our property owners preview their new home from the entrance of the community, the garden, and the construction method exhibition room to indoor households, showing various construction details, including leak-proof and anti-cracking process, water and electricity engineering craftsmanship and construction control measures, and provided detailed answers to the owner’s questions.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Prior to delivery, we will hold special meetings to deploy a full occupation process and carry out delivery training and exercises for all employees, so as to improve the delivery experience in all aspects. At the delivery site, each property owner will receive high-touch service from the dedicated professional inspector, who will give a complete introduction about the property and complete the inspection and acceptance for the new home based on the customers' acceptance requirements. Our employees will record issues raised by the property owner to ensure follow-up actions.



Third-party Project Quality and Safety Assessments

We appoint a professional third-party consulting entity to conduct quality and safety risk assessments on all projects under construction every quarter. In 2021, a total of 698 project assessments were carried out throughout the year, covering all our projects under construction so as to ensure that the engineering quality of each project can be continuously enhanced to meet the high quality requirements of the property owners.

All projects will be assigned with professional maintenance personnel to provide customers with free and timely maintenance services, and the Group offers a defect liability period of two years. We have also set up a defect feedback mechanism to collect and form a database of defect cases, which can be references for the design and construction processes to achieve a fundamental improvement.



Customers' satisfaction over general delivery performance of the Group

In 2021, the Group continued to conduct customer satisfaction surveys on our delivery performance to understand customer feedback and improve deficiencies.

- 64,048 units delivered in 2021 (representing an increase of 15,817 units as compared to 2020), with a delivery rate of 97.11% upon property owners' visit
- Customer satisfaction score of 82.2 points over our annual delivery achieved by the Group in 2021, 2.8 points higher than the second quarter of 2021 and 2.5 points higher than 2020
- Various business indicators of the Group: compared with 2020, all indicators have improved in 2021, among which housing quality (+10.3) and warranty service (+8.4) have improved the most. Benchmarked against the industry, all businesses of the Group are higher than the industrial average, and have improved compared to the second quarter of 2021 and the year of 2020.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Logan Construction 2.0

In order to promote the lean management at construction sites, the Group implements smart construction solutions by comprehensively applying the internet, big data and intelligent technology, effectively supervising the safety, construction quality, and environmental performance at construction sites, while improving work efficiency. Our smart construction solutions include:

- Adopting the building information modeling (BIM) technology
- Setting up a face recognition system at the entrance of the construction site and on the mechanical operation platform where a permit is required
- Installing a contactless voice broadcasting system that alerts users to hazardous sources
- Adopting a tower crane climbing power system
- Using smart laser rangefinders and rebar scanners
- Applying Monolith Mobile App for construction quality inspection

“Monolith” Cloud Engineering System (「磐石」雲工程系統)

The “Monolith” cloud engineering system has been fully applied to all projects of the Group since its launch. The Group supports and assists engineering management and site workers to use and continuously optimize the system in various aspects from the preparation of operating manuals for the cloud system to filming of operational videos, setting up of systems, arrangement of technical officers to answer questions in real time, establishment of Monolith Academy, and organization of weekly user seminars.

The cloud system and application program provide a one-stop project management platform for the Group, project constructors, supervisors and designers, with six major functions including online on-site inspection, actual measurement, working procedure acceptance, material acceptance, spot and special checks and management behavior to enhance the onsite efficiency, accumulate big data of construction and assist the Logan Group in standardized management. Currently, the “Monolith” Cloud Engineering System has a total of 16,069 active users, representing an increase of 23% as compared to 2020.



PRODUCT DESIGN

NURSING SERVICES COMPANIONSHIP LEISURE CHILDREN'S AMENITIES SOCIAL NETWORKING SPORTS

Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to construction quality and safety during the Reporting Period.

NURSING SERVICES



COMPANIONSHIP



LEISURE



CHILDREN'S AMENITIES



SOCIAL NETWORKING



SPORTS

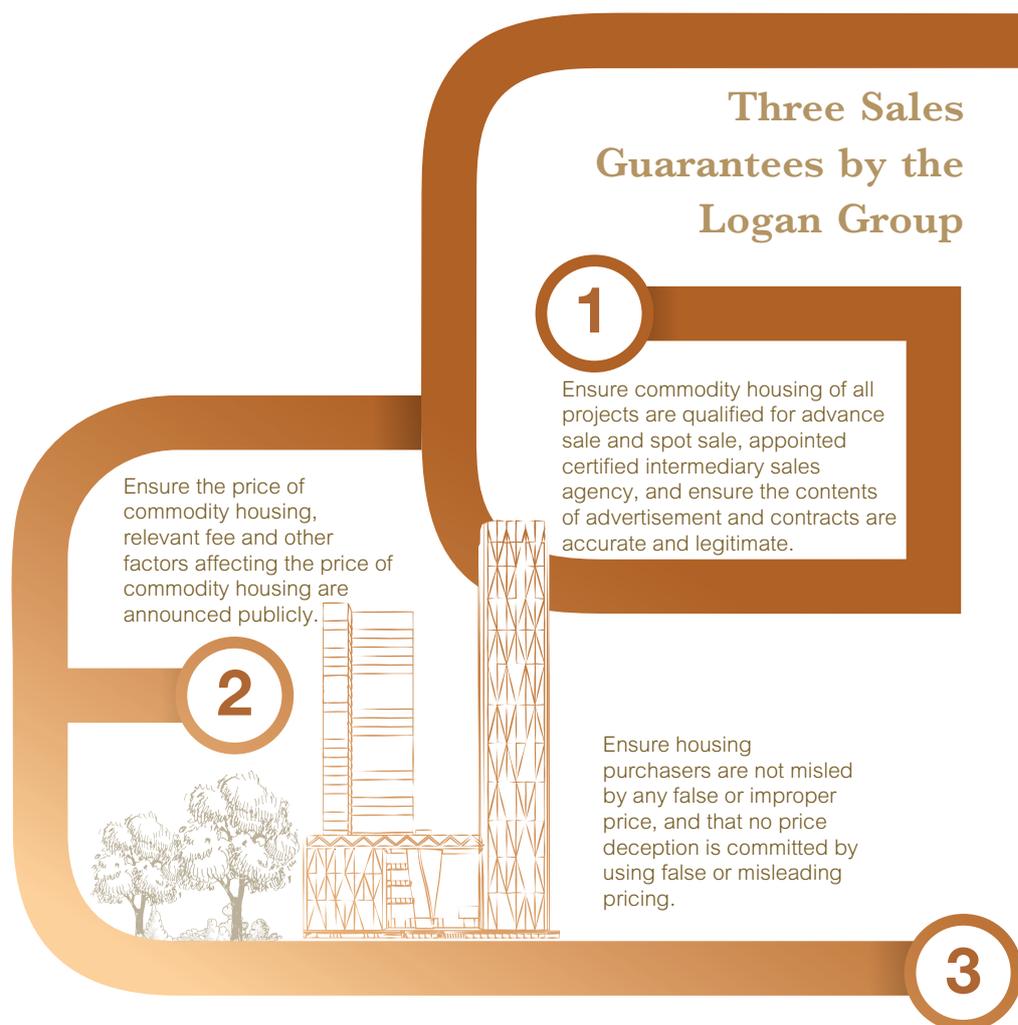


URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

SERVICE QUALITY

Sales and Customer Relationship Management

Over the course of business operations, we always place the customer's interests at the highest priority from product design to sales management. The Group has established the Sales Process Risk Management Policy (銷售過程客戶風險管理規定) to govern the sales process including model display, press release, contracting, events management and customer experiences with an aim to safeguarding information accuracy and persisting in our business integrity.



We have also established the Customer Relationship Management Policy (客戶關係管理流程), Product Delivery Management Rules (產品交付管理辦法), Joint Acceptance Guide upon Delivery (交付聯合驗收工作指引), Maintenance Service Management Rules (保修服務管理辦法), and other regulations and systems, to specify the roles and responsibilities of the relevant responsible departments among different project stages including project design, marketing, simulated inspection and acceptance as well as pre-delivery, post-delivery and occupancy management. The policy also sets out roles and responsibilities of relevant departments, including customer relationship department, design department, sales department and maintenance department. With standard working procedures and service standards in place which enhance operating efficiency, departments are facilitated to offer superior customer services and hence, increase the customer satisfaction.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Prior to new project launch, the Group will train the sales representatives of the relevant projects by strengthening their awareness of being a responsible sales agent, while requesting for consistency in sales terminology and expressions. All sales materials require approval from the management. In addition, we will carry out unannounced visits as a mystery customer on a monthly basis, covering all subsidiaries with the projects for sale and the properties under management, to strictly control false publicity and assess the quality of services. Furthermore, the marketing management center and the audit and inspection department of the Group will sample the agents of new projects run by the subsidiaries and inspect the marketing materials so as to comply with the three sales guarantees of the Logan Group.



Preliminary Planning and Design Consultancy Services

Over the course of exploring innovation and accumulating experiences, Logan Smart Services has developed a complete Logan distinctive service system. Taking advantage of the innate strengths of the real estate business, Logan Smart Services has launched preliminary planning and design consultancy services in the industry, which allows us to participate in the whole process of real estate development from the perspective of property owners who offer their subsequent living experience, and create a post-assessment feedback mechanism to exercise quality control in advance. The sales office management services under the five-star concierge standard are established, which comprehensively build a five-star, high-standard concierge services based on the five senses of “sight, hearing, smell, taste and touch”, as well as a high-end service system of the “Tian”, “Court” and “Jiangnan” collections, and the mid-end service system of the “Jiu” and “Sunshine” collections.

Based on the above measures, we were not aware of any serious violations of the Regulatory Measures on the Sale of Commodity Houses (商品房銷售管理辦法), the Price Tagging Rules of Commodity Housing Sales (商品房銷售明碼標價規定) or other relevant rules and regulations regarding sales and advertising during the Reporting Period.

Complaints and Feedback

The customer relationship department would collect and handle the complaints as well as reach out to other relevant departments to investigate the complaint and seek better solution in accordance with the principles of people-oriented, honesty, timeliness, and balance. We have developed the Guidelines on the Risk Classification and Handling of Customer Complaints to deal with complaints from our customers. The customer relationship department has built a specialized risk management team to oversee and facilitate the complaints handling by the customer relationship department of branches, and established the 404 call center to process all the complaints from the Group.

Customers could express their views by telephone, email and in person. We would make an initial response within 24 hours and complete the handling of complaint within one week. The customer relationship department has established an accountability system to ensure timely and efficient handling of complaints. We attach great importance to customers' opinions on our services and product quality, and the customer relationship department of each subsidiary will collect the defected projects on a quarterly basis, which are reported to the customer relationship department at the group level and then relayed to the design department to continuously improve product and service quality as much as possible.

We engage an independent third party to conduct customer satisfaction surveys every year, to continuously monitor and improve our performance.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



Excellent delivery: 60 mu of land parcels in Xitang

We attached great importance to customer experiences, thereby taking different measures on risk management and customer management during the delivery of 60 mu of land parcels in Xitang. Excellent delivery results were achieved.

Risk management and control: 3 risk inspections, 4 simulated acceptance inspections, and 3 water spraying tests were carried out, with 41,247 issues identified. Before delivery, 100% of the sales targets were completed, and only 19 daily repair issues were reported in the first month after delivery.

Customer management: the marketing and customer relations departments work closely together in 8 property owner groups, monitoring customer movements in a timely manner to resolve customer crises. Within 6 months before delivery, the communication with property owners was fully covered to improve satisfaction.

Deliverables: the delivery rate upon property owners' visit is 99.3%, and the overall delivery rate is 83%.

Property services

We care about the health and safety of every resident and visitor in Logan community. Property management staff of the Logan Group provides high-quality, high-standard and professional property management services, and regularly organize various community activities to provide a peaceful and harmonious residential environment.

Our sizeable property management team demonstrates its professional performance by obtaining the ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system. The managing areas of Logan community includes:

- Security services: the services include automatic vehicle identification system, electronic pulse alarm device, infrared and closed circuit surveillance system, and 24-hour patrol system;
- Safety: full-scale fire drills are held twice a year to raise awareness of fire safety among community members;
- Sanitation: high-caliber professional companies are appointed for environmental sanitation management. A strict assessment and evaluation mechanism is formulated according to the quality standard requirements;
- Maintenance: the maintenance team "Smurfs" is comprised of members with extensive experience and qualifications, and the equipment management responsibility system is implemented to ensure that the equipment operates without failure;
- Housekeeper: housekeeping duties are fulfilled and necessary services are provided for daily living;
- Community activities: a variety of cultural and recreational activities are held in the community to enrich property owners' leisure activities and create a friendly living atmosphere.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

In the traditional property service sector, Logan Smart Services focuses on property owners' living experience and provides community services including engineering maintenance services, cleaning and afforestation services, security management systems, and community cultural activities. Featured service models including "Stellar Butler" (優管家), "Morning and Evening Greetings", "Ten-Minute Response" and "Three Steps of Services", as well as six major series of themed campaigns including "Logan Festival Celebration Series", "Care for Women Campaign", "Care for Growth Campaign", "Happy Family Festival", "Logan Impression Cultural Festival" and "I Love My Family Community" public interest campaign, were operated throughout the year. In 2021, 9,372 sessions of diversified community entertainment and recreational activities attracting over 2.61 million property owners enriched their leisure activities, and ensured more comfortable residences.

Driven by the idea of creating a "warm community" for property owners, Logan Smart Services proactively takes the lead in establishing hundreds of property owners' associations, which serve as a vehicle to carry out community activities under the model of "Reminiscence Builds a Community", and truly build the Logan paradise to property owners. After years of improvement and practice, Logan Smart Services has formed an incubation system for a holistic, continuing and diverse community culture, which represents the unique cultural gene of the Logan Communities.

In the midst of our continuing development and expansion, Logan Smart Services always regards quality improvement as the momentum to drive our business development by taking the lead in obtaining certificates for ISO9001 quality control system, ISO14001 environmental management system, and OHSAS18001 occupational health and safety management system, and was also awarded the Guangzhou Class A Qualification for Environmental Sanitation Industry Operation and Service Providers, National Class 1 Qualification for China's Cleaning and Cleaning Industry, and Guangdong Class 1 Qualification for Cleaning, Collection, Transportation and Cleaning Sanitation Service Providers.

Safety	In 2021, the Logan Communities launched 767 safety promotion campaigns, 285 flood drills, 116 elevator rescue drills, and 96 emergency response drills. Furthermore, in a sincere, professional and skillful manner, we carried out 61,969 parking lot inspections, and 96,455 security patrols to protect the residential security of residents.
Environment	In 2021, the Logan Communities carried out 11,304 rounds of ground cleaning and improvement, covered 94,358 square meters of reafforestation and landscaping, and 12,888 rounds of "I Love My Family" Bright Hall Action ("我愛我家"亮堂行動). Furthermore, the Logan Communities cleaned 1.072 million floors under the Floor Cleaning Action (煥新行動清潔), and carried out 13,992 debris disposal. Our careful, meticulous, and professional services are aimed at safeguarding excellent residential conditions for the Logan Communities.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Logan Smart Services focuses on shouldering its own responsibility to remain as an industry leader for benchmarking. In the first half of 2021, the "Quality Control Management Standardization System Version 2.0" was introduced and fully implemented, with a learning coverage rate of 98%. There were 166 promotion and implementation sessions of the quality control management system, which involved 202 projects and attracted 3,662 participants, and all project system tables were 100% updated. At the same time, 29 special learning competitions were organized for all staff, where 11,500-hours professional learning and training reported 35,000 attendances.

Customer services

Thoughtful service satisfaction campaigns	10 thoughtful service satisfaction campaigns, including 344,000 breakfast packages; extra care for more than 50,000 people with special needs; 63,000 deliveries of services on Singles' Day; 356 special homeowner events.
Manager meeting days	1,248
Door-to-door household visits to resolve owner issues	912,000 units
Community entertainment and recreational activities	9,372 sessions of diversified community entertainment and recreational activities enriched leisure activities of property owners and ensured more comfortable residences.

Digital Transition Goal: Build a Future-Oriented Smart Enterprise

Logan is actively transitioning into digitalization. Based on the data-driven and scientific decision-making principle, it aims to empower all front-end, middle- and back-end businesses. With data used to assist in decision-making, Logan will enhance effectiveness and reduce costs in management, decision-making, customer service, and planning for the future, so as to become a smart enterprise integrated with "business digitization" and "transformation of data into business". In 2021, we achieved important results in our digital transition process:

- 63 business platforms have been fully launched, and the coverage rate of business digitization has reached 71%, with the online business, process standardization, and data sharing fully realized
- The online utilization rate of all employees has increased from 10% to 97%, and the daily page views are up to 110,000 times

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



Online Marketing Platform — Logan Treasury (龍光寶)



Logan builds and maintains a one-stop marketing service platform to meet the online growth of its marketing business, promote data-based marketing management, and visualize business indicators. In 2021, the brokers generated RMB8.9 billion in revenue and expanded customers to nearly 1.15 million.

SUSTAINABLE SUPPLY CHAIN

In order to ensure the quality of the Group's supply chain, we have a dedicated procurement and cost management department with more than 300 employees to manage and supervise the supply chain operation of the Group and our subsidiaries. We provide monthly in-house training sessions for our procurement officers to continuously improve their professionalism.

Supply chain risk assessment

We carry out plant inspections or organize business meetings, facilitating communications with the frontline employees and senior officers of new and existing suppliers and contractors to understand the supply status and product quality. We have conducted more than 8,939 supply chain site visits in 2021. We also engage a third-party independent agency to conduct external reviews on the Group's suppliers and contractors, including financial conditions, the proportion of customers' businesses, compliance and integrity records. Based on the above measures, we will establish corporate credit files for suppliers and contractors for management. The principals of our subsidiaries will report the on-site performance and fulfilment capabilities of suppliers and contractors to Group's headquarters every half month, and then the headquarters will assess and report the risks of the overall supply chain to the Sustainability Committee on a quarterly basis.

In addition, we conduct annual internal control audits on the Procurement and Cost Management Departments of the Group and Subsidiaries. The internal audit for 2021 covered five business processes, including inspection and selection of suppliers and contractors, procurement planning management, tender evaluation management, contracting process and performance assessment, rectification and improvement of which were completed during the Year.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

The performance rate of our engineering and construction contracts was 99.45% in 2021. The Group makes an annual investment of RMB1.5 million in supporting supply chain risk management activities to ensure a sustainable supply chain.

Selection of suppliers

We have adopted systems such as the Procurement Practices Management Policy (採購業務實現管理辦法), Practice Manual for Bidding and Evaluation (招評標實施指引), Selection Criteria for Professional Suppliers of Engineering Procurement (工程採購類專業入庫標準) to govern the procurement and bidding process in an impartial and fair manner, with an average of six supervisors for bidding activities, including managers and the management of the Group. During the Year, we conducted a total of 1,835 tendering and procurement activities.

In addition to certain technical and qualification requirements for our suppliers and contractors, construction contractors must be among the top 30 national business entities or the top 10 local professional entities with no less than three years of similar construction experience. We also give priority to enterprises certified as a green business, including those who own an environmental management system certification or products and projects satisfying certain environmental protection requirements. We also encourage suppliers and subcontractors to implement low-carbon productions and environmental-friendly operations.

Supplier Management

We conduct quarterly risk assessments of all suppliers and contractors of the Group in terms of their compliance, quality, safety, environmental protection and labour performance in accordance with the Operation Guidelines for the Management of Whole Process Assessment of Suppliers (供應商全過程評估管理作業指引). Based on the assessment results, we classify our suppliers and contractors into Class A, Class B and Class C to determine subsequent cooperation plans. The Group's headquarters and subsidiaries share the information about performance and business of the suppliers on a weekly basis. For suppliers with near-saturated production capacity or poor performance, the Group will suspend cooperation within a specified period of time, or even terminate the cooperation with those suppliers in serious violations, who will also be included to our blacklist. In 2021, 10 suppliers conducted the rectification for their violations as requested by the Group.

For each project, the Group regularly follows up the performance of suppliers and contractors, including dispatching our employees to conduct on-site supervisions on the production status in the supplier's facilities or construction site. For the same products and services, we will purchase from more than one supplier or contractor and identify primary and at least three back-up suppliers in the same region, so that we can instantly replace the suppliers in the event of an emergency to ensure no disruption in our business.

Our quarterly supplier questionnaires help us understand their opinions and needs to deepen our partnership.

In recent years, our rapid development also depends on high-level cooperation of the supply chain. We welcome qualified and seasoned suppliers to become our partners, and continue to recruit suppliers by sending email, WeChat public accounts, and other means, to work with us. As a result of our ongoing expansion, as of 31 December 2021, we had 3,485 suppliers nationwide, representing an increase of 62% as compared to last year.



ENVIRONMENT PROTECTION AND HARMONY



Surrounded by lucid waters and lush mountains. Exploring another possibility of a comfortable lifestyle.

ESG issues

- | | |
|--|---|
| 17 Environmental impact of construction | 23 Noise pollution |
| 18 Climate change | 24 Energy use |
| 19 Pollutants and greenhouse gas emissions | 25 Promotion of environmental awareness |
| 20 Waste disposal and management | 26 Use of water resources |
| 21 Green and local procurement | 27 Biodiversity |
| 22 Green building | |

ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Logan's Responses
17 Environmental impact of construction	Prior to commencement of any construction projects, the Group will appoint third-party experts, who shall ensure 100% of the items receive an environmental impact assessment, to assess the impact on the surrounding environment. In terms of environmental protection, the Group adopts the prefabricated construction that is superior to traditional construction, which improves production efficiency and building quality, reduces waste, and avoids noise and water pollution. In 2021, the Group applied the prefabricated construction and aluminum formwork construction technologies in 36 projects, with a total gross floor area of 9.1 million square meters.
18 Climate change	The Group provides the stakeholders with explanations as to climate-related financial impacts and our commensurate responses to assist them in making decisions from the perspective of "Governance", "Strategy", "Risk Management", and "Metrics and Targets" by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD). At the same time, in 2021, we conducted 285 flood control drills, 96 emergency response drills, 434 safety knowledge promotion sessions, 61,969 parking lot inspections, 96,455 security patrols, and 116 elevator rescue drills.
19 Pollutants and greenhouse gas emissions	The Group adopts control measures for construction site emissions and pollution, including targets for the type and quantity of pollutant emissions; and real-time monitoring tools for pollution sources, which requires immediate reports to be submitted where contractors exceed the prescribed standard. In addition, the emissions of the construction site shall be compared to the target, and projects pending improvement shall be followed up. Furthermore, the entities incompetent in prevention and control shall be reported, and construction site inspectors shall be assigned on a regular basis to ensure that there are no violations.
20 Waste disposal and management	Besides proper disposal of construction scraps during the construction process, the Group implements a number of waste reduction measures in the offices to reduce waste, including waste reduction at source and recycling.
21 Green and local procurement	Prior to purchasing materials, the Group conducts environmental testing and sets green procurement standards at the same time. In 2021, the total amount of our green procurement was approximately RMB798 million, representing an increase of 5% over last year, effectively promoting the practices of green consumption. In addition, we highly implement the local procurement policy as part of our endeavor to support local suppliers in China. Local suppliers in China account for 100% of the total number of our suppliers.
22 Green building	The Group is committed to constructing environmental buildings, and includes environmental protection and energy saving elements in planning and design. By the end of 2021, Logan has developed 189 green buildings with a total gross floor area of over 40 million square meters.

ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Logan's Responses
23 Noise pollution	The Group regulates noisy processes, with all construction activities carried out only during the daytime to prevent disturbance to residents, as well as with quieter construction machinery in use.
24 Energy use	The Group uses highly efficient construction equipment in combination with green building design and processes to minimize engineering resource consumption and pollution. Apart from use of energy-efficient office and operating equipment, we also require our employees to consume electricity wisely when using office equipment such as computers, lighting systems, air conditioners, and printers.
25 Promotion of environmental awareness	The Group starts to educate and promote the environmental awareness in such areas as daily operation, community building and volunteer services. In 2021, we held nearly 238 community environmental protection activities for residents and merchants, in which over 7,200 people participated, including children and teenagers, and were expected to carry on the concept of environmental protection.
26 Use of water resources	The Group adopts various measures, such as high-efficiency variable frequency water pumps, micro-sprinkler greening irrigation technology, water-saving sanitary ware, rainwater reuse system, and sponge city facilities, to reduce domestic water consumption and save approximately 10% of the total annual water consumption.
27 Biodiversity	Prior to commencement of any construction projects, the Group will appoint third-party experts to assess the impact on the surrounding environment. The assessment scope includes the natural habitat of animals. We are committed to maintaining biodiversity, and takes necessary measures to restore the affected ecological resources. To prevent the disappearance of biodiversity, forest resources shall be conserved to prevent desertification and land degradation.

ENVIRONMENT PROTECTION AND HARMONY

Logan Group is committed to becoming a leading green property developer in China. In addition to providing its customers with a highly premier and comfortable living environment, the Group strives to protect the environment. In strict compliance with the relevant laws and regulations on environmental protection formulated by national, provincial and municipal governments of the People's Republic of China, including the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), Law of People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法), Measures for Public Participation in Environmental Impact Assessment (環境影響評價公眾參與辦法), Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Environmental Tort Liability Disputes (2020 Amendment) (最高人民法院關於審理環境侵權責任糾紛案件適用法律若干問題的解釋(2020修正)), and Several Provisions of the Supreme People's Court on the Trial of Ecological Environmental Damage Compensation Cases (Trial) (2020 Amendment) (最高人民法院關於審理生態環境損害賠償案件的若干規定(試行)(2020修正)). Furthermore, we internally organize regular studies on the impact of the green principles under the Civil Code on environmental law, and practical discussions, so as to ensure that the Group strikes a balance between its development and environment in order to create a healthy and comfortable living environment for the next generation.

ENVIRONMENTAL PROTECTION TARGETS

In order to further promote the environmental performance of Logan, we have set environmental targets with the following achievements made by the Group in 2021:

Target	Status	Progress in 2021
Zero material environmental pollution throughout the Year	●●●	In 2021, no material environmental pollution and related complaints were identified.
	●●●Completed ●●○As scheduled ●○○Behind schedule	

OTHER ENVIRONMENTAL TARGETS:

Category	Target for 2025	Implementation plan
Energy consumption and corresponding GHG/air emissions	Intensity down 30% from 2020	<ol style="list-style-type: none"> 1. High-efficiency and energy-saving air conditioning systems, fans, transformers, elevators, etc. will be installed. 2. The external protection and thermal insulation system will be optimized. 3. On-site space will be utilized to set up green land. 4. Renewable energy will be used.
Water consumption and sewage discharge	Intensity down 10% from 2020	<ol style="list-style-type: none"> 1. Domestic water appliances rated at the level 2 and above in terms of water consumption efficiency are used to reduce water consumption. 2. The rainwater recovery system and reclaimed water system are installed to recycle water resources. 3. High-efficiency and energy-saving water pumps are installed to reduce loss. 4. Green irrigation adopts water-saving irrigation techniques such as micro-sprinkler irrigation.
Waste generation	Intensity down 8% from 2020	<ol style="list-style-type: none"> 1. Green building materials are selected. 2. Recyclable materials, reusable materials and waste building materials are selected. 3. Garbage sorting and collection sites are established properly, and domestic waste is classified according to hazardous waste, perishable waste, recyclable waste, and others. 4. Effective work on publicity and education about waste classification and collection and its implementation shall be carried out.

ENVIRONMENT PROTECTION AND HARMONY

In response to the national call for carbon emission reduction and to support the carbon neutrality 2060 policy, the Group proactively explores feasible mid-term and long-term targets for carbon emissions reduction and formulates specific plans to assist us in achieving the emission reduction targets. In achieving the ESG objectives, we vigorously promote the implementation of the smart construction site platform, which realizes digitization, visualization, and intelligence of environmental monitoring at construction sites so as to achieve automatic detection, and automatic warning in case that the emissions threshold is exceeded.

GREEN FINANCE

During the year, in accordance with ICMA Green Bond Principles, we formulated a “Green Bond Framework” to establish a detailed green bond issuance plan, laying the foundation for future issuance. This framework helps us promote the sustainable development of green properties and supports our commitment to sustainable development.



About ICMA

International Capital Market Association (ICMA) is a non-profit association and headquartered in Zurich, with offices in London, Paris, Brussels and Hong Kong. ICMA is committed to providing its members that are active in the international debt capital markets with services.

ICMA's objectives are:

- To promote amicable relations among members, to provide a basis for joint consideration and discussion of issues pertaining to international capital and securities markets, and to issue rules and make recommendations on their operation; and
- to provide services and assistance to participants in the international capital and securities markets.

In pursuit of its objectives, ICMA brings together members through regional and sectoral committees focusing on a comprehensive range of market practice and regulatory issues, prioritizing sustainable finance and four core fixed income market areas: primary; secondary; repo and collateral.

ICMA currently has over 610 members active in all segments of international debt capital markets for sellers and buyers in 65 jurisdictions globally. Among our members are private and public sector issuers, banks and securities dealers, asset and fund managers and other investors, insurance companies, capital market infrastructure providers, central banks, and law firms.

Green Bond Principles

The Green Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The Green Bond Principles recommend a clear process and disclosure for bond issuance, which investors, banks, underwriters, arrangers, placement agents and others may use to understand the characteristics of any given Green Bond.

ENVIRONMENT PROTECTION AND HARMONY

Our “Green Bond Framework” contains four components:

<p>Use of proceeds</p>	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond for eligible Green Projects. All designated eligible Green Projects should provide clear environmental benefits.</p>	<p>Set out below are our eligible green building projects.</p> <p>Green buildings SDG 9, 11, 13</p> <p>New or existing residential or commercial buildings that are acquired, constructed, renovated and managed have achieved or are expected to achieve green building certification</p> <p>Renewable energy SDG 7</p> <p>Renewable energy power generation is installed, such as photovoltaic systems</p> <p>Water management SDG 6</p> <p>Rainwater recovery systems are installed</p> <p>Transportation vehicles SDG 9</p> <p>Installation, operation and maintenance of electric vehicle charging stations and zero-emission personal mobility devices</p>
<p>Process for project evaluation and selection</p>	<p>The issuer of a Green Bond should clarify which are environmental sustainability objectives of the projects; the process by which such issuer determines how the projects fit within the eligible Green Projects categories; and the processes by which such issuer identifies and manages social and environmental risks associated with the relevant project(s).</p>	<p>Our Sustainability Committee will manage the process of identifying and evaluating potential eligible green assets. We will strive to ensure that all eligible green assets comply with international and national standards, as well as local laws and regulations.</p> <p>The Sustainability Committee will meet annually to reassess and review relevant green projects.</p>
<p>Management of proceeds</p>	<p>The proceeds of the Green Bond should be tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible Green Projects.</p>	<p>Net proceeds from the green bond issuance will be managed through an investment portfolio. We will establish an operations team that will report to the Sustainability Committee. The operations team will build a green asset portfolio and track the distribution of net green bond proceeds to eligible green assets.</p>
<p>Reporting</p>	<p>Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation of such proceeds, and on a timely basis in case of material developments.</p>	<p>We publish a transparent green bond report every year until the green bond is allocated. The report is based on our green asset portfolio and outstanding green bonds. The report will be made public on our website. For details, please visit http://www.loganestate.com/html/ir.php</p>

ENVIRONMENT PROTECTION AND HARMONY

Details of the green bond issuance are set out as follows:

Issued in: July 2021

Amount: US\$300 million

Interest: 4.7% per annum

Duration: 5 years

We expect that the issuance of green bonds will bring to the Group the fund required in launching more green building projects.



“Six Dimensions Evaluation” Green Development Award for Listed Real Estate Companies in China



ENVIRONMENT PROTECTION AND HARMONY

GOVERNANCE ON GREEN BUILDINGS

The Group's Sustainability Committee guides the construction departments of the headquarters and subsidiaries in the management of green buildings, building emissions, environmental protection objectives, etc. The Group has a total of nearly 800 specialists related to green environmental protection, who are jointly responsible for overseeing project planning and emissions of works. Through continuous learning, improvement and enhancement, the Group never stops promoting the development of green buildings.

Benchmark against regulatory requirement	We benchmark ourselves against more than 30 national and provincial standards and regulations for construction design. In accordance with national environmental protection standards, the Group sets targets for the lighting, ventilation, energy and water conservation of buildings.
Benchmark against market standard	We review the green building certifications in the market, including the national Green Building Evaluation Standard, Leadership in Energy and Environmental Design (LEED), WELL Building Standard and BEAM Plus, etc., with an aim to understanding the standards and concerns on certification.
Benchmark against outstanding case	Our design team researches and studies outstanding green building cases in the industry on an annual basis by conducting investigations into the latest green building technologies and development trends, in order to inject new green building elements into new projects of the Group.

We refer to the latest national and regional green and high-quality building standards, including and not limited to:

- Technical Guidance for Green Building (綠色建築技術導則)
- Evaluation Standard of Green Building (綠色建築評價標準)
- Regulations of the Shenzhen Special Economic Zone on the Energy Saving for Buildings (深圳經濟特區建築節能條例)
- Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zone (夏熱冬暖地區居住建築節能設計標準)
- Technical Specifications for the Application of Solar Energy Systems to Civil Building (民用建築太陽能系統應用技術規範)
- National Water Saving Action Plan (國家節水行動方案)
- National Integrated Wastewater Discharge Standard (國家污水綜合排放標準)
- Design Specifications for Water Supply and Drainage Engineering Structures (給水排水工程構築物結構設計規範)
- Standard of Environmental Noise (環境噪聲標準)
- Emission Standard of Air Pollutants (大氣污染物排放標準)
- Prefabricated Construction Evaluation Standards (裝配式建築評價標準)

ENVIRONMENT PROTECTION AND HARMONY

GREEN CITIES

The Logan Group is a vital contributor to the construction of green cities over the Years and is committed to achieving perfect integration of green technology with society, environment, and humanities.



Sponge City and Community park (Logan-TianYing (龍光•天瀛) as a case study)



Sponge city is a new concept of rain flood management for modern cities, meaning that cities are as elastic as sponges and can absorb, store, and purify rainwater. When necessary, the stored water sources will be discharged and used. As the green area in the metropolitan city, the community park plays an important role in improving the natural environment and landscape and protecting the ecological balance of the city. Moreover, it also provides residents with a green avenue for recreation, environmental protection and science education.

In Logan-TianYing (龍光•天瀛), various technical measures including emissions reduction at source, process control and terminal regulation, which can compensate for the shortcomings of the traditional rainwater system, are adopted to achieve the utilization of rainwater, reduction of external discharge and reduction of diffused pollution. In addition, the sponge facilities are organically integrated with the internal landscape infrastructure of the property to realize rainwater absorption and purification, without affecting the landscape quality. Furthermore, technical measures and materials that are low in construction cost, easy to operate and maintain, environmentally friendly and land-saving, are adopted to reduce construction and operation costs in the context of rational use of topography and scientific pipeline networking.

- Total catchment area: 46,944.88 square meters
- Water storage capacity of sponge facility: 725.33 cubic meters
- Control rate of total annual runoff: 80.15%
- Pollutant reduction rate: 67.49%

As for the design of the green-land square of the municipal corner park, we took into account the topography for reasonable planning and design, and selected native plants with greater salinity tolerance, flood resistance and pollution resistance according to the soil and moisture conditions of such region, with an aim to create a vibrant, ecological and organic corner neighborhood park. The property is a typical case of community parks.

ENVIRONMENT PROTECTION AND HARMONY

Green building

We are committed to delivering environmental buildings, and incorporating various environmental and energy-saving elements to building planning and designs to create healthy and comfortable human habitation. By the end of 2021, Logan accumulatively developed green buildings with a total gross floor area of over 40 million square meters. Among which, the national green building projects with two stars and above amounted to 16.34 million square meters.

Green building environmental protection goals:

Target	Status	Progress in 2021
100% of the new projects meet the green building design requirements for land transfer	●●●	100% of new projects in 2021 met the green design requirements for land transfer
All of our residential products are required to meet the requirements of green buildings with at least one star, and high-end projects strive to meet the requirements for green buildings with two stars and above	●●●	With effect from 2021, all projects will meet the one-star green building requirements

●●● Completed

●●○ As scheduled

●○○ Behind the schedule

ENVIRONMENT PROTECTION AND HARMONY

Green building projects in 2021



Oujiangkou Blue Whale World (甌江口藍鯨世界) in Wenzhou



Starting from the goals of safety and durability, health and comfort, community convenience, resource conservation and livability, Oujiangkou Blue Whale World (甌江口藍鯨世界) in Wenzhou coordinates the relationship between building development and environmental protection by implementing the concept of green buildings in the whole process of planning, building and construction, thereby achieving the three-star green building target.

Green technologies are adopted, including air source heat pump system, first-class water-saving appliances, sound insulation floor, sound insulation glass, indoor air quality monitoring system, water-saving micro-sprinkler irrigation technology, prefabrication, building energy management system, green building materials, and BIM design, so as to practice the concept of health, comfort, and harmonious coexistence with nature. These efforts also help achieve the national dual carbon goal.



Shenzhen Guangming Auspice Mansion (深圳光明玖瑞府)



The two-star green goal is achieved by adopting green technologies such as fine decoration, secondary water-saving appliances, prefabrication, green building materials, BIM design and smart city data sharing platform. Green roofs in combination with a landscape design will reduce the rainwater runoff at source, and excessive rainwater on the roof overflows to the scattered concave green land to maximize the absorption of rainwater at the site. In addition, the concave green land is a grass-type sponge with multiple functions, such as rest, activities, and landscape, to establish the lawn in the sunlight. At the same time, it can effectively adjust the microclimate of the site and create a comfortable and healthy living environment.



Lingang Sirius (臨港天曜) in Shanghai



The project enjoys a prime location, as transportation is easily accessible and multiple municipal transportation stations are within a short distance. It adopts a variety of decoration materials that meet the current national green product evaluation standards, high-standard sound insulation enclosure components, energy-saving elevators and other measures to meet the two-star green building requirements.

To achieve the building energy saving rate of 80%, the outer protection adopts the integrated silicene exterior wall insulation, and polyurethane double-silver low-e glass (using three layer glass filled with argon to create dual hollow) to achieve good thermal performance and high air tightness, while the fresh air heat recovery technology is also adopted using renewable energy such as solar energy. As a result, residents are provided with an ecofriendly and comfortable living environment, which is also in compliance with the national call for the sustainable development strategy.



Cloud Valley (雲創谷)



The cutting-edge construction technologies and techniques have maximized energy conservation, consumption reduction and environmental protection. Among which, the project is installed with a photovoltaic system as a renewable energy source for public lighting in commercial and office areas, the basement and ancillary areas. The annual capacity is nearly 600,000 kWh, which has been highly recognized by the market.

ENVIRONMENT PROTECTION AND HARMONY

The green building design used in the project satisfies the national and provincial green building evaluation standards, including but not limit to:

Ventilation	<p>The structure pattern is designed based on wind direction, exchanging indoor air twice per hour.</p> <p>The ventilation system of the underground parking lot is automatically activated based on the density of carbon dioxide.</p>
Light	<p>A y-shaped design is conducive for 360-degree natural lighting.</p> <p>The visible light reflection ratio of glass curtain walls is not more than 0.2, reducing light pollution.</p>
Sound	<p>The weighted transmission loss of airborne sound is stabilized at 30dB by virtue of topography, boundary walls, green plants and insulating glass which effectively shields the noise.</p> <p>Reinforced concrete, soundproof mortar and floor tiles are adopted for improving the soundproof efficiency.</p>
Space	<p>The plot ratio ranges from 1 to 6 for living comfort</p>
Temperature	<p>The window area is not less than 10% of room area, for the purpose of natural convection and temperature adjustment.</p> <p>Heat-absorbing glass, and insulation exterior wall and roof are installed.</p>
Greening	<p>The landscaped areas with a vegetative cover and over 30 types of plants are positioned, the area of which account for 30–50% of the project area.</p> <p>Negative oxygen ion content in the landscaped area is 400–600/cubic centimeters</p>
Environmental protection	<p>Solar panels and low-emissivity glass are equipped.</p> <p>Non-hazardous and recyclable construction materials are used.</p> <p>High-efficiency energy-saving and water-saving devices are installed to count water and electricity consumption.</p>
Intelligence	<p>Our intelligent building management system is installed to automatically control air-conditioners and curtains according to weather data.</p> <p>Corridors, stairwells, entrance halls and other places are installed with contactless lighting systems that are a timer, infrared, or radar-driven design.</p>

ENVIRONMENT PROTECTION AND HARMONY



Nanning Cloud Valley (南寧雲創谷)

Nanning Cloud Valley, which is located in Guangxi and covers an area of over 26,000 square meters, is part of the Group's three-star green building projects. Nanning Cloud Valley is installed with a photovoltaic system as a renewable energy source for public lighting in commercial and office areas, the basement and ancillary areas of the project. This project has a total of 991 monocrystalline/photovoltaic panels and 571 photovoltaic films, with an annual photovoltaic capacity of approximately 598,000 kWh.



Rainwater recovery system



Solar water heating system

Our energy conservation and water saving facilities include a photovoltaic power generation system, solar water heating system, air source heat pump system, rainwater recovery system, unpowered micro-domestic wastewater treatment plant, etc. Set out below are some of our projects:

- Nanning Glory City (南寧玖譽城)
- Nanning Masterpiece (南寧玖雲著)
- Nanning Acesite One (南寧玖譽灣)
- Huizhou Logan City (惠州龍光城)
- Huizhou Acesite Mount Garden (惠州玖龍山花園)
- Suzhou Acesite One (蘇州玖譽灣)
- Jiashan Acesite Bay (嘉善玖龍灣)
- Xitang Jiangnan Royal City (西塘江南大境)
- Kunshan Waves Garden (昆山花溪瀾園)

Green building design fulfills consumers' higher expectations for living quality and environment protection. Logan Group is committed to applying more new technologies in the construction field so as to bring more high-quality green construction products to customers, leading to transformation and upgrade of living styles.

ENVIRONMENT PROTECTION AND HARMONY

GREEN CONSTRUCTION

We stress great importance to the impacts of the real estate business on the surrounding environment and natural resources. Under the development principle of green production, we consider environmental protection in every process of its production chain and seeks to achieve the ultimate purposes, including energy conservation, water saving, material efficiency, emissions reduction, and harmonious coexistence with the environment.

Each project will specify the obligations of the Group and the contractors on energy conservation and emission reduction. The contractor shall ensure the compliance measures on emission reduction and environmental protection before the commencement of construction, and the project leader shall report to the project management center on emission and resource utilization on a monthly basis to ensure the Group's environmental objectives are reached.

We also developed our internal policies such as the Pollutant Management Policy (污染物管理制度), Waste Management Policy (廢棄物管理制度) and Energy and Water Resources Management Policy (能源及水資源管理制度), which must be strictly observed by the employees of the Group and its subsidiaries. We require contractors to comply with the contractual requirements, Code of Conduct for Supplier (供應商守則) and the above policies, as well as the Group's guidelines on energy conservation, emission reduction and environmental compliance. The Group will monitor the environmental performance at the site and incorporate the indicators into the performance evaluation of the relevant parties.

Environmental impacts of construction projects

As our construction projects will generate certain emissions and pollution, prior to commencement of any construction projects, we will appoint the third-party experts to perform an assessment of environmental impact on the surrounding area. Such assessment shall cover the natural habitats of animals, water contamination, soil pollution, and disturbance against residents in the neighborhood.

Based on the findings derived from the environmental impact assessment, we would take appropriate responsive measures and formulate an environmental protection scheme at the construction planning stage to mitigate negative impacts brought by construction projects on the neighboring environment.

The Group specifies in contracts the environmental protection requirements of construction sites, pursuant to which, all construction entities are required to protect and improve the environmental quality, rationalize the development and utilization of natural resources, and reduce or eliminate the entry of harmful substances into the environment, so that human bodies are kept from genetic mutation and degradation under the influence of environmental pollution. Furthermore, to preserve biodiversity, we take necessary measures to restore and rebuild the affected ecological resources.

ENVIRONMENT PROTECTION AND HARMONY



Prefabricated Building Case

The prefabricated building technology refers to the unified planning and design for structural components. First, building structural components are molded within the factory for production and assembly, and transported to construction sites for installation upon completion.

Over the course of construction, as compared to traditional cast-in-place building, prefabricated building applies dry construction, which significantly reduces nearly 30% amounts of sand, mud, and lime on site. The reduction of construction processes also prevents noise, dust, and water pollution. In addition, these unified structural components designed for prefabricated building ensure that such components are more efficient and precise than traditional building in terms of installation and structure, which also effectively reduces the potential water seepage and cracks. As a result, building quality is improved and the consumer interests are protected.

- Application of prefabricated and aluminum form building technology in 2021:
 - 36 projects (up 5 from 2020)
 - Total GFA of 9.1 million square meters (up nearly 4 million square meters from 2020)
- Estimated 5% reduction in internal emissions/construction waste

Our Shenzhen Logan Jiulin Business Center Project (Xili) and Acesite Mansion Project (Shahu) both adopted the Building Information Modeling (BIM) and prefabricated construction technologies, improving the construction efficiency and quality, while reducing waste and carbon emissions. Following the expert review, the Technical Confirmation issued by the Promotion Center of the Shenzhen Housing and Construction Bureau confirms that the project is in compliance with the requirements pertaining to prefabricated building in Shenzhen. In addition, this project also received positive responses in the market.

Our prefabricated construction technology is also applied to No. 1 School, No. 2 School, No. 3 School, Senior High School, Beisi Kindergarten and other supporting schools in Huizhou Logan City, improving the construction quality and seismic performance of the schools and their safety. As a result, we received the "Preliminary Evaluation on the Design Phase of Prefabricated Building Project in Huizhou" (惠州市裝配式建築項目設計階段預評價意見書) by Huizhou Daya Bay Housing and Urban-rural Development Bureau in 2021. Our project is the first public building to receive such evaluation in Huizhou Daya Bay District, which is also well received in Huizhou.



Shenzhen Logan Jiulin Business Center



Huizhou Logan City School

ENVIRONMENT PROTECTION AND HARMONY

Emissions and pollutants management

To mitigate the damages from the spread and leakage of emissions and pollutants, we implement a series of emissions reduction measures that aim to reduce emissions and prevent them from spreading to and affecting the surroundings in an all-round manner, while covering the source of emissions, the construction process and the post-construction stage. Our measures to control the site emissions and pollutants include:

- set targets for the type and quantity of the pollutants to be emitted
- Set up a real-time tool for monitoring pollution sources, by which a timely report shall be submitted where any discharge exceeds the standard amount
- conduct analysis through comparing the emission at the sites with targets, follow up on projects that need improvement and make reports in respect of entities that do not carry out adequate control
- regularly assign personnel to the construction sites for inspection to ensure no non-compliance matter is occurred

 <p>Air emissions and dust</p>	<ul style="list-style-type: none"> • The “Measures for the Prevention and Control of Dust Pollution in Real Estate Construction Projects” is formulated, whereby specifying the responsibilities of the construction unit and the supervision unit, while providing contractors with dust control guidelines; • Ready-mixed concrete and ready-mixed mortar is used to reduce sand and gravel on site; • For all our development projects, the construction entity hardens the ground of construction sites and covers the dust sources; • All construction sites are equipped with mist sprayers and dust suppression systems as well as vehicle washing facilities for regular sprinkling and washing; • Hygiene management staff is deployed at each construction site to clean up the floating soil and ash accumulated on the roads, storage yards and gateways; • Automatic monitoring equipment must be installed on construction sites to monitor the dust situation in real time; • Supervisors regularly review the dust prevention and control work, and report the unit with poor control work; • All projects are equipped with automatic dust monitoring devices to realize automatic detection of dust and automatic dust suppression when exceeding the standard.
 <p>Sewage</p>	<ul style="list-style-type: none"> • We plan pipeline routes to prevent secondary pollution; • We collect sewage that has been used and flow it into sedimentation tanks for filtration before discharge.
 <p>Construction waste</p>	<ul style="list-style-type: none"> • We review the engineering drawings to reduce the construction wastes caused by construction demolition at later stages as a result of the defects in drawings; • Construction wastes are sorted out and stacked separately, and delivery records are kept for easy track of the wastes; • We deliver hazardous wastes to qualified waste disposal companies to ensure the wastes are destroyed and disposed of in a compliant manner; • Construction wastes (including waste bricks, concrete block, fly ashes) are reprocessed as building blocks for the construction of the building wall to reduce the wastes and save the raw materials.
 <p>Noise</p>	<ul style="list-style-type: none"> • The procedures which generate considerable noise are regulated. Construction of all projects is only carried out during the daytime to avoid disturbing residents in the surrounding areas; • We use low-noise construction machinery in compliance with the required standards; • Construction sites are equipped with sound insulation equipment to effectively reduce the noise in the nearby community.

ENVIRONMENT PROTECTION AND HARMONY

The Group establishes whistleblowing channels at construction sites, while related posters are placed outside the site office and the peripherals of construction sites, allowing our employees, contractors and the public to report any non-compliance incidents. The whistleblowing contents which are kept confidential will be submitted to the audit office.

Use of Engineering Resources

We adopt environmental-friendly and high-performance construction equipment with green building design and procedures to minimize engineering resource consumption and pollution. Since electricity is our most frequently consumed energy source, we pay close attention to saving electricity. Measures of which are as follows:

- Replacing old high-power consumption equipment with the latest low-power consumption equipment;
- Installing LED lights or energy-saving tubes for indoor areas, and using non-iodine tungsten floodlights in outdoor areas;
- Setting up lighting fixtures with sound and light control and timing function at the construction site or public venues;
- Using renewable energy extensively, including solar street lights and solar water heaters.

The project site uses municipal water supply, so there are no difficulties related to water extraction. We actively implement various water conservation plans, for example:

- Collecting and filtering construction wastewater, rainwater and domestic sewage through sewage sedimentation tank at project site, and recycling it for vehicle cleaning and spraying to reduce dust;
- Using water-saving guns when flushing;
- Regularly conducting leak inspections on the water pipes for timely maintenance.

ENVIRONMENT PROTECTION AND HARMONY

Finely decorated residences

In recent years, we have significantly increased the proportion of finely decorated residences, and provided different decoration solutions for property owners to choose based on market research, which is conducive to consolidating resources, and reducing the waste of materials caused by the property owners' own decoration. This further maximizes efficient use of resources. To improve the quality of decoration, we also take into account the environmental, safety and quality in our decoration design, including the installation of energy-saving luminaires and durable appliances, the use of flame retardant materials and the design in compliance with fire protection requirements.



Logan Fairyland Hanjiang Mansion (天鏡翰江府) Project (41 mu of land in Chancheng) in Foshan



When delivered to the owner, the fully outfitted housing unit is comprised of a central air conditioning system, a kitchen appliances package (range hood, stove, and dishwasher), a bathroom suite (washbasin, toilet, and shower set), TV background wall, entryway cabinets, and wardrobes, and therefore minimized materials waste caused by the owner's own outfitting work and efficiently integrating resources.



One Splendid Park (錦綉公園壹號) Project in Shenzhen



The project adopts smart home kits, which is comprised of smart peephole, wireless body detectors, wireless flood detectors, indoor air quality monitor, smart electromagnetic water valves, and smart curtains, as well as other new smart gadgets, including the installation of energy-efficient lamps and durable appliances. In addition, flame-resistant and flame-retardant materials are adopted, and the structural design is in line with fire protection requirements. The outfitting quality and dwelling experience are further improved.

ENVIRONMENT PROTECTION AND HARMONY

GREEN OPERATION

We are motivated to promote green offices. Besides using resources efficiently, it also brings economic benefits to the Group.

Office Waste

We adopt various waste reduction measures in the office to reduce waste, including waste reduction at source and recycling. Waste paper recycling bins are placed in our offices for collection of waste paper which will then be sent to qualified recyclers. A single-sided paper recycling bin is also set next to the printer to collect single-sided used paper for secondary printing of non-classified documents. We advocate double-sided printing and prioritize the use of large-capacity printers that can add toners repeatedly to reduce waste toner cartridges. Each department must report the number of stationery in advance for each month, and set a reasonable usage of stationery to further reduce waste.

Use of office resources

We regularly review the use of resources and formulate improvement plans and measures. We prefer the use of energy-efficient office and operating equipment, which can both improve our environmental performance and save costs. We have established the "Management Policy on Office Environment" (辦公環境管理制度) to encourage our staff to make the best use of office resources. The administrative department of the Group oversees the use and maintenance of the Company's water, electricity, air conditioning and machinery. All staff are obliged to consciously cherish resources of the Company. We have also installed electricity and water meters to facilitate monitoring of electricity and water consumption for further improvement.

Our staff need to pay attention to electricity consumption of office equipment such as computers, lighting systems, air conditioners, photocopiers, etc., and turn off the equipment when idle. Air-conditioning cooling is set between 23°C and 25°C, and can only be turned on above 28°C in summer, while warm air heating can only be used below 10°C in winter. The Group will regularly conduct office equipment maintenance to improve the efficient use of resources. Furthermore, water-saving faucets and toilets are installed with a timed flushing system, which shut down after 10 o'clock every night. Meanwhile our staff are encouraged to collect and reuse domestic sewage to reduce wasted water.

Promotion of external environment projects

The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis, and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work.

Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation managers of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants.

The Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental awareness. To carry on environmental protection, we also organized nearly 238 sessions of environmental activities for residents and merchants in communities in 2021, attracting over 7,200 participants, including children and teenagers.

ENVIRONMENT PROTECTION AND HARMONY



Coastal wetland protection activities at Baisha Bay in Baguang, Dapeng New District

On 25 December 2021, the Party Committee of the Logan Group, the Logan Charity Fund and Shenzhen Spring Environmental Protection Volunteers Association led a group of volunteers from Logan Group in coastal wetland protection activities at Baisha Bay in Baguang, Dapeng New District for a special holiday. To understand biodiversity, the instructor introduced the volunteers to plants such as silverleaf tree and autumn eggplant, as well as mudskippers, fiddler crabs and other creatures in the mudflat of the intertidal zone. Subsequently, they tried their best together to clean up the beach and collect drifting garbage, so as to improve the growing environment for the mangrove.



Green building improvement plan for existing properties

Driven by the “dual carbon” goal, we gradually carried out energy-efficient and consumption-reducing transformation of the projects we have taken over, and optimized their management.

In 2021, we implemented energy conservation and consumption reduction measures to improve 20 residential projects in 6 cities. For Chengdu Xinjin Acesite Park, the non-negative pressure water supply transformation project was completed, and transformation of 8,212 radar sensor lights in underground garages took place at Guangzhou Landscape Residence, Guangzhou Palm Waterfront, Zhuhai Acesite Lake and other projects. The central air-conditioning in the public area of 5 projects including Shenzhen Acesite Mansion, Shenzhen Carat Complex, and Shantou East Coast adopts intelligent control measures, such as time control/temperature control, enabling the Company to save an electricity bill of RMB2.3 million throughout the year.

ENVIRONMENT PROTECTION AND HARMONY

Commercially, the Group has incorporated green building design into the project at the beginning of the planning. Currently, Nanning Logan Century (南寧龍光世紀) has obtained a two-star green building certification with outstanding performance in terms of land conservation, energy saving, water saving, material saving, indoor and outdoor environmental quality and operational management. Nanning Logan Century (南寧龍光世紀) adopts a ventilation and sunshade design to minimize the direct sunlight to reduce the solar radiation effect, and is equipped with solar collectors and products with less electricity and water consumption. The Group is in the process of promoting the green operation of investment properties, including the introduction of the Green Lease Agreement and other commercial measures to encourage and enhance tenants' environmental awareness. The Group will also organize more activities on environmental protection, ecological protection and climate changes to promote tenants and customers to practice green living.

Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to the environmental protection of construction sites and operations during the Reporting Period.

GREEN AND LOCAL PROCUREMENT

We conduct environmental testing on materials prior to purchase by comparing sources of different materials, environmental protection ingredients, environmental protection effects, etc. Our green procurement standard is to purchase the construction materials and equipment that can be recycled, manufactured from recycled materials and meet the higher energy and water efficiency requirements, with less emission of irritating or toxic substances. Depending on the needs of each project, we will specify the required technical specifications for environmental protection, such as designated procurement of primary energy-saving and water-saving appliances. In 2021, our green procurement in a total amount of approximately RMB798 million, recorded a 5% year-on-year increase, effectively driving green consumption trends.

Moreover, we consider prioritizing local procurements without affecting the quality of our products, fairness of procurement and qualifications, and proactively provide support to the relevant industries through our procurement activities, so as to drive economic activities and create local employment opportunities. We have a good performance in implementing local procurement policies, and provide our strong support for the suppliers in the PRC. 100% of our suppliers are located in the PRC.

In addition, our procurement department also participates in the product design process by our project department, and actively promotes and applies green and energy-saving products to our development projects.

ENVIRONMENT PROTECTION AND HARMONY

COMBATING CLIMATE CHANGE

With intensified climate change causing irreversible impacts on the earth's ecology, we will further make changes to accommodate home buyers' residential needs in the future when facing rising temperatures, frequent extreme weather, and changing population distribution and living conditions. We have continuously reviewed the direct and indirect impacts of climate change on us, and assessed the risks to prepare in advance for climate change.

We have considered the impacts of climate change in our daily operations and our property management teams always stand by to protect the safety of residents and the public as soon as possible under extreme weather conditions, including making warnings and reminders, managing the community and arranging protective equipment, such as sandbags, canvas, etc., to reduce the danger and damage caused by severe storms or flood. Through community activities, we promote the awareness of environmental protection and adaptation to climate change.

Flood-proofing safety drills

All communities in Logan Group received various forms of flood-proofing safety drills, including filling sandbags, testing sewage pumps, clearing rainwater wells, checking lightning protection devices, detecting the risks of falling objects, testing the park route, reinforcing trees and street lights, learning techniques in response to flooded underground parking lot, falling objects and flooded elevators.

In accordance with the contingency plan, the emergency response team will arrive at the site promptly before the rainstorm or typhoon to check the working conditions of wells and water pumps and detect the risks of falling objects. Moreover, the team will also move sandbags nearby to the elevators, lobbies and parking lot and stack them like a "spread-eagle". Furthermore, they will assemble flood barriers to avoid the influx of rainwater, and the medical team will stand by for any necessary rescue.

Greenhouse Gas

Based on the above measures, we make good use of resources to reduce unnecessary waste, so that we can still effectively manage our greenhouse gas emissions in the context of our business expansion. We will implement more measures for energy saving and emission reduction in the future, which will further reduce greenhouse gas emissions and promote sustainable development.

Recommendation by Task Force on Climate-related Financial Disclosures

We explain to the stakeholders climate-related financial impacts and our commensurate responses to assist them in making decisions from the perspective of "Governance", "Strategy", "Risk Management", and "Metrics and Targets" by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD).

ENVIRONMENT PROTECTION AND HARMONY

<p>Governance — Governance around climate-related risks and opportunities</p>	<p>The Chairman of the Board is also the Chairman of the Sustainability Committee and reports to the Board of Directors. The committee will regularly review the information regarding the ESG reports, as well as the Group’s sustainable development issues and strategies, to formulate medium-term and long-term development policies. It will also supervise the Sustainability Working Group and business departments.</p> <p>The Sustainability Working Group is composed of dedicated personnel and external professional consultants of the Operation Center, who reports to the committee. The working group will coordinate business departments to implement sustainable development strategies and policies.</p>
<p>Strategy — Countermeasures for climate-related risks and opportunities</p>	<p>We are constantly aware of the potential financial impact of climate-related risks, while exploring related opportunities. When implementing our business and sustainable development strategies, the Group takes into account climate-related risks and opportunities.</p> <p>We actively secure green certifications for all buildings, and prioritize green and climate-resilient building designs for new construction projects. We will also update the facilities of existing buildings and incorporate green building elements to achieve our green building objectives.</p> <p>We have formulated policies related to sustainable development to motivate the Group and other stakeholders to jointly implement the green operation policy. Policies include “Green Lease Charter”, “Supplier Code”, and “Energy and Water Management System”.</p>

Risk Management — Management of climate-related risks

Physical risks

Categories	Description	Risk events and financial implications
Immediate risks	A single extreme weather event due to climate change may impact operations of the Company.	<p>Extreme weather conditions</p> <p>Extreme weather conditions including typhoons and floods may damage properties, physical assets, and even lives and property, in addition to higher maintenance costs, materials procurement costs, and liability-related costs. Furthermore, revenue will decrease if operations for a prospective business ceases.</p>

ENVIRONMENT PROTECTION AND HARMONY

Transition risks

Categories	Description	Risk events and financial implications
Policy and regulatory risks	<p>Policies related to climate change may limit any action that could exacerbate climate change, or facilitate climate change and adaptation.</p> <p>The Company's operating policy will be affected by relevant policies, and non-compliance will increase the risk of litigation.</p>	<p>Carbon pricing</p> <p>Markets where the business operates may impose carbon pricing due to policies, which will increase overall operating costs.</p> <p>Building rules and guidelines</p> <p>The government may tighten building energy codes and guidelines to regulate highly polluting projects in the industry and promote green buildings. The move will increase overall operating costs to comply with regulations.</p>
Market risks and Reputation risks	<p>The Company's goodwill will be affected if the market's expectations on climate-related issues differ from the Company's approach.</p>	<p>Investors</p> <p>Investors' demand for sustainability investment has increased, and there are more options for green bonds and green investment products. As a result, we are in a better position to gain access to green funds.</p> <p>Customers</p> <p>In the midst of the growing market demand for green buildings, customers are more inclined to set up offices in green buildings in order to achieve their sustainability goals. The move will boost earnings.</p>
Technical risks	<p>Improvements and innovations of green technologies will drive benefits, uncertainties of which will, however, bring risks. Technology transfer within a company also increases risk.</p>	<p>Environmental-friendly materials</p> <p>The use of environmental materials will increase the overall procurement cost.</p> <p>Energy</p> <p>Research into renewable energy will increase investment costs, and the transition to more renewable energy will also put pressure on existing systems.</p>

ENVIRONMENT PROTECTION AND HARMONY

Metrics and Targets — Metrics and targets used to assess and manage climate-related risks and opportunities facing the Logan Group

Referring to earlier sections, Logan has established targets for certain environmental metrics and is developing a comprehensive mechanism to identify and constantly monitor other financial metrics related to climate-related risks.

ENVIRONMENT PROTECTION AND HARMONY

PROMOTION OF ENVIRONMENTAL PROTECTION AWARENESS

Aiming to promote the public awareness of environment protection and encourage the communities to make contribution to a better environment, the Group makes great efforts to promote environmental education and campaigns by daily operation, community building and voluntary services.

Daily operation	<p>The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work.</p>
Facilities construction	<p>Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation management staff of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants.</p>
Community activities	<p>The Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental protection awareness. To carry on environmental protection, we also organized nearly 238 sessions of environmental protection activities for residents and merchants in communities in 2021, in which over 7,200 people participated, including children and teenagers.</p>
Voluntary service	<p>Our volunteers launch public welfare activities for environment protection on an annual basis. In recent years, exotic plants that lack natural enemies have become a major threat to domestic species diversity, and these plants are also known as “green monsters”. In 2021, the Logan Charity Fund (龍光慈善基金會) has jointly sponsored a public welfare campaign named “Green Monster Hunt” (打綠怪) with the Mangrove Wetlands Conservation Foundation (MCF), where the Logan volunteers and their families went to the Mangrove Nature Reserve in Futian District to carry out weeding operations to safeguard biodiversity, so that better protection is given to the home of migratory birds.</p> <p>In December the same year, the Logan Charity Fund and Shenzhen Spring Environmental Protection Volunteers Association led a group of volunteers from Logan Group in coastal wetland protection activities at Baisha Bay in Baguang, Dapeng New District.</p>

ENVIRONMENT PROTECTION AND HARMONY



2021 Green Innovation Property Developer





COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Cherishing a sincere original aspiration at heart and keeping our own mission in mind, Logan will create a brighter future on the road of public welfare.

ESG issues

- 28 Stakeholder involvement
- 29 Community public welfare and investment
- 30 Inheritance of traditional culture



COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

ESG issues	Logan's Responses
28 Stakeholder involvement	By analyzing the dependence and influence of the stakeholders on the Group conducted by our operation and management departments, the Group identifies our major internal and external stakeholders to collect the stakeholders' opinions and concerns. To present the stakeholders with the Group's commitments and management methods regarding sustainable development, the Group published 18 sustainable development policies on its official website. In addition, the Group has established a platform for communications with the stakeholders through its official WeChat account, delivering corporate information in a timely manner.
29 Community public welfare and investment	Logan's public welfare undertakings cover 38 counties and regions in 9 provinces in the People's Republic of China, with more than 560 public welfare programs. The Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy and Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award, ranking The 9th place in China Charity Ranking for 2021 and 11th place for Forbes Chinese Charity Ranking.
30 Inheritance of traditional culture	In addition to a donation of RMB300,000 to the China Next Generation Education Foundation, the Group purchased and donated 926 sets of "Classic Readings of Chinese Ancient Poetry (中華古詩文經典讀本)" to various institutions, including the rural primary schools in Jishishan County, Linxia Hui Autonomous Prefecture, Gansu Province, Zhaoqing Children Welfare Association of Guangdong Province, and the rural primary schools in Lezhu Town, Xinxing County, Guangdong Province, in the "Chinese Excellent Traditional Culture Public Welfare Activity in respect of Education (中華優秀傳統文化公益助教行動)" to pass on the excellent traditional Chinese culture to poverty-stricken areas, so that the children left behind can learn about the knowledge of Chinese ancient poetry and inherit Chinese traditional virtue.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

LOGAN'S PUBLIC WELFARE

Established for more than 20 years, the Logan Group always upholds the corporate values of “pragmatic, innovative, sunshine and efficient”, and unremittingly strives to achieve the corporate vision of “To build a better life for an evergreen undertaking”. In recent years, the Logan Group achieved the transformation of the “strategic charity” model, which changed from charitable donations in the past to investments in four categories of “poverty alleviation, community, education, and voluntary services”. In addition, the core advantages and management experiences of the Company are applied to public welfare and charity campaigns, enabling Logan to proceed further on the road of public welfare and charity undertakings, and continue to promote the “Power of Light” to the society. Following years of commitments, Logan’s public welfare undertakings cover 38 counties and regions in 9 provinces in the People’s Republic of China, with more than 560 public welfare programs. The Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy and Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award, ranking the 9th place in China Charity Ranking for 2021 and 11th place for Forbes Chinese Charity Ranking.

2021/Our footprint in public welfare

Logan Group

- 36 public welfare programs launched
- Over 39,629 hours of volunteer services
- Over 18,258 individuals received services from volunteers
- Cumulative contribution of more than RMB21 million (Note: a total amount of RMB137.83 million donated by the Logan Group and the Logan Charity Fund in 2021)

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

Honors and Rankings of the Company in terms of Public Welfare System

- 2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021 中國地產年度鄉村振興樣本企業)
- “Outstanding Charity Project Award” for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021 中國地產時代百強榜“優秀公益項目獎”)
- 2021 Socially Responsible Property Developers (2021年度社會責任地產企業)
- “Ten Best Charity Institutions” under Shenzhen Project Care
- The 9th place in China Charity Ranking for 2021
- 2020 Contributing Enterprise of Corporate Social Responsibility
- 2020 Best Social Responsibility Award
- The 6th place in Shenzhen Charity Donation Ranking for 2020



Rural Revitalization Model Enterprise by Leju Financial (樂居財經鄉村振興樣本企業)



“Ten Best Charity Institutions” under Shenzhen Project Care



PUBLIC WELFARE SYSTEM

Since its establishment in 2016, the Logan Charity Fund (龍光慈善基金會) has provided supports to Logan in the performance of corporate social responsibility, by virtue of the charity influence of the Group and other unlisted segments. The directors and supervisors of the Logan Charity Fund (龍光慈善基金會) consist of the chairman of the Group's Sustainability Committee, the party secretary of the Group, the senior management of the Group, etc. In accordance with the Group's strategic charity planning and social needs, the Fund formulates the charity plan and budget on an annual basis, and the management hold meetings to review the progress on a quarterly basis.

The Group continuously participates in the public welfare initiatives such as poverty alleviation, education, disaster relief and helping the disabled promoted by government authorities in Guangdong, Guangxi, Sichuan and Hainan. For instance, the Group participates in the annual poverty alleviation day in Guangdong Province, in which it will deeply engages in poverty alleviation programs in the province under the leadership of the government authorities of Shenzhen, Shantou, Huizhou and Foshan, etc. The Group has developed long-term relationship with various renowned institutions such as Shenzhen Charity Federation, Shantou Charity Federation, Zhaoqing Women's Association (肇慶市婦女聯合會) and Shenzhen Media Foundation for public welfare cooperation. The Group has cooperated with approximately 220 government organizations/non-profit commonweal organizations for the Years. During the Year, the Group and the Logan Charity Fund (龍光慈善基金會) donated over RMB130 million.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

Public welfare targets

The Group's 2018–2022 Five-Year Plan for Public Welfare defines the direction and targets of public welfare. In 2021, the Group's achievements in public welfare are as follows:

Targets	Status	Progress in 2021
Poverty alleviation projects covering at least 30 regions	●●●	The Group's poverty alleviation projects have covered 38 regions including Guangdong, Guangxi, Sichuan, Hainan, Yunnan and Gansu to date.
Participation in the poverty alleviation day activity of Guangdong Province and the support of provincial municipal targeted poverty alleviation work every year	●●●	The Group participated in the 2021 Poverty Alleviation Day Activity of Guangdong Province and sponsored the project of Spring Breeze and Rain (春風穀雨) to support poverty alleviation in Shenzhen.
Development of at least 5 featured projects	●●●	5 featured projects were developed, including "Guangyuan Education Program (光源教育計畫)", "Logan Book Courts" (龍光書苑), "Combating COVID-19 Pandemic(新冠抗疫)" and "Flood Relief (水災救助)".
Launch of 5–10 educational poverty alleviation projects	●●●	10 educational poverty alleviation projects were launched in Jingxi, Guangxi, as well as Shantou and Huizhou, Guangdong.
Building of at least 5 beautiful villages	●●●	6 rural revitalization projects were launched, namely 4 villages in Deqing County, Guangdong Province, Liannan Yao Autonomous County, and village-level clinic in Guangxi.
Establishment of 15–20 "Logan Book Courts" (龍光書苑)	●●○	11 "Logan Book Courts" (龍光書苑) were established in Guangdong and Guangxi.
Incubation of 2 volunteer teams	●●●	Total 2 volunteer teams were incubated in Headquarters and Guangxi Subsidiary respectively.

●●● Completed ●●○ As scheduled ●○○ Behind schedule

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

TARGETED POVERTY ALLEVIATION

As for poverty alleviation strategies, Logan continues to participate in the Poverty Alleviation Day of Guangdong Province and make donations. As for poverty alleviation strategies, Logan has targeted the environment, poverty conditions, and causes of poverty in different poverty-stricken areas to implement targeted assistance, which ensure that poverty alleviation plans are effective and resources are used efficiently. In addition to Logan Charity Fund (龍光慈善基金會), all the frontline companies of the Logan Group in China are actively responding to the call of the local governments to participate in the poverty alleviation and rural revitalization initiatives.

In 2021, it was crucial to consolidate and expand the achievements in poverty alleviation, as well as to promote the effective connection between poverty alleviation and rural rejuvenation. In order to facilitate the development of education, health, medical care and infrastructure construction in Guangdong and certain regions of Guangxi towards common prosperity, Logan Charity Fund (龍光慈善基金會) donated RMB20 million during the year. This was another step taken by Logan to fulfill its corporate citizen responsibilities, actively participate in charity and continue to give back to the community.

Honors and Rankings of the Company in terms of Targeted Poverty Alleviation

- Guangdong-Guizhou Poverty Alleviation Collaboration Advanced Private Enterprise (粵桂扶貧協作先進民營企業)
- 2020 Guangdong Real Estate Targeted Poverty Alleviation & Outstanding Contribution Enterprise
- 2020 Targeted Poverty Alleviation Contribution Award (2020 年度精準扶貧貢獻獎)
- 2020 Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award (2020年度廣東省扶貧濟困紅棉杯金杯)
- Targeted Poverty Alleviation and Rural Revitalization Contribution Award (精準扶貧和鄉村振興貢獻獎), Gold Award for Outstanding Contribution (突出貢獻金獎), 2019 Charity Star (Five Start) (2019 年度愛心慈善之星(五星)), and Targeted Poverty Alleviation Award (精準扶貧貢獻獎)

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Guangdong Province Cotton Tree Golden Cup Award (廣東省紅棉杯金杯)



COMMUNITY DEVELOPMENT

Logan Group always places the interests of communities at heart, pays attention to the community safety, and closely guards residences with the members in them. We carefully consider the community needs and try our best to fill the community with love and hope.

- Promotion of inclusive development: The Logan Charity Fund (龍光慈善基金會) provided supports for the “Staying in Shenzhen during the Spring Festival” by taking a series of actions, such as distributing caring materials for social workers in Shenzhen’s front-line elderly institutions, supporting the purchase of heating electrical equipment for the elderly in Shenzhen’s nursing homes and funding the “Spring Breeze and Rain (春風穀雨)” project, and distributing free rice to help the needy groups in Shenzhen.
- Pandemic prevention measures in the communities: We adopted pandemic prevention measures in the communities in strict accordance with the relevant regulations and supported the construction of the ward building for the Yongwu Hospital in Guangxi.
- Promoting Chinese medicine culture and building a healthy community.
- Emergency Water Diversion Project through Trunk Canal for Drought Resistance in Rongnan, Sanzhou, Shantou City (汕頭市三洲榕南幹渠抗旱應急引水工程).
- “Logan Book Court” (龍光書苑): 10 Logan Book Courts (龍光書苑) which continue to operate and provide services build a platform for neighborhood interaction to promote harmonious development in the community.
- The construction of Shantou Children’s Park promotes the building of a child-friendly city.
- Various community activities of different scales such as family activities, healthcare promotions, entertainment and recreation parties.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

TALENT EDUCATION

Education-related donations have always played a very important role in the public welfare and charity campaign of Logan Group as we believe strong youth make a great nation. Therefore, the education aid of Logan Group is like the seed of love taking root, sprouting, flowering and bearing fruit in the four seasons, and encouraging more people to participate in education and poverty alleviation.

State-level Demonstrative High School (Jinshan High School) Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone

The State-level Demonstrative High School and International School Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone (汕頭市華僑試驗區國家示範性高中和國際學校項目) is located in Xinjin Area of East Coast New Town with a total gross floor area of 150,000 square meters. The project shall be constructed in two phases, of which the phase I shall be State-level Demonstrative High School (Jinshan High School) Project in Overseas Chinese Economic and Cultural Cooperation Experimental Zone with a total investment of RMB653 million, which plans to build 3 administrative teaching complexes, 3 student dormitories, 1 faculty dormitory, gymnasium, sports ground and campus ancillary infrastructure.

In January 2020, the Logan Charity Fund (龍光慈善基金會) donated RMB200 million to support the construction of Jinshan High School. The project will build a Lingnan school with Chaoshan cultural characteristics that become a model high school in Shantou and Guangdong province. The project was completed and put into operation in 2021.

Guangdong-Guangxi Education Poverty Alleviation Project

Logan Group invested RMB20 million in Jingxi to set up an education poverty alleviation fund, which supports financially challenged college students, students with disabilities and from poverty-stricken families, orphans at school, and students who are de facto orphans. From the fall semester of 2017 to the fall semester of 2021, the donation has sponsored a total of 6,736 students, including orphans, de facto orphans, and poor students from families with disabilities, in the amount of nearly RMB11.4745 million. Since the implementation of the project, no student has dropped out of school due to financial difficulties of their families. The difficulties in learning and living of poor students have been solved, which has effectively reduced the economic burden of families with financial difficulties, helping them to fulfill their dreams of studying and making them feel the warmth and care from society.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Case 1: Poverty Alleviation Day of Guangdong Province

Logan continues to participate in the Poverty Alleviation Day of Guangdong Province and make donations. As for poverty alleviation strategies, Logan has targeted the environment, poverty conditions, and causes of poverty in different poverty-stricken areas to implement targeted assistance, which ensure that poverty alleviation plans are effective and resources are used efficiently. In addition to Logan Charity Fund (龍光慈善基金會), all the frontline companies of the Logan Group are actively responding to the call of the local governments to participate in the poverty alleviation and rural revitalization initiatives.



Logan participated in the “Guangdong Province Poverty Alleviation Campaign (廣東扶貧濟困日活動)”



Logan contributed donation at 630 Event in Shenzhen

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Case 2: Rural Rejuvenation in Liannan Yao Autonomous County

In September 2021, in order to further empower the rural rejuvenation and contribute to the common prosperity, the Logan Charity Fund (龍光慈善基金會) donated RMB30 million (pay by installments) to the Liannan Yao Autonomous County in Qingyuan City, Guangdong Province, to promote the rejuvenation and development as well as the construction of education, medical and infrastructure facilities in local rural areas. This was another step taken by the Logan Charity Fund (龍光慈善基金會) and the Logan Group to fulfill its corporate citizen responsibilities, actively participate in charity and continue to give back to the community.

Located in the mountainous region of northern Guangdong, Liannan Yao Autonomous County is one of the three ethnic minority autonomous counties in Guangdong and is also the autonomous county with the largest ethnic minority population in Guangdong Province. In recent years, Liannan County has achieved comprehensive economic and social progress and has secured a “complete victory” in its fight against poverty, with focus on the goal of “building an ecological and cultural county with comprehensive and high-quality development” in the new era.



Logan donated RMB30 million for the Rural Rejuvenation in Liannan

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Case 3: Rural Infrastructure Construction in Guangxi

In 2021, the Logan Charity Fund (龍光慈善基金會) donated RMB10 million to Guangxi to upgrade its village-level clinics and acquire equipment to solve the problems of inadequate health resources, outdated basic medical equipment, and the lack of professional qualification of rural doctors, so as to enhance the capacity of primary medical services and meet the expectations of the rural public for health services.

Since entering the Guangxi region in 2006, the Logan Group has always been actively performing its social corporate responsibility, and rendering support for various infrastructure projects in Dashi, Sanjiang County (Liuzhou City), and Tiandong County (Baise) in Guangxi Province. We have cumulatively donated more than RMB100 million of poverty alleviation funds to Baise for educational assistance and poverty alleviation in poverty-stricken villages. So far, public facilities have been constructed, solar-powered lamps installed on streets, wells capped, and education fund given to underprivileged children. We also renovated the mountain road for the Santuan Village in Sanjiang County, Liuzhou City, which greatly improved the living conditions of the rural people. We have been widely recognized for our continuous promotion of educational public welfare services, as evidenced by the fact that, we were awarded the “Outstanding Contribution Enterprise for Education Charity (教育公益突出貢獻企業)” by Guangxi Baise Education Foundation in 2021, highlighting our achievements in education aid in Baise and Jingxi, Guangxi.

Student Education Support

Over years, the Group has been sponsoring poor college students in Sichuan, benefiting 200 students in 78 colleges and universities. In Guilin, the Group funded the construction of “Guilin Chongshan Primary School Logan Branch” to build a prestigious school and improve teaching quality. We also donated RMB5 million and RMB2 million to the education foundation of Hong Kong Baptist University and Tsinghua University, respectively, for scientific research and development. This will promote innovation and progress in the education undertaking of China.

The Group has initiated the “Light Source Program” for poverty alleviation through vocational education since 2019, the first campaign of which was launched at Guangdong Polytechnic of Science and Trade, provided education aid and scholarships for poor students and offered internships and employment opportunities, with an aim to achieve “the elimination of household poverty by employing one family member”. The program will be implemented nationwide in the future. Other programs include grant of scholarships to local educational institutions in Lingshui County of Hainan Province, Zhaojue County of Sichuan Province and Shantou City of Guangdong Province, and financial aid in the construction of educational infrastructure.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



**“Outstanding Contribution Enterprise for Education Charity in Baise Guangxi
(廣西百色教育公益突出貢獻企業)”**



Support for Children’s Reading

In May 2019, the Logan Charity Fund (龍光慈善基金會) funded the mobile bookcase project of the Mantianxing Youth Public Welfare Development Center. The bookcase circulates within Liantan Town, allowing 5,020 students in 16 schools to enjoy book resources. During the same year, in addition to donation of RMB300,000 to the China Next Generation Education Foundation, the Group purchased and donated 926 sets of “Classic Readings of Chinese Ancient Poetry (中華古詩文經典讀本)” to various institutions, including the rural primary schools in Jishishan County, Linxia Hui Autonomous Prefecture, Gansu Province, Zhaoqing Children Welfare Association of Guangdong Province, and the rural primary schools in Lezhu Town, Xinxing County, Guangdong Province, in the “Chinese Excellent Traditional Culture Public Welfare Activity in respect of Education (中華優秀傳統文化公益助教行動)” to pass on the excellent traditional Chinese culture to poverty-stricken areas, so that the children left behind can learn about the knowledge of Chinese ancient poetry and inherit Chinese traditional virtue.

To date, the Group has also funded the public library projects in Lezhu Town Central Primary School and Rencun Town Central Primary in Xinxing County, Yunfu City, Guangdong Province, and Mindong Primary School in Jianhe County, Guizhou Province, and supported the library upgrading projects in 11 schools by donating interesting children’s books to local schools, which has greatly improved students’ reading enthusiasm.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

“Logan Book Court” (龍光書苑) Community Project

In order to create a sharing culture within the community, the Logan Charity Fund (龍光慈善基金會) initiated the “Logan Book Court” (龍光書苑) community project in 2017. With books as the medium, the book court focuses on the structure of a public venue by introducing diverse resources to create a convenient and recreational space with such themes as reading, handcraft production and nature education, thus advocating the charity values of “equality, mutual assistance, fraternity, sharing”. In this way, we build the community cohesion, and a happy homeland featuring mutual assistance in pleasant residences.

In 2021, the Group further established the Logan Book Court (龍光書苑) of Shenzhen Acesite Park. At present, there are 11 Logan Book Courts operating in the communities, including:

- Shantou • Seaward Sunshine (汕頭 • 尚海陽光) Logan Book Court
- Fangchenggang • Sunshine Seaward (防城港 • 陽光海岸) Logan Book Court
- Shenzhen • Acesite Mansion (深圳 • 玖龍璽) Logan Book Court
- Foshan • Sky Lake Castle (佛山 • 天湖華府) Logan Book Court
- Foshan • Grand Riverside Bay (佛山 • 水悅龍灣) Logan Book Court
- Huizhou • Logan City (惠州 • 龍光城) Logan Book Court
- Huizhou • Grand Riverside Bay (惠州 • 水悅龍灣) Logan Book Court
- Shenzhen Logan • Carat Complex (深圳龍光 • 玖鑽) Logan Book Court
- Nanning • Acesite Lake(南寧 • 玖瓏湖) Logan Book Court
- Shenzhen Logan • Masterpiece (深圳龍光 • 玖云著) Logan Book Court

VOLUNTEER SERVICES

The volunteer team of the Group was initiated and established by Logan Charity Fund in 2017, and consists of volunteers from various business segments and departments of the Group, focusing on issues such as community, environmental protection and education. We have introduced a system for the volunteer team and incorporated it into the management platform of Shenzhen Volunteer Association. The team has started a series of environmental protection and community service projects, and pursue the model of “Volunteer commitments, Fund’s Contribution, and Institutional Support” to build a better life.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

The volunteer awards have been set up by the Foundation to regularly recognize the outstanding performance of volunteers in accordance with the hours and quality of voluntary services, and encourage other volunteers and attract new members, with a view to achieving a better voluntary performance. In 2019, the headquarters selected and awarded 7 outstanding volunteers from the Group's business segments and centers the title of "Excellent Volunteers of Logan Group" in accordance with the hours and quality of voluntary services.

In 2021, the volunteer team of the Group continued to carry out voluntary activities unremittingly and actively, such as the epidemic prevention and control, poverty alleviation and environmental protection. The experience of volunteer activities is heart-warming, enabling Logan volunteers to recognize the value of being a volunteer from practical activities.



Caring for the underprivileged communities

At the beginning of September 2021, a group of volunteers, under the guidance of Shenzhen Guangming District Civil Affairs Bureau and Guangming Community Party Committee and its workstations, joined Shenzhen Guangming Community Foundation, Shenzhen Social Work College and Sunshine Volunteer Association in the campaign focused on "brightening up the life of people with special challenges by showing our care" by visiting the underprivileged groups. During this campaign, they visited 80 underprivileged groups and senior citizens over the age of 85 in the jurisdiction, with daily necessities, such as rice, grain and oil, and blankets to resolve the urgent needs of life.



COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



Floods in Henan

In July 2021, Henan and other regions suffered from heavy rainfall, including Zhengzhou in the most severe flood conditions with serious waterlogging, and such disastrous conditions touched the entire nation. Upholding the principle of “when a disaster strikes, help comes from all sides (一方有難·八方支援)”, the Logan Charity Fund (龍光慈善基金會) instantly made a donation of RMB10 million through the Shenzhen Charity Federation to support the flood relief in Henan. The donation will be used to protect the lives and property of the local people, procure emergency supplies and pursue post-disaster reconstruction.



STATISTICS SUMMARY

Types of air emissions, sewage and GHG emission ¹	Unit	2021	2020	2019
Air emissions and sewage discharge²				
Nitrogen oxide (NO _x) ³	Kg	928	1,247	884
Sulfur oxides (SO _x) ³	Kg	9	12	9
Particulate matters (PM)	Kg	10,909	11,189	9,436
Hydrocarbon (HC) ³	Kg	56	57	49
Volatile organic compounds (VOC)	Kg	1,113	1,046	1,016
Carbon monoxide (CO)	Kg	3,745	3,634	3,071
Sewage	Tonne	844,502	832,198	674,826
GHG Emission⁴				
Direct GHG emissions (Scope 1)	Tonne	1,608	1,717	1,301
Intensity (per square meter of gross floor area of construction and offices)		0.00006	0.00006	0.00006
Indirect GHG emissions (Scope 2)	Tonne	33,381	32,998	29,758
Intensity (per square meter of gross floor area of construction and offices)		0.00127	0.00120	0.00139

Types of hazardous waste ¹	Unit	2021	2020	2019
Construction wastes⁵				
Asbestos	Tonne	2.32	2.23	2.03
Fluorescent light tubes	Tonne	1.79	1.78	1.55
Office wastes⁵				
Ink cartridges	Tonne	2.08	2.15	2.17
Toner cartridges	Tonne	4.03	4.14	3.48

¹ The use of construction and administrative emissions and resources of Logan Group was largely consistent with those last year.

² Calculation of data regarding gas emissions is based on the technical specifications and operating data of construction machinery and transportation vehicles.

³ Calculation of the 2021 data refers to the methodologies listed in the "Reporting Guidance on Environmental KPIs" of the HKEX. To facilitate readers' comparison of the changes in annual performance, the emission data for 2020 and 2019 are also calculated and revised according to the new methodologies. In addition, sulfur oxides and hydrocarbon in previous years included air emissions from the manufacturing process of construction materials suppliers, which is different from other environmental data such as GHG emissions and energy consumption that only included direct emissions and consumption generated through Logan's operations. After review, air emissions from the manufacturing processes of construction material suppliers are no longer included in data scope to ensure consistency, from this year onward.

⁴ Data only comprises energy utilized by the Group over the course of its business operation, excluding energy consumption beyond direct control by the Group. Calculation of carbon dioxide emission is based on the Greenhouse Gas Protocol jointly published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), the 2019 Regional Grid Baseline Emission Factors in China published by the Ecological and Environmental Ministry of the People's Republic of China and the Guide for Greenhouse Gas Emission Accounting Methods and Reporting for Public Building Operators (Trial) published by the National Development and Reform Commission of the People's Republic of China, and the Reporting Guidance on Environmental KPIs by the Stock Exchange of Hong Kong Limited.

⁵ The identification of hazardous wastes is based on "Directory of National Hazardous Wastes" (國家危險廢物名錄) issued by the Ministry of Environmental Protection of the People's Republic of China.

STATISTICS SUMMARY

Types of non-hazardous wastes ¹	Unit	2021	2020	2019
Construction wastes				
Building debris	Tonne	50,358	49,819	42,477
Rubble	Tonne	6.87	6.72	5.97
Earth	Tonne	1,694,144	1,676,351	1,401,380
Concrete	Tonne	352,273	350,479	286,200
Asphalt	Tonne	546	530	460
Metal scrap	Tonne	1,803	1,749	1,517
Wood	Tonne	4,674	4,552	3,847
Office wastes⁵				
Paper	Tonne	51	51	53
Paper cups	Tonne	4.12	4.57	5.86
Plastic bottles	Tonne	1.13	1.70	6.08

Energy consumption ¹	Unit	2021	2020	2019
Energy consumption of building				
Total electricity	kWh	59,678,411	58,685,882	48,476,767
Intensity (per square meter of gross floor area of construction)		2.2796	2.1434	2.2621
Gasoline	liter	107,886	114,094	94,093
Intensity (per square meter of gross floor area of construction)		0.0041	0.0042	0.0044
Diesel	liter	167,281	165,088	136,260
Intensity (per square meter of gross floor area of construction)		0.0064	0.0060	0.0064
Natural gas	cubic meter	20,915	20,969	17,425
Intensity (per square meter of gross floor area of construction)		0.0008	0.0008	0.0008
Energy consumption of office				
Total electricity	kWh	5,385,509	5,663,611	6,048,016
Intensity (per square meter of gross floor area of construction)		117.3411	91.3484	110.8922
Diesel	liter	356,678	374,586	289,755
Intensity (per square meter of gross floor area of construction)		7.7716	6.0417	5.3127
Natural gas	cubic meter	36,547	64,840	19,714
Intensity (per square meter of gross floor area of construction)		0.7963	1.0458	0.3615

¹ The use of construction and administrative emissions and resources of Logan Group was largely consistent with those last year.

⁵ Calculation of data regarding office wastes is based on the annual purchase amount.

STATISTICS SUMMARY

Water consumption ¹	Unit	2021	2020	2019
Water consumption				
Water consumption	cubic meter	5,271,106	5,142,533	4,146,810
Intensity (per square meter of gross floor area of construction)		0.2013	0.1878	0.1935
Water consumption of office				
Water consumption	cubic meter	102,675	108,744	121,020
Intensity (per square meter of gross floor area of construction)		2.2372	1.7539	2.2189

Total workforce ⁶	Unit	2021	2020	2019
Gender				
Male	person	1,946	2,095	2,350
Female	person	951	904	965
Types of employment				
General employee	person	1,858	2,087	1,810
Middle level staff and management	person	983	844	1,433
Senior management	person	56	68	72
Age group				
Below 30	person	728	678	953
30–49	person	2,111	1,881	2,139
50 or above	person	58	440	223
Geographical region				
Mainland China	person	2,837	2,936	3,255
Hong Kong Special Administrative Region	person	43	46	41
Singapore	person	17	17	19

¹ The use of construction and administrative emissions and resources of Logan Group was largely consistent with those last year.

⁶ Data regarding employment include our employees in Mainland China, Hong Kong Special Administrative Region and Singapore.

STATISTICS SUMMARY

Employee turnover rate ⁶	Unit	2021	2020	2019
Resignation for the year	person	1,393	881	1,079
Employment for the year	person	1,291	1,331	1,175
Gender				
Male	percentage	50%	no statistics	no statistics
Female	percentage	44%	no statistics	no statistics
Age group				
Below 30	percentage	57%	no statistics	no statistics
30-49	percentage	46%	no statistics	no statistics
50 or above	percentage	26%	no statistics	no statistics
Geographical region				
Mainland China	percentage	49%	no statistics	no statistics
Hong Kong Special Administrative Region	percentage	7%	no statistics	no statistics
Singapore	percentage	0%	no statistics	no statistics

Number of work-related fatalities per year	Unit	2021	2020	2019
Number of work-related fatalities	person	0	0	0
Lost days due to work injury	work days	543.5	560	no statistics

Percentage of employees trained	Unit	2021	2020	2019
Gender				
Male	percentage	100%	98%	41%
Female	percentage	100%	97%	37%
Types of employment category				
General employee	percentage	100%	99%	29%
Middle level staff and management	percentage	100%	97%	66%
Senior management	percentage	100%	74%	56%

STATISTICS SUMMARY

Average training hours of employees	Unit	2021	2020	2019
Gender				
Male	hour	35.90	35.67	43.9
Female	hour	35.58	36.50	53.9
Types of employment category				
General employee	hour	35.0	28.50	42.2
Middle level staff and management	hour	37.3	53.99	55.3
Senior management	hour	36.0	45.00	26.8
Number of suppliers	Unit	2021	2020	2019
Total number of suppliers in Mainland China	person	3,485	2,149	1,098
Service complaints	Unit	2021	2020	2019
Service complaints received	case	603	634	323
Legal cases regarding corrupt practices	Unit	2021	2020	2019
Concluded legal cases regarding corrupt practices	case	2 ⁷	0	1

⁷ The two employees involved in the legal cases were arrested by the procuratorate in 2021.

INDEX OF REPORTING INDICATORS

The content index of the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange is set out below.

Aspect	No.	Reporting guide	Section of Reporting	Remark
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	ENVIRONMENT PROTECTION AND HARMONY	
	A1.1	The types of emissions and respective emissions data	STATISTICS SUMMARY	
	A1.2	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions and intensity	STATISTICS SUMMARY	
	A1.3	Total hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.4	Total non-hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.5	Description of emission target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY	
	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	ENVIRONMENT PROTECTION AND HARMONY	
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	STATISTICS SUMMARY	
	A2.2	Water consumption in total and intensity	STATISTICS SUMMARY	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY	
	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	ENVIRONMENT PROTECTION AND HARMONY	

INDEX OF REPORTING INDICATORS

Aspect	No.	Reporting guide	Section of Reporting	Remark
	A2.5	Total packaging material used for finished products and per unit produced	N/A	The relevant disclosure is not applicable to our business which does not involve a large amount of packaging materials
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
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	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	
	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	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	
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	EMPLOYEE CARE AND GROWTH	
	B1.1	Total workforce by gender, employment type, age group and geographical region	STATISTICS SUMMARY	
	B1.2	Employee turnover rate by gender, age group and geographical region	STATISTICS SUMMARY	
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	

INDEX OF REPORTING INDICATORS

Aspect	No.	Reporting guide	Section of Reporting	Remark
	B2.1	Number and rate of work-related fatalities in the past three years	STATISTICS SUMMARY	
	B2.2	Lost days due to work injury	STATISTICS SUMMARY	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	EMPLOYEE CARE AND GROWTH – DEVELOPMENT AND TRAINING	
	B3.1	The percentage of employees trained by gender and employee category	STATISTICS SUMMARY	
	B3.2	The average training hours completed per employee by gender and employee category	STATISTICS SUMMARY	
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	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED Labour	
	B4.1	Description of measures to review employment practices to avoid child and forced labour	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED Labour	
	B4.2	Description of steps taken to eliminate such practices when discovered	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED Labour	
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.1	Number of suppliers by geographical region	STATISTICS SUMMARY	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	

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Aspect	No.	Reporting guide	Section of Reporting	Remark
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – GREEN AND LOCAL PROCUREMENT	
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	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE	
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	The relevant disclosure is not applicable to our business which does not involve product recall
	B6.2	Number of products and service related complaints received and how they are dealt with	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SERVICE QUALITY	
	B6.3	Description of practices relating to observing and protecting intellectual property rights	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – INTELLECTUAL PROPERTY RIGHTS	
	B6.4	Description of quality assurance process and recall procedures	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – PRODUCT QUALITY AND SAFETY	

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Aspect	No.	Reporting guide	Section of Reporting	Remark
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT — PERSONAL PRIVACY AND INFORMATION PROTECTION	
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	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT — PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	STATISTICS SUMMARY	
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT — PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
	B7.3	Description of the anti-corruption training provided to directors and employees	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT — PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
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 DEVELOPMENT AND PUBLIC WELFARE	
	B8.1	Focus areas of contribution	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	
	B8.2	Resources contributed to the focus area	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	

LOGAN

龙光集团

