



P O W E R L O N G

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

寶龍地產控股有限公司

POWERLONG REAL ESTATE HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

Stock code: 1238

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About the Report

Reporting Description

Powerlong Real Estate Holdings Limited (the “**Company**” or “**Powerlong**”) (stock code: 1238.HK) and its subsidiaries (collectively the “**Group**”, “**we**” or “**our**”) are pleased to issue its eighth *Environmental, Social and Governance Report* (the “**Report**”).

The Report details the latest performances of the Group in terms of environmental, social and governance (“**ESG**”) aspects in 2023, and its future planning and goals. The Report mainly covers the major business segments of the Group, including property development, property investment, commercial operation and residential property management, and other property development related businesses. The Group has disclosed most of the key performance indicators with descriptions to establish baselines for assessment to facilitate comparisons. For details of Powerlong’s businesses, please refer to Powerlong’s Annual Report 2023.

Reporting Scope

Unless otherwise stated, the Report covers the period from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”), with the time period for relevant parts of the Report suitably extended. The reporting content in the Report is based on the principle of operational control, which covers all business segments under the Group.

Reporting Standard

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Reporting Guide**”) under Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), as well as the provisions of “mandatory disclosure requirement” and “comply or explain” set out in the ESG Reporting Guide issued by the Stock Exchange.

Reporting Principle

In the course of preparing the Report, the Group applied the reporting principles in the aforementioned ESG Reporting Guide as the following:

Materiality	Materiality review and assessment was conducted to review the Group’s materiality issues for the Reporting Period and to focus on the identified materiality issues in the preparation of the Report.
Quantitative	The standard and methodologies used in the calculation of relevant data in the Report, as well as the applicable assumptions were disclosed.
Consistency	The preparation approach of the Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.
Balance	The Report provides an unbiased picture of the Group’s performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Reporting Declaration

The Group attaches great importance in the materiality, quantitative, consistency, and balance of the Report. The Report comprehensively introduces the philosophy and policy, as well as the management process of ESG related issues of Powerlong. The Group ensures the reliability, authenticity, objectivity, and timeliness of the Report. By publishing the Report, the Group looks forward to enhancing the communication and collaboration with its stakeholders, and further promoting the sustainable development of the Group in terms of environmental, social and economy. The disclosure content of the Report is mainly determined based on the materiality assessment and stakeholder engagement. Please refer to the chapter “Sustainability Management - Stakeholder Communication” for details of the process.

Confirmation and Approval

The Report was reviewed, confirmed, and approved by the Board (the “**Board**”) of the Company on 27 March 2024.

Report Availability and Feedback

The electronic version of the Report can be accessed and downloaded at the website of the Stock Exchange (www.hkexnews.hk) and the Group’s website (www.powerlong.com).

You are welcome to provide comments and suggestions on the Report or the Group’s ESG work through email at boardteam@powerlong.com.

Message from the Senior Management

Chairman

Mr. Hoi Kin Hong

2023 was a year full of challenges. In face of the enormous complexity of the international environment and the slackened recovery of the global economy, the People's Republic of China (“**China**” or the “**PRC**”) managed to have economic revival on the rise and solid progress of high-quality development, with long-standing positive fundamentals. In the real estate sector, the market was undergoing a stage of intense adjustments. Under the general policy keynote of “properties being for residential dwellings instead of speculation”, city-specific policies that support the rigid and upgraders’ housing needs, timely delivery of products and stabilizing people’s livelihood, the trend of easing policies continued. Policy relaxation stepped up even further at an accelerated pace, under the tone affirming the “significant changes in the supply and demand patterns in the real estate market”. Demand-side easing policies were primarily about lifting the respective measures of restrictions on purchases, loans and sales, reduction of down payment, reduction of home loan interest rate, relaxing the requirements of residency, fostering absorption of talents, optimizing the support for home purchases with provident fund, provision of subsidies for home purchases and so forth, thereby effectively lowering the barriers and costs of home purchases and fostering reasonable consumption on housing. On enterprises’ side,

the main theme for policy refinement was to guard against and resolve risks facing real estate enterprises, to alleviate the liquidity pressure on premium real estate enterprises, and to level up the financial support for ensuring property delivery. With adequate assessment of the situation, real estate enterprises focused on “ensuring timely delivery of products and stabilizing operation”, discharging corporate responsibilities and fostering the steady and healthy development of the real estate market.

Faced with the challenges and opportunities presented by intense adjustments in the real estate industry in China, the Group will gather devotions, strengths and perseverance under the development theme of “thriving with faith, concerted efforts”, with a focus on the key tasks of “prioritizing sales, tackling problems and difficulties; reducing debts for a lighter burden; and keeping promises and discharging responsibilities all the way through” for 2024. In the adversity of a difficult macro-environment, the Group will always strive to adhere to stable operations, stick to the bottom-line of “ensuring delivery”, remain committed to being a responsible enterprise, uphold the principles of quality and accountability, enhance its refined management holistically, refine and quantify targets and responsibilities, control costs in a scientific manner, continuously foster the

optimization and uplift of products and services, and form new competitiveness of the enterprise. The confidence of all staff members, and their cohesion, endurance, and unwavering efforts to tackling problems and difficulties, will continuously drive the sound development of the enterprise and the virtuous cycle of the industry.

The Group insists on integrating the core concept of ESG (**Environmental, Social and Governance**) into its corporate strategy. As a property developer and urban complex operator in China, we have continuously strengthened and improved our environmental management system, vigorously implemented energy-saving and consumption reduction reforms, and proactively promoted the development of green buildings and green operations on the basis of strict compliance with the environmental laws and regulations at the national and local levels, so as to ensure that our business activities play a proactive role in protecting the environment, supporting social progress and raising the standard of governance, with a view to realizing the coordinated development of cities, society and the environment, and achieving a win-win situation.

The Group actively takes an active role in social responsibility, contributing to social harmony and stability as

well as the prosperity and development of the community as a responsible “corporate citizen”. The Group has invested its efforts and funds in a number of social security programs, including care for the disadvantaged groups in the community and support in areas such as poverty alleviation, to provide assistance and support to the surrounding communities and the public in their daily lives. We firmly believe that social harmony and stability, as well as the Group’s sustainable development, are mutually beneficial.

In the future, the Group will continue to be committed to being a responsible enterprise and following a path of high-quality sustainable development. It will adhere to the corporate mission of “creating space full of love”, follow the corporate values of “simple, truthful, prosper together, forward forever”, and continue to live up to the corporate philosophy of “honest, modest, innovative and devoted”. It will firmly gather the wisdom and power of all fellow folks of Powerlong, with the same goals and paths and embracing difficulties, to contribute to fostering the steady and healthy development and virtuous cycle of the industry, with a view to continually creating further values for the corporation, its society and the country.

Group Overview

About Powerlong Real Estate

Introduction

The Group focuses on the development and operation of integrated commercial real estate projects. On 14 October 2009, the Company was listed on the Main Board of the Stock Exchange. On 30 December 2019, Powerlong Commercial Management Holdings Limited (9909.HK) (“**Powerlong CM**”), a subsidiary of the Company, was successfully listed on the Main Board of the Stock Exchange, as the first service provider in commercial management and operation on the Stock Exchange that operated based on an asset-light model.

As at 31 December 2023, the Group’s commercial projects include the “Powerlong One Mall”, “Powerlong City”, “Powerlong Plaza”, and “Powerlong Land” series, and its residential projects include a wide range of types of properties from mid-to-high-end commercial properties to villas, in addition to office buildings, hotels and apartments with comprehensive service offerings and high standards of positioning. With a diversified and three-dimensional business format, the Group is continuously improving the retail offerings of the cities in which it is located, as well as enhancing their quality. From contributing to the urbanisation process in the PRC to integrating into the Yangtze River Delta, the Group has always followed the strategic direction of the national level, focusing on city clusters supported by the national macro-strategic policies and with high vitality in economic development, and has provided numerous employment opportunities for the society while meeting the growing demand for complex real estate in the PRC, and realising people’s needs and dreams for their lives.

Business Overview

For the year ended 31 December 2023, the Group conducted its business activities in the following major business segments, namely (i) property development; (ii) property investment; (iii) commercial operation and residential property management; and (iv) other property development related businesses. During the year under review, property development remained as the main source of revenue of the Group.



Property Development



As at 31 December 2023, the Group had 199 projects across China, among which 148 projects were located in the Yangtze River Delta region, accounting for approximately 74.4% of the total number of the Group’s projects nationwide. In the future, the Group will adhere to the “1+N” development strategy, which calls for thoroughly developing the Yangtze River Delta while paying attention to and exploring other opportunistic and high-quality regions.

The Group has been committed to the concept of value-based investment with optimal cost-effectiveness, and has strengthened its market monitoring and research in key cities in the region, refined its product positioning and acquired its land bank in strict compliance with the principle of value-based investment. As at 31 December 2023, the Group had a quality land bank amounting to a total gross floor area (“**GFA**”) of approximately 21.94 million square meters, approximately 63.0% of the Group’s land bank are located in the Yangtze River Delta region. The remaining approximately 18.85 million square meters were under development, and the remaining approximately 3.09 million square meters were held for future development. The land bank that is now being developed will be utilized to build high-end residential and commercial buildings, including residential properties with high quality, serviced apartments, offices and hotels.

Property Investment



As at 31 December 2023, the Group had an aggregate GFA of approximately 8,215,509 square meters held as investment properties (including properties completed and under construction), representing an increase of approximately 6.1% as compared with the same period in 2022.

Commercial Operational Services and Residential Property Management Services



The Group is committed to providing a full range of commercial operation and residential property management services to the projects developed by the Group and other third parties. For commercial operational service, it specialises in providing integrated solutions including market positioning, merchant recruitment, business management and other value-added services. For residential property management service, it includes pre-sale management, property management and community value-added services, aiming to provide owners with a high-quality living environment. As at 31 December 2023, the Group held and managed 62 shopping malls and managed 8 asset-light shopping malls, with the number of shopping malls in operation held and the floor area in operation and management both being amongst the forefront of the industry.

Hotel Business



The Group continues to develop its hotel business as a source of long-term recurring income. Focusing on international branded hotels and self-owned branded chain hotels, our hotel business is committed to providing high-quality service and client experience. As at 31 December 2023, the Group directly owns and manages 8 international branded hotels and 11 self-owned branded chain hotels.

Powerlong Responsibility

Compliance Governance



Powerlong is committed to upholding high standards of corporate governance and compliance and is firmly opposed to all forms of money laundering, bribery, corruption and fraud. The Group strictly follows laws and regulations, including the *Anti-Money Laundering Law of the PRC*, the *Criminal Law of the PRC*, the *Interim Provisions on Prohibiting Commercial Bribery*, and the *Against Unfair Competition Law of the PRC*. At the same time, the Group has formulated a series of management policies, including the *Employee Manual for Powerlong Group*, the *Employee Integrity and Self-discipline Rules* and the *Powerlong Properties Accountability Rules and Regulations*. These policies are intended to prevent employees from engaging in any kind of bribery, extortion, tax fraud, money laundering, or other misconduct, protecting the Group's sound operations and good image.

Reporting Management



The Group is committed to establishing a transparent, secure and independent internal complaint and reporting mechanism to safeguard the legitimate rights and interests of its employees and to enhance corporate governance. The Group has set up a number of communication channels, including an internal reporting hotline and mailboxes, and ensured the security and confidentiality of the entire petition process.

The Group encourages its employees to report corruption involving bribery and other acts to enhance mutual supervision within the Group, and gives whistle-blowers certain bonus incentives subject to certain situations. The Group has also formulated relevant internal audit management policies to stipulate the processing of reporting.

The Group has established a protection policy in accordance with relevant laws to protect employees who report crimes and ensure that the whistle-blower will not be subject to retaliation or discrimination due to his or her lawful reporting behaviour or participation in relevant investigations. If an employee believes that he or she has been subjected to any of the aforesaid unlawful retaliation or discrimination, he or she may file a complaint through the aforesaid reporting procedure and the Group will deal seriously with retaliation or discriminatory behaviour and take appropriate disciplinary action. During the Reporting Period, the Group did not receive any cases of corruption proceedings against the Group and its employees.



Reporting Channels:

- Reporting hotline: 400-111-1238 (working hours 9:00-18:00)
- Reporting email: jianshen@powerlong.com
- Letter Report: Powerlong Tower, 1399 Xinzhen Road, Minhang District, Shanghai, PRC



Reporting QR code

Construction of Culture of Integrity



The Group attaches importance to its integrity construction as a cornerstone for its sustainable development. New employees are required to undergo training related to integrity and self-discipline upon joining the Group to ensure that every employee understands and complies with the company's integrity standards. All personnel above the department manager level, and the employees of the procuring and the tendering department, are required to sign the *Employee Self-discipline Commitment* to reinforce their understanding and commitment to integrity and self-discipline. Meanwhile, all relevant suppliers and contractors of the Group are required to sign the *Integrity and Law-Abiding Commitment* before bidding and undertaking any business to ensure their compliance with relevant laws and regulations and integrity requirements in the course of business.

In order to further promote and implement the Group's integrity culture and integrity construction, on September 10, 2023, the Group launched the "Sunshine Powerlong Integrity" promotion activities, with the Group's internal audit department compiled the Sunshine Powerlong promotion documents, and the Board members, the general managers of each city companies and above middle and senior management participated in and actively studied it, which included the analysis of integrity cases and internal control risk management. In addition, the Group has launched the platform "Sunshine Powerlong", which institutionalises and normalises integrity publicity and education through the regular publication of anti-corruption posters and other forms of publicity, raising awareness of integrity within the Group and among its partners, and creating a transparent and fair business environment.

Intellectual Property Management



The Group attaches great importance to the protection of intellectual property rights and safeguards the patent rights of suppliers and contractors. To this end, the Group is committed to protecting sensitive information obtained in the course of its business activities, ensuring confidentiality and safeguarding the intellectual property rights of its suppliers and contractors from infringement.

In order to effectively protect the intangible assets, the Group has formulated a comprehensive intellectual property management policy and its legal affairs department is responsible for the implementation and follow-up of the policies. The Group's legal affairs department ensures the Group's compliance in respect of intellectual property rights, and takes necessary measures to prevent and respond to intellectual property rights infringement to ensure that a positive environment of respecting the value of intellectual property rights and protecting legitimate rights and interests is formed within the Group.

Sustainability Management

Sustainability Strategy and Goals

The Group has made the promotion of sustainable development an essential component of its corporate strategy because it firmly understands the crucial role that sustainable development plays in both its long-term development and the harmonious advancement of society. Therefore, the Group is committed to actively fulfilling its corporate social responsibilities by building a comprehensive and efficient ESG management system and implementing the corporate mission of “simple, truthful, prosper together, forward forever”.

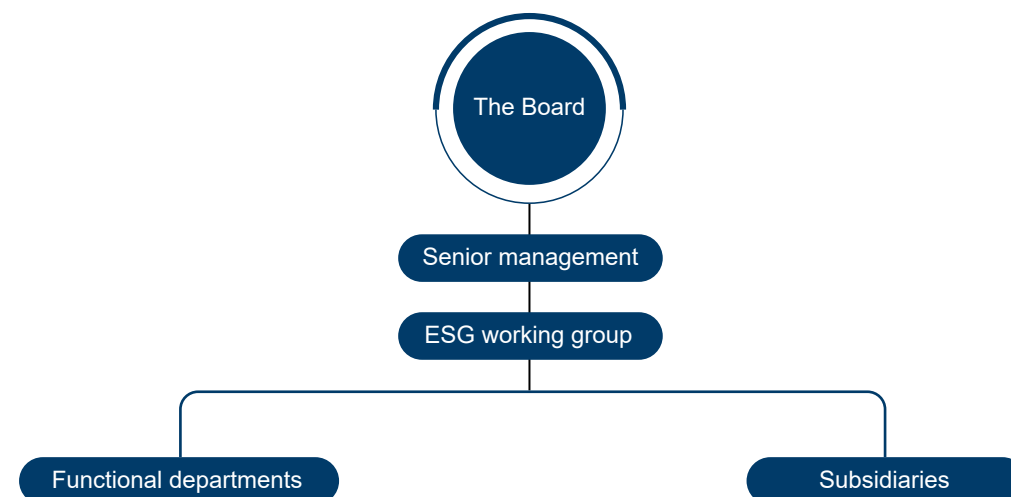
To ensure the effective implementation and management of the ESG strategy, the Group has continuously deepened the execution of ESG-related tasks and maintained open and efficient communication channels with various stakeholders. We listen to the views of all parties and respond positively to the aspirations and needs of different stakeholders, so as to optimise our sustainable development path in a timely manner. In order to achieve long-term, stable and sustainable development, the Group also strictly adheres to the principles of corporate governance, protects the rights and interests of labour, is committed to environmental protection, and actively fulfils its social responsibilities.

ESG Governance Structure

The Group incorporates ESG issues into its own corporate development strategy and the Board is responsible for the formulation, updating and reporting of the Group’s ESG strategy. The Group has formed a multi-level ESG management system consisting of the Group’s management, functional departments and subsidiaries with clear responsibilities for each level. The Board has established an ESG working group, which coordinates and promotes ESG strategic planning and is responsible for the implementation of other related tasks according to the decision-making of the Board and senior management.

The Board is responsible for supervising the ESG-related issues, approving ESG management strategies and approaches. Meanwhile, the Board is in charge of the identification, assessment, and management of the ESG-related risks, to ensure that the ESG-related risks are integrated into the Group’s risk management and internal control systems. In response to the risks identified, the Group has taken specific countermeasures to manage the risks and, on this basis, further considers the management and response to ESG risks to ensure stable corporate development. In addition, The Board is also responsible for approving and reviewing the progress on ESG targets and other material ESG matters.

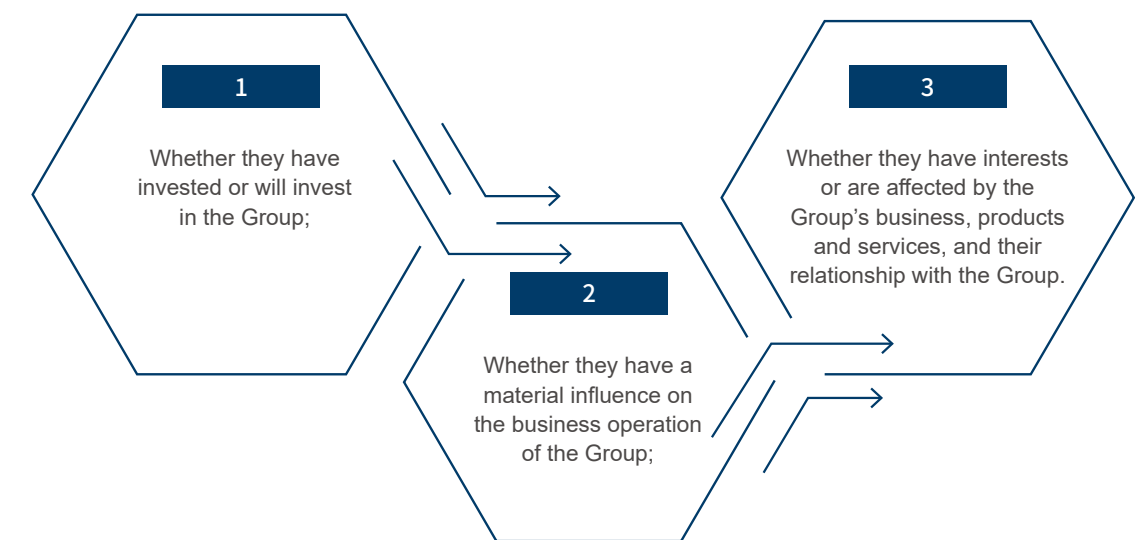
The senior management of the Group is responsible for supervising the robustness, rationality, and implementation of the ESG management system, and it needs to assess and review the Group’s ESG strategic planning, risk management and control and other related matters, and reports to the Board. Meanwhile, the ESG working group is responsible for coordinating and supervising the implementation of policies and measures related to ESG issues, and regularly reporting the work progress and performance to the senior management. Through this layered management, the Group is committed to driving sustainable practices and continuously improving its ESG performance.











Stakeholder Communication

The Group attaches great importance to the communication with its major stakeholders, actively listening and responding to the needs and expectations of different stakeholders through various channels. We believe we can better accomplish our sustainability goals if we optimise our internal management and keep close connection with our stakeholders.

Powerlong mainly determines whether relevant person or group are its key stakeholders based on the following three criteria:



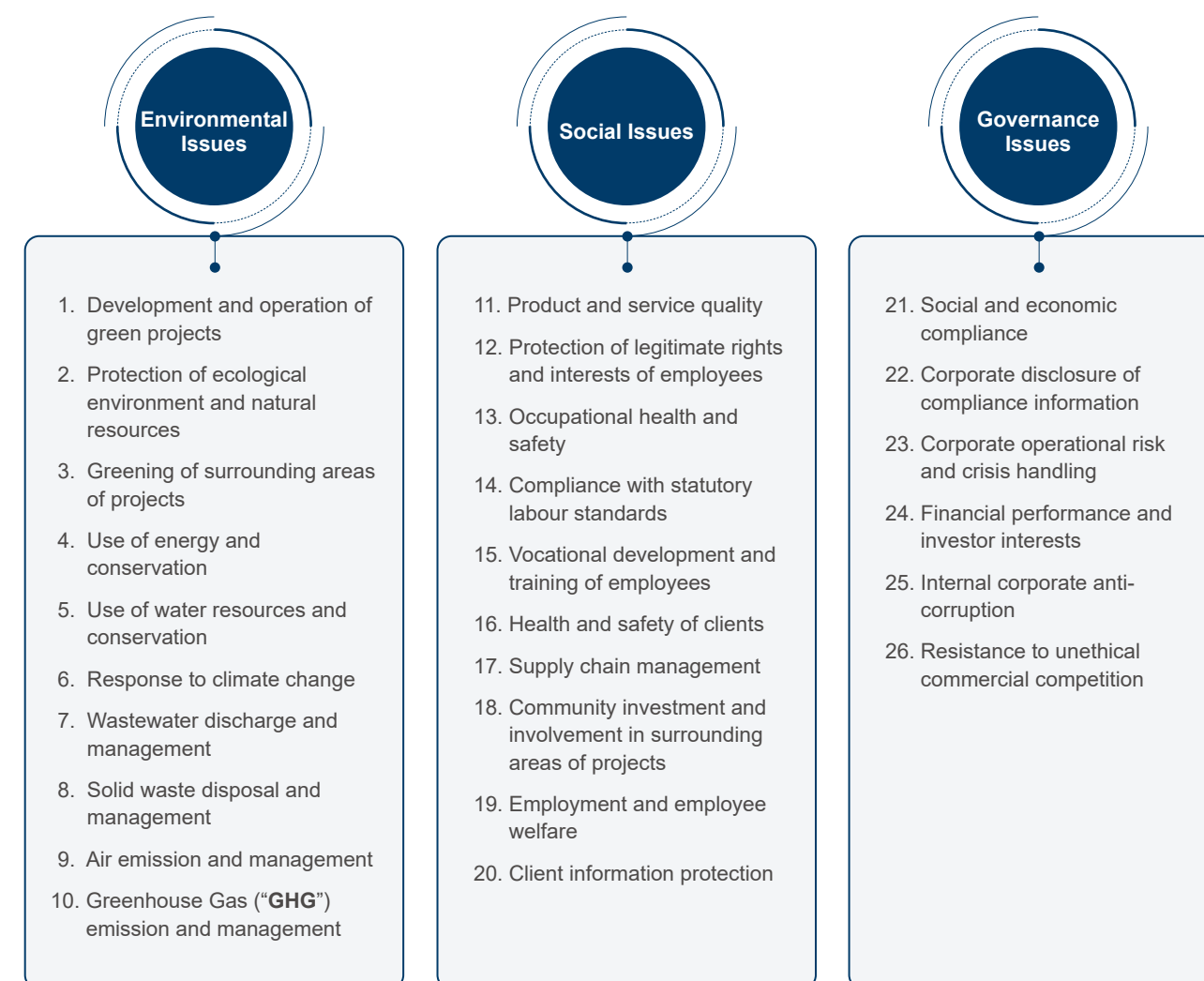
Through these criteria, we ensure that we have identified and covered all stakeholders who are critical to the Group’s sustainability, that we are committed to building and maintaining good relationships with them, and that we respond positively to their feedback, to further continuously improve our strategic sustainability planning.

Key Stakeholders	Expectations and Requests	Responses
 Governmental Departments	<ul style="list-style-type: none"> • Policy implementation • Tax contribution • Environmental protection • Information disclosure 	<ul style="list-style-type: none"> • Accept governmental supervision and inspection • Proactive tax payment • Construction of green building • Disclosure of information on a regular basis
 Investors (Shareholders)	<ul style="list-style-type: none"> • Return on investment • Risk control • Operational regulation • Sustainable development 	<ul style="list-style-type: none"> • General meeting • Annual report and periodic reports • Company website • Corporate communication • Delegations • One-on-one conference • Investment banking forum • International roadshow
 Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Occupational health • Career development • Equal opportunities 	<ul style="list-style-type: none"> • Annual dinner • Employee training • Employee physical examinations • Employee activities
 Clients (Shopping mall and hotel clients, residents in residential property and commercial building tenants)	<ul style="list-style-type: none"> • Quality of product and services • Information protection • Safety and environmental protection 	<ul style="list-style-type: none"> • Client satisfaction surveys • Client privacy protection policy • Interactive activities with clients • Emergency and disaster relief drills • Waste separation and recycling
 Suppliers, Contractors, and Partners	<ul style="list-style-type: none"> • Mutual benefit and win-win • Transparency and equality • Business integrity 	<ul style="list-style-type: none"> • Bidding policy • Supplier selection system • Consider environmental and social factors in supplier reviews
 Communities and the Public	<ul style="list-style-type: none"> • Community environment • Maintain stability • Harmonious development • Rural revitalisation 	<ul style="list-style-type: none"> • Public donation • Community building • Community activities • Rural area construction
 Media	<ul style="list-style-type: none"> • Timely communication 	<ul style="list-style-type: none"> • Organise media events on a regular basis
 Commercial Tenants	<ul style="list-style-type: none"> • Mutual benefit and win-win • Transparency and equality • Timely communication 	<ul style="list-style-type: none"> • Examine and verify commercial tenants before settlement • Screening of commercial tenants • Commercial tenant activities

Identification and Analysis of the Importance of ESG Issues

The Group has ensured that the Report fully reflects the Group's influences on the three aspects, including environment, society and governance, during its preparation, while giving due consideration to the needs of key stakeholders for multi-dimensional information disclosure. The Group used a materiality review and assessment mechanism to identify materiality issues during the Reporting Period, including in-depth review of the findings of previous questionnaires, reassessment of their applicability, and re-examination and re-confirmation of the level of importance of issues that have been clearly defined.

Based on the materiality issues for 2022, the Group has assessed the materiality issues for 2023 with reference to its own strategic and business characteristics, national policy development trends and capital market concerns, as well as relevant standards or guidelines and key concerns of peers. The results of the assessment have been reviewed and confirmed by the Board to ensure their accuracy and completeness. The Report focuses on these materiality issues and provides key disclosures.





Excellent Service

- ☐ High-quality Property Development
- ☐ Service Experience Enhancement
- ☐ Client Rights and Interests Protection

High-quality Property Development

With the *Brand Management Mechanism Compilation* as the core, the Group has established a comprehensive brand management system, aiming to ensure that the brand image remains clear, distinct and consistent in terms of recognition and communication. The Group is fully aware that product quality and safety are fundamental to its survival and development, and have a far-reaching impact on clients, society and corporate reputation. Therefore, the Group adheres to the working philosophy of “Quality Products”, continuously improves its quality management system, integrates the notion of quality into its core values and continuously optimises its brand image.

In the whole process of product production, the Group strictly implements laws, regulations, and industry standards on building design, raw materials, engineering construction, completion acceptance, and maintenance within the statutory warranty period, thereby ensuring the products with the best quality are offered to clients.

The whole process of quality control for property development projects:



Service Experience Enhancement

The Group has made the promotion of sustainable development one of its core business philosophies and is committed to creating green and liveable urban public spaces. We emphasise on indoor environmental quality management and implement stringent standards for real-time monitoring of indoor noise, lighting and air quality, to ensure that every client in our shopping malls, hotels, residential communities and offices enjoys a healthy and comfortable working and living environment.

In order to better meet the needs of its clients and to enhance its service quality, the Group has conducted a series of client satisfaction surveys during the Reporting Period through various means including but not limited to the following:

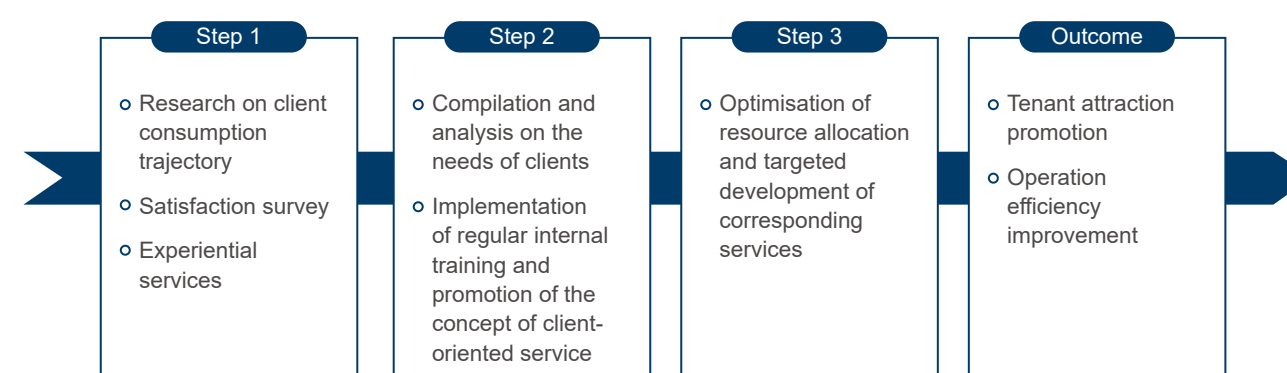
Means for Client Satisfaction Surveys



Commercial Operation

The Group considers client satisfaction as a key measure of business success. We continue to promote the “Customer-oriented Programme” to deepen our interactions and connections with our clients and to ensure that our services meet their expectations and needs. To better understand client feedback, our business operation centre regularly conducts customer satisfaction surveys to gather feedback on management and services. We have taken a number of corrective and preventive actions in response to these feedbacks in order to improve the content and quality of our services going forward and to make sure we keep our commercial properties operating as efficiently as possible.

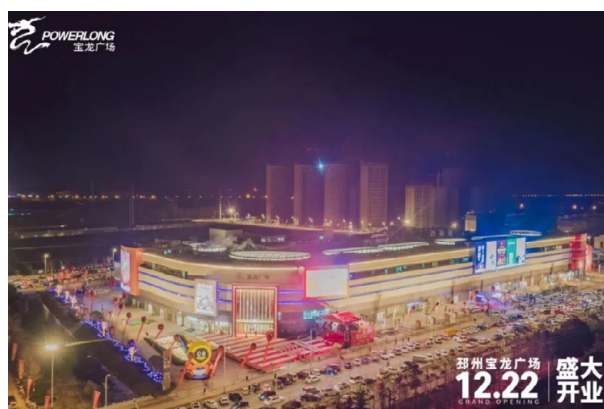
The Group's procedures to improve the operation efficiency of commercial property:



Super Commercial Landmark Entering the Market-Pizhou Powerlong Plaza

Powerlong CM has chosen Donghu District in Pizhou to fill the gap of high-quality commercial business in the city by building a new commercial landmark in Pizhou - Pizhou Powerlong Plaza, which combines shopping centre, trendy shopping street and quality residential buildings, with its mature experience in commercial real estate development and operation management.

The grand opening of Pizhou Powerlong Plaza on 22 December 2023, based on the model of creating an urban full-occupancy social centre, introduced 250+ domestic and international famous brands and over 40% of the city's first brands. It offers the locals a fresh perspective on consumption and life and transforms into Pizhou's new marketing card thanks to its spatial design with strong regional cultural characteristics, high-quality multi-dimensional ecological combinations, and distinctive art exhibitions.



Property Management

Regarding property management, the Group is committed to providing comprehensive management services for property communities and offices. The Group regularly collects feedback and suggestions from our residents and tenants to ensure that our services continue to meet their needs and expectations. In addition, the Group pushes property-related information to tenants and residents in a timely manner through digital platforms such as WeChat official accounts, and actively takes measures to optimise our infrastructure and public environment to enhance the quality of our living and working environment.

To enhance community building, the Group also organises a wide range of activities to provide platforms for property community residents and office tenants to communicate and interact with each other. Through these efforts, we hope to develop friendships and mutual understanding amongst tenants and residents, improve the quality of life and work experience for our clients, foster a sense of harmony and inclusivity within the community.

Hotel Operation

The Group's hotel business revolves around international branded hotels and self-owned branded chain hotels as the core for the continuous promotion of the "dual-track" compound development. In recent years, the hotel group under the Group has integrated the concepts of culture and art with traditional hotel operation, striving to realise its vision of "Sighting Arts at the Hotel, Immersing Arts in Life" in hopes that every client staying at the Group's hotels can be immersed in an artistic atmosphere.

In order to meet the needs of different clients and provide a wide range of accommodation experiences, the Group has cooperated with numerous well-known international hotel brands to create a series of high-end hotels. Such hotel brands include W, Le Meridien, Radisson, Radisson Blu, Four Points by Sheraton, Aloft, and Wyndham, etc.



Taking "JUNTELS", "ARTELS+ Collection", "ARTELS+", and "ARTELS" brand line as the core of the Group's hotels, the Group intricately constructed every detail from the design and planning of hotels, construction and decoration to hotel facilities. The Group is committed to reflecting the city's distinct charm where the hotel is located and incorporating the local culture, style, and history, allowing guests to enjoy and relax in a sensational artistic atmosphere.

As at the end of the Reporting Period, the Group has opened a total of 11 self-owned branded chain hotels, which constitute a complete product line of the Group's self-owned branded chain hotels. These hotels not only enrich the Group's portfolio, but also show our commitment to sustainability and community culture. We will continue to strive to provide a high-quality art hotel experience while promoting local culture and environmental conservation.



Client Rights and Interests Protection

The Group adheres to a client-centric service philosophy and has constructed a comprehensive product delivery care system, which is constantly being improved to enhance client satisfaction with products and after-sales services. We strive to enhance the quality of our services while ensuring that the privacy of our users is fully protected.

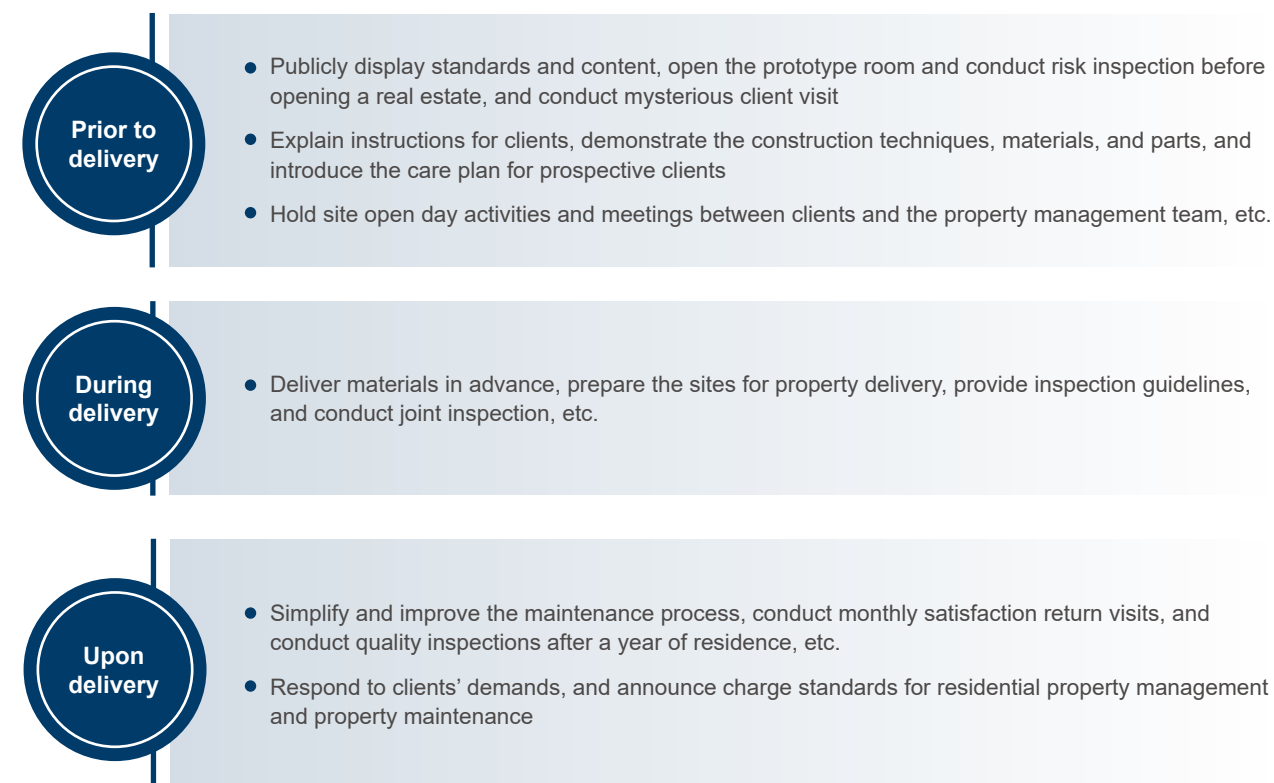
Every service interaction shows our dedication to providing excellent client service, from product delivery to comprehensive after-sales support, ensuring a seamless and high-quality service experience for our clients. We value every comment and feedback from our clients and are committed to ensuring high standards in all client interactions, thereby creating sustainable value for our clients and building long-term trusting relationships.

Whole-process Care for Product Delivery

Focusing on after-sales service and warranty period maintenance, the Group has established the property management department for the work related to property management and repair and maintenance after the completion of projects. The *Guidelines on Property Opening, Handover, and Handover after the Expiration of Warranty Period* formulated by the Group ensures the quality of the property maintenance after the handover of properties.

Key indicators such as property design, property quality, and property repair are included into client satisfaction assessment, thus allowing us to understand clients' satisfaction with the property, to obtain timely feedback from our clients, and to follow up on and repair the property with quality issues, ensuring that our clients enjoy a high standard of service and support. The Group is committed to continually improving its service standards to ensure that it provides its clients with long-term value and a high-quality living experience.

Plan on Whole-process Care for Product Delivery



Customer Satisfaction, Opinion and Complaint Handling

In terms of property operation and hotel operation, the Group has developed a diversified client feedback system based on different business formats and collects and handles complaints instantly through channels such as service counter, service hotline and WeChat.

In response to issues with intensified complaints from clients, the Group will convene meetings to study and analyse the root causes of the issues to ensure that it is able to provide solutions in a targeted manner, and respond to clients' needs in a timely manner and protect legitimate rights and interests of clients through improving the current policies and following up the remediation details of services.

Information Security and Privacy Protection

The Group attaches great importance to protecting data and information related to clients. The client data and information obtained during business operation will only be used in providing services for clients, and it will not be disclosed to third-party organisations or be used for other unrelated purposes without clients' consent.

The Group has established internal management systems such as the *Client Information Management Working Instruction* to standardise the collection, protection, and management of client-related data. By establishing normal channels for information publishing between business sectors and clients, the Group assures the transparency, authenticity, and effectiveness of information. At the same time, we are committed to protecting the privacy and security of our clients by maintaining their trust and ensuring that all information publishing operations comply with regulatory and uniform standards.

Initiatives for Information Security and Privacy Protection:





Toward Zero Carbon

- ☐ Implementation of Green Construction
- ☐ Green Operation
- ☐ Building of Green Supply Chain

Implementation of Green Construction

The Group, as a responsible corporate citizen, actively undertakes its responsibility to protect the environment, continuously optimises its environmental management system, and jointly tackle climate change and other environmental issues through the utilisation of expertise in green construction and other areas. The Group adheres to the concept of green development, with the spirit of “craftsmanship” and innovative technology to create “warm” spaces that coexist with the city and the community.

During the Reporting Period, the Group upgraded its construction system with green empowerment to introduce more environmental initiatives in its development projects. We focus on green construction management and ensure that all operational activities comply with local environmental laws and regulations. In addition, we will make green building as a key part of our long-term strategy and are committed to making continuous progress in this area.

Green Construction Management

The Group remains committed to the environment in the property development sector and strictly complies with the environmental laws and regulations in the locations where it operates to ensure that all development activities are carried out in a compliant manner. We have developed and implemented green construction standards and adopted a series of control measures designed to minimise the adverse impacts of construction projects on the surrounding environment.



Dust and Air Pollutant Control:

- Nebulising spraying equipment is set up in and around the construction site; self-made water spraying vehicles are arranged to spray water daily, and high-pressure spraying equipment is installed across the floor, thus minimising the impact of dust to the atmosphere and the surroundings;
- Site hardening and greening of surfaces are carried out to cover the bare soil surface and prevent dust pollution;
- Vehicles entering the site are required to meet the national annual inspection requirements, thus reducing air emissions during transportation.



Optimisation of the Use of Materials and Resources:

- Local procurement is implemented for purchasing construction materials to reduce energy consumption due to long-distance transportation;
- Shear wall structure is adopted, while aerated block materials with lighter weight are used for filling wall;
- Aerated concrete blocks are crushed and reused to reduce the disposal of solid waste;
- The storage and collection of waste formworks and squared timbers are centralised, and storage area and garbage pool for small material are set up to standardise the storage of materials;
- The remaining concrete is used to process beams and precast materials for reasonable recycling and reuse of the residual materials.



Water Resources Use and Wastewater Discharge:

- Water-saving indicators and water consumption quota are developed to achieve refined use of water;
- Water-saving facilities are utilised. For example, energy-saving measures are implemented for nebulising sprinklers, thus improving water efficiency;
- Drainage ditches are set up in construction sites to separate the on-site discharge of rainwater and sewage, thus reducing the pressure of sewage treatment plants and facilitating rainwater collection and utilisation.



Energy Saving and Management:

- Materials are placed properly on-site to minimise unnecessary energy consumption caused by secondary handling;
- The overall heat outlet is installed with an overall heat device, in which a separate heat meter is set up for each household, enabling micromanagement of energy consumption.



Noise Control:

- Regular noise monitoring is conducted to reduce ambient noise pollution.



Prevention of Light Pollution:

- Directional lampshades are installed on the lamps of tower cranes to reduce the impact of lights on the surroundings;
- Hoods are used for welding operations, thus reducing light pollution at night.

Through these efforts, the Group aims to contribute positively to society and the environment while ensuring the long-term sustainability of its businesses. We will continue to monitor and evaluate the effectiveness of our green construction management practices and seek further improvement opportunities to reduce our operational carbon footprint.

Green Building

The Group has incorporated the concept of green building in project planning and construction, including the adoption of technologies such as roof rainwater harvesting system, solar photovoltaic and roof greening, which not only reduce the energy consumption of the projects, but also enable the clients to experience the natural indoor space with maximum environmental comfort.

In this way, we aim to guide our clients to adopt a more environment-friendly lifestyle, while at the same time enhancing the sustainability and environmental friendliness of our buildings. We will continue to promote green building technologies in project development and actively launch green building certification to promote the sustainable development of the entire industry and make positive contributions to society and the environment.

Energy Saving and Energy Utilisation of Buildings

In order to minimise energy consumption and improve the energy efficiency of buildings during daily use as far as possible, the Group has developed a comprehensive and detailed construction environmental standards, including:



Municipal heat sources are used for central heating, where all heating is metered by households. The heat consumption and heat transfer ratio of the hot water circulating pump in the heating system and the air volume per power consumption of the ventilation system are both lower than the limits required by the current national standards;



Thick reinforced concrete and thick extruded polystyrene foam plastic board are used in building roofs, while the exterior walls are made of thick Grade-A EPS modified polystyrene board, allowing more robust thermal insulation;



Energy-saving lightings are used for street lighting in residential properties, and hierarchical control is adopted and implemented by divisions. All systems are automatically controlled to set specific lighting time periods;



Efficient sound-light controlled energy-saving LED lights are used for internal public lighting.

Improvement in Water Utilisation of Buildings

In order to enhance the water efficiency of each project, the Group has formulated a series of water management policies:



Water-saving irrigation is implemented, and water metres are set according to their purpose;



Large-scale green area and permeable brick are designed and used in outdoor areas to increase rainwater infiltration. Low-terrain green space is set up on both sides of the roads in residential properties to facilitate local rainwater absorption.

Greening of Public Area

The Group alleviates the urban heat island effect in the vicinity of its projects by increasing green space in each project through rational landscaping strategies:



Diversity of local plant species are selected for plantation;

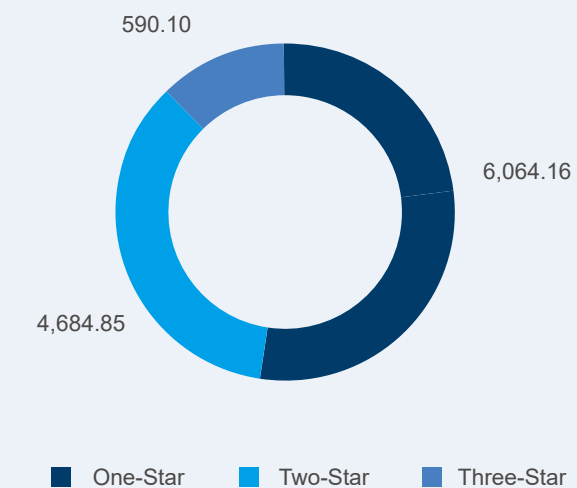


The design principle of people-oriented has been adopted in the gardening of residential properties, thereby striving to create a liveable environment.

Green Building Certification

The Group has actively participated in the certification of international and domestic authoritative building institutions and integrated environmental goals with certification standards. We are committed to green building certification to ensure that our environmental management practices are in line with industry best practices.

Accumulated Area Obtaining the Green Building Certification in 2023 (thousand m²)



Green Operation

In terms of environmental management, the Group takes reference from standards in China and locations where it operates, integrates the ISO14001 Environmental Management System, and adopts the “PDCA”¹ model, thus formulating policies related to emission reduction and environment protection based on the Group’s actual operating characteristics. The Group aims to reduce air emissions and waste generation and enhance energy and water efficiency. Through executing relevant policies and evaluating the results achieved on a regular basis, the Group further optimises relevant policies and determines future working plans.

In doing so, the Group is committed to ensuring sustainable progress in its environmental performance. We will continue to monitor the effectiveness of our environmental management and seek innovative ways to improve our environmental performance and to provide support for the Group’s long-term sustainability objectives.

Responding to Climate Change

In tackling the challenge of climate change, the Group, as a responsible real estate developer, recognises the environmental impact of its operations in terms of energy consumption, atmospheric emissions and greenhouse gas emissions. At the same time, the Group recognises that climate change may present both risks and opportunities for the Group’s business operations.

In order to effectively manage risks and capitalise on potential opportunities, the Group has developed and implemented a series of internal policies and procedures aimed at identifying and evaluating climate-related risks, including the increased probability and frequency of occurrence of extreme weather events such as hurricanes, floods, etc., and the direct and indirect impacts of these factors on our business operations.

In terms of climate change, we focus on SDG-13 “Climate action - Take urgent action to combat climate change and its impacts” and are committed to reducing GHG emissions in daily operations through measures such as investing in green buildings, improving system efficiency, and optimising energy efficiency. On the one hand, these measures further alleviate the environmental impact caused by the Group’s business operations, and on the other hand, it ensures that the Group’s business remains resilient and sustainable in a changing environment.

Energy Saving and Consumption Reduction

In terms of energy management, by formulating the *Guidelines for Energy Management* and other internal management policies, each shopping mall, hotel, residential property, and office building carry out classified comprehensive energy management from the aspects of lighting, heating, cooling, use of domestic water, and power distribution. Meanwhile, the Group’s shopping malls, hotels, residential properties, and office buildings implement refined management during daily operations, to which the engineering director is entrusted for the overall energy management to achieve the targets of energy-saving and emission reduction. By strengthening equipment management, continuous inspection and repair, and enhancing equipment maintenance, we keep our equipment in the most economical operating condition and effectively reduce equipment energy consumption. Besides, in order to reduce the use of non-renewable energy, we prioritise the use of solar water heating system and uses natural gas as an auxiliary heat source.

In terms of water resources use, the Group referred to the SDG-6 goal of “Ensure availability and sustainable management of water and sanitation for all”, and has implemented diverse measures to improve the water use efficiency in different business aspects ranging from property development, construction management to daily operation, so as to achieve the goal of saving water usage as much as possible. Additionally, the Group also strengthens the daily maintenance and management of water equipment, and conducts regular inspections on the water usage of each district to prevent overflowing and long-time flowing of water taps. Due to the Group’s business nature, municipal water and circulating water are used in all operating properties owned by the Group, and thus did not face any issues in sourcing water that is fit for purpose.

¹ That is, Plan (計劃), Do (執行), Check (評估), Act (優化).

Critical Data:

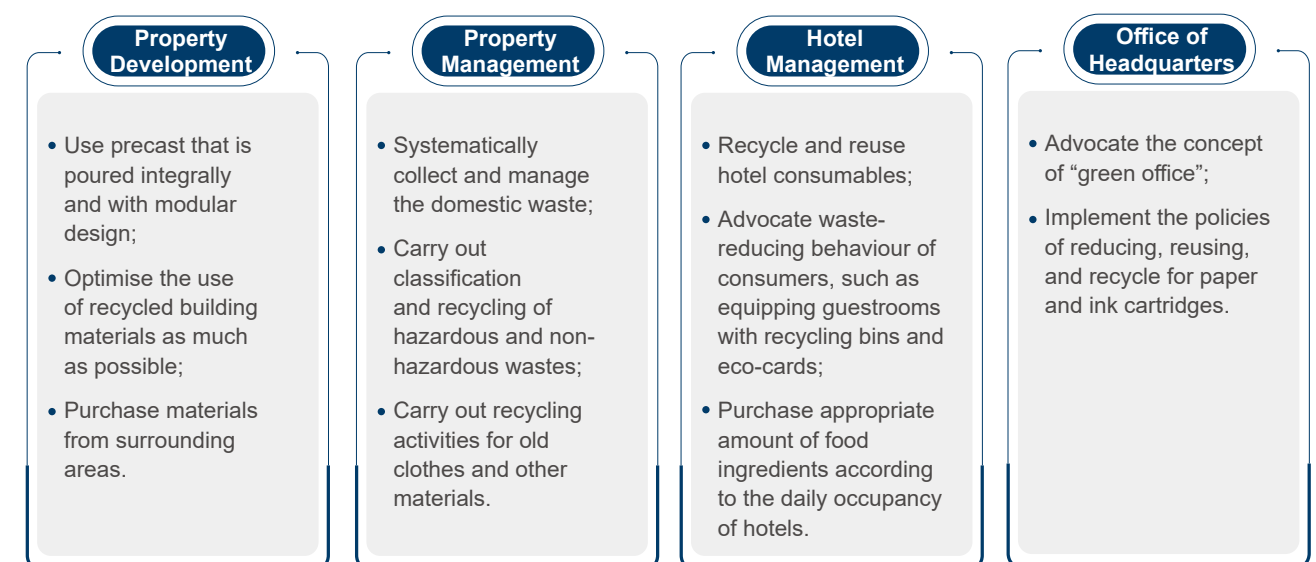


As at the end of the Reporting Period, the energy consumption amount per income in thousand RMB from property rental, development and management services was **0.16** MWh.

Waste Management

Guiding by SDG-12 “Responsible Consumption and Production” in the United Nations SDGs, the Group ensures the adoption of a sustainable production model in the production and operation process, and is committed to the goal of reducing the waste generation as much as possible, and to contributing to environmental protection and the realisation of the SDGs.

The Group has established specific waste management policies and strategies according to the characteristics of different business segments:



Critical Data:



As at the end of the Reporting Period, the amount of produced non-hazardous waste per income in thousand RMB from property rental, development and management services was **1.75** kg.

Green Office

The headquarters of the Group and offices of each business sectors continuously promote and implement the concept of “green office”. We reduce our environmental footprint by implementing reduction, reuse and recycling policies to effectively manage office waste such as paper and ink cartridges. In order to further promote green office, the Group has also established the *Green Office Policy* for the headquarters and offices of each project and business department, which sets out a series of energy-saving and emission-reduction measures applicable to the office and manages the energy consumption of the headquarters office area, so as to minimise the negative impact of daily operations on the environment.

In addition, the Group has been actively conducting environmental protection activities during operations with the aim of conveying its concept of green operation and cultivating consumers’ green living and consumption habits. We will continue to optimise our green office practices and encourage our partners and consumers to join us in achieving a greener, more sustainable way of working and living.

Building of Green Supply Chain

The Group has always adhered to the concept of sustainable development by integrating environmental protection and social responsibility into its business model. We are committed to creating a green supply chain and have established a transparent and fair green assessment system and standards. We continue to improve our procurement standards and policies, to comprehensively consider energy saving, emission reduction and environmental protection factors in various aspects, including product design, procurement, production, packaging, logistics, sales, service, recycling and reuse.

We also undertake the social responsibility of environmental protection, energy-saving, and emission reduction along with the upstream and downstream corporates. Our goal is to minimise the environmental footprint of the entire supply chain, contributing to the achievement of economic, social and environmental sustainability.

Responsible Procurement

The Group adheres to the principles of fair, just and open procurement and ensures highly transparent procurement process. The Group's procurement policy explicitly takes into account suppliers' environmental and social responsibility performance as a key consideration when making procurement decisions, thereby achieving effective management of environmental and social risks in the supply chain.

We pursue not only economic benefits but also a balance between environmental and economic benefits. Taking into account the industry's current state of development, we have proactively established a set of practical green procurement standards for real estate. We prioritise the procurement of raw materials, products and services that are environmentally friendly, energy efficient and easy to utilise. When selecting wood products, priorities will be given to member companies of the Forest Stewardship Council (FSC) to support responsible and sustainable enterprises in the forest product industry.

Management of Supplier ESG Risk

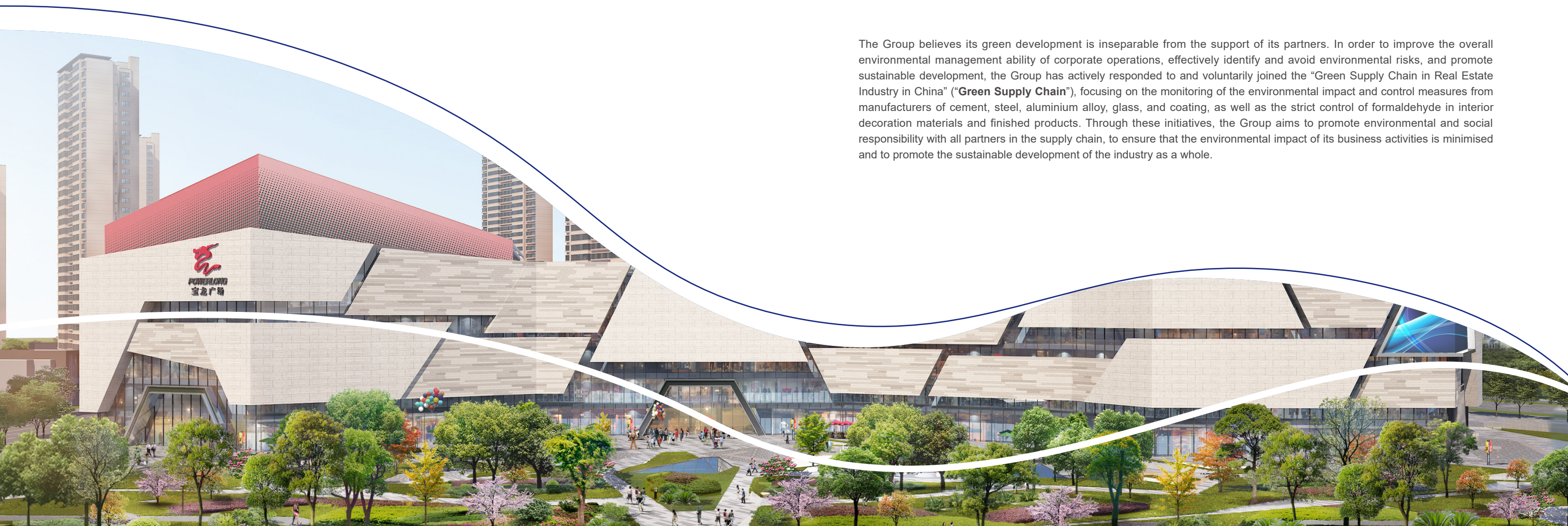
The Group has formulated a set of "7+4" control policies in the process of supplier selection and recruitment, which comprehensively evaluates and manages suppliers from two aspects: "general dimension" and "special dimension". The general dimension includes consideration of the Company's background and reputation, business scale, labour force and local resources, while the special dimension includes the Company's local experience, labour and employment situation in similar cooperation status. To ensure the effective implementation of the above principles, the Group developed and strictly implemented a series of internal management documents, including the *Operation Guide of Supplier Resource Management*, *Operation Guide of Bidding and Purchasing*, *Guidelines for Recommendations and Invitation of Bids* and *Operation Guide of Whole-process Management for Strategic Procurement*. During the selection of business partners, the Group insists on conducting thorough background checks, including credit assessment, and checking for any illegal records, to ensure the compliance of its partners.

The Group also investigates the historical performance of suppliers and reviews their performance in labour protection and human rights protection. Moreover, the Group conducts on-site inspections of potential partners, and take quality, safety, and environmental protection as core inspection indicators. All partners must meet uniform entry criteria to ensure fairness and impartiality.

The Group currently uses a transparent and open online platform to call for tenders, and also has clear integrity and law-abiding clauses and complaint reporting channels in the contract and official website to promote transparency and compliance of the supply chain. Through these initiatives, the Group is committed to building a responsible and sustainable supply chain system.

Partnering with Suppliers for Common Development

The Group believes its green development is inseparable from the support of its partners. In order to improve the overall environmental management ability of corporate operations, effectively identify and avoid environmental risks, and promote sustainable development, the Group has actively responded to and voluntarily joined the "Green Supply Chain in Real Estate Industry in China" ("**Green Supply Chain**"), focusing on the monitoring of the environmental impact and control measures from manufacturers of cement, steel, aluminium alloy, glass, and coating, as well as the strict control of formaldehyde in interior decoration materials and finished products. Through these initiatives, the Group aims to promote environmental and social responsibility with all partners in the supply chain, to ensure that the environmental impact of its business activities is minimised and to promote the sustainable development of the industry as a whole.





People-oriented

- ☐ Employee Rights and Interests Protection
- ☐ Cultivation of High-quality Talents

Employee Rights and Interests Protection

In terms of employee rights and interests, the Group adheres to the core values of fairness and equality and is committed to creating a diverse and inclusive work environment. Every employee is viewed as the Group's most valuable asset, and their rights and interests and welfare are completely respected and safeguarded. In its daily operations, the Group strictly adheres to local laws and regulations regarding compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group also strictly abides by the regulations set forth by the International Labour Organization regarding the prevention of child labour and forced labour.

Besides, the Group promotes equal and diverse human resources management policies and opposes discrimination on the basis of race, nationality, ethnicity, and gender. We are committed to creating a work environment free from discrimination, attracting and keeping talented people, making sure that every worker has an equal chance to reach their full potential, and cooperating to foster a harmonious and inclusive work culture.

Legal Employment

Strictly complying with the *Company Law of the PRC*, the *Labor Law of the PRC*, the *Labor Contract Law of the PRC* and other relevant laws and regulations, and the Group adheres to the principle of "Open Recruitment, Position Competition, Selected Hiring, Optimised Allocation" and has established an evaluation system in combination with the situation to objectively assess candidates for recruitment. The Group also establishes an evaluation system in conjunction with the Group's business situation, and conducts objective evaluation of candidates and selects the best ones for employment. At the same time, the Group strictly examines the information of all applicants during the recruitment process, thus ensuring the applicants have reached the legal age for employment, and resolutely refraining from employing child labour. If violation is found, handling actions will be taken immediately according to relevant laws and regulations.

The Group is committed to maintaining a working environment that complies with laws and regulations and pays attention to the rights and interests of employees, and protects the legitimate rights and interests of both parties through effective management of labour contracts. We provide our employees with a contract termination mechanism during the probation period. Employees of the Group can propose to terminate the labour contract; however, a written report must be submitted at least three days in advance. During the probation period, we regularly evaluate the performance of our employees and review whether they meet the conditions of employment. If, during the probation, any employee is found to be unqualified for the employment requirement, in violation of laws and regulations, or in violation of the Group's rules and regulations and labour discipline, the Group may unilaterally terminate the labour contract. We ensure that all such decisions are made in accordance with applicable laws and regulations and in compliance with the corporate rules and policies.

Remuneration and Benefits

The Group is committed to establishing a fair and transparent remuneration and benefits system. In accordance with our internal management policy, the *Guidelines for Salary Management*, the Group adheres to the principle of "Salary is consistent with one's contribution" to objectively offer different salary levels according to employees' actual capabilities, responsibilities and contributions. In terms of remuneration management, the Group has implemented a regular remuneration review mechanism to assess and adjust the remuneration structure on an annual basis. In addition to the general salary adjustment plan, the individual remuneration adjustment range is determined by each department based on the ability, performance, and incentives of employees, so as to adequately reflect the contributions and market competitiveness of the Group's employees.

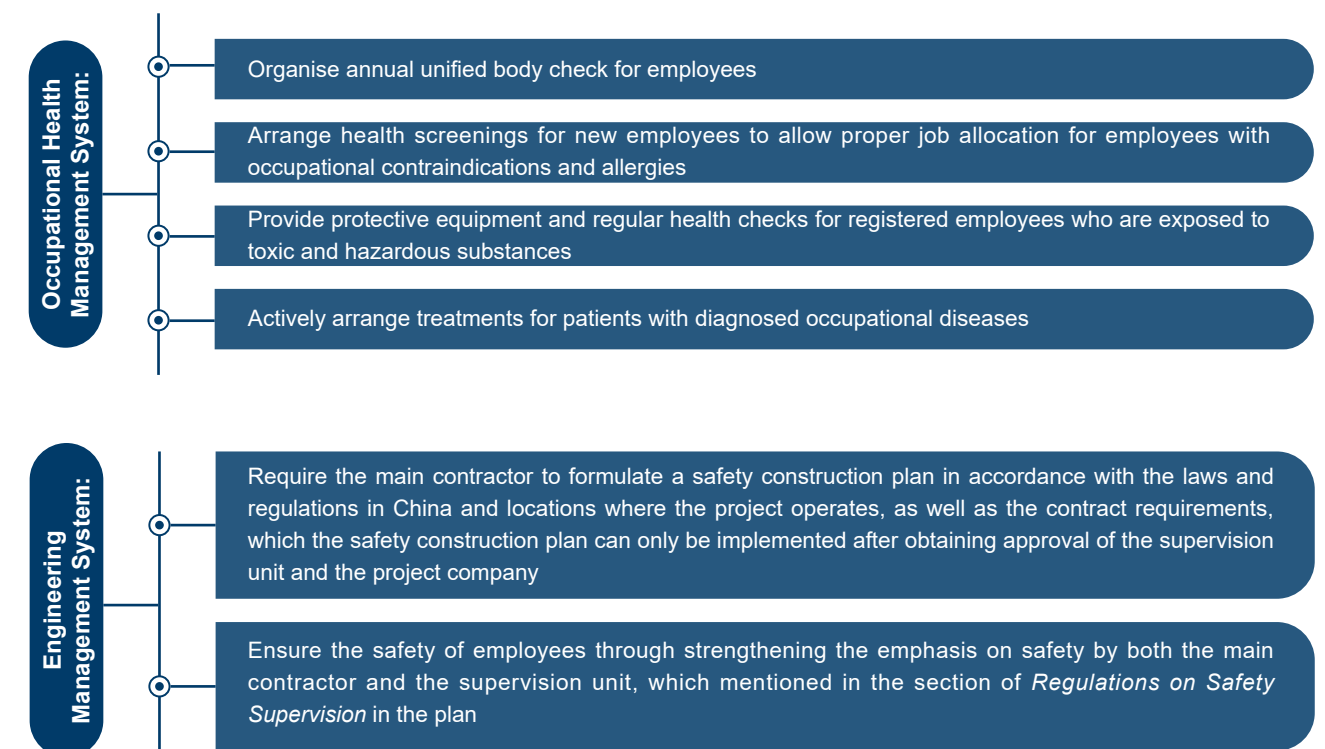
Besides, the Group implements a comprehensive performance appraisal system and conducts annual performance appraisals for all employees, and arranges salary adjustments and promotions according to the work capacity, performance, and other factors of each employee. For employees with poor performance in the assessment consecutively, the Group may demote the employees or change their postings. If, after appropriate counselling and support, an employee's performance still fails to meet the expected standards, we will negotiate with the employee, terminate the labour contract in accordance with the laws and the Group's policy, and pay reasonable severance to ensure that the legitimate rights and interests of the employee are respected throughout the process.

In terms of employee benefits and welfare, we provide employees with catering at canteens and venues for cultural and recreational activities, purchase traffic accident insurance for employees engaged in special works, and provide special benefits such as birthday gifts, wedding gifts, childbirth gifts, condolences subsidy, and flight tickets and accommodation subsidies for visiting relatives. The Group is committed to ensuring that employees enjoy paid leaves and other statutory holidays in accordance with the law, and regularly reviews the working hours of employees, implementing strict management of overtime work. All overtime work must be approved by relevant management. All employees who worked overtime may apply for a subsequent compensation leave to promote their work-life balance.

The Group encourages employees to maintain work-life balance and ensure employees adequate rest and maintain their well-being and health. We respect the opinions and feedback made by our employees. We actively listen to their ideas and comments during our regular employee seminars, and we address any problems they run across at work to improve their sense of participation and satisfaction.

Occupational Health and Safety

Attaching great importance to the safety and health of employees in the workplace, the Group strictly abides by laws and regulations in the locations where it operates relevant to a safe working environment and protection of employees from occupational hazards. In order to further enhance the protection of employee safety and health, the Group has formulated and implemented a series of safety management systems aimed at ensuring employee safety in multiple dimensions. These systems include not only the provision of a working environment that meets safety standards for employees, but also additional safety precautions and management for employees engaged in high-risk industries such as engineering and construction.



In daily operations, the headquarters of the Group and its subsidiaries regularly inspect fire-fighting facilities and safety signs and arrange for employees to participate in fire drills, thus enhancing their self-protection awareness. For employees who are engaged in high-risk work, we hold regular sharing sessions with the theme of safety management by combining their own experiences and external cases, to continuously strengthen the approach and awareness of safety management. We are committed to continually improving our employees' safety awareness and prevention capabilities, creating a zero-incident workplace for our employees, and promoting their overall welfare and career development. At the same time, we will continue to monitor and improve our policies related to occupational health and safety to ensure that the Group's performance in terms of employee safety and health consistently meets or exceeds industry standards and regulatory requirements.

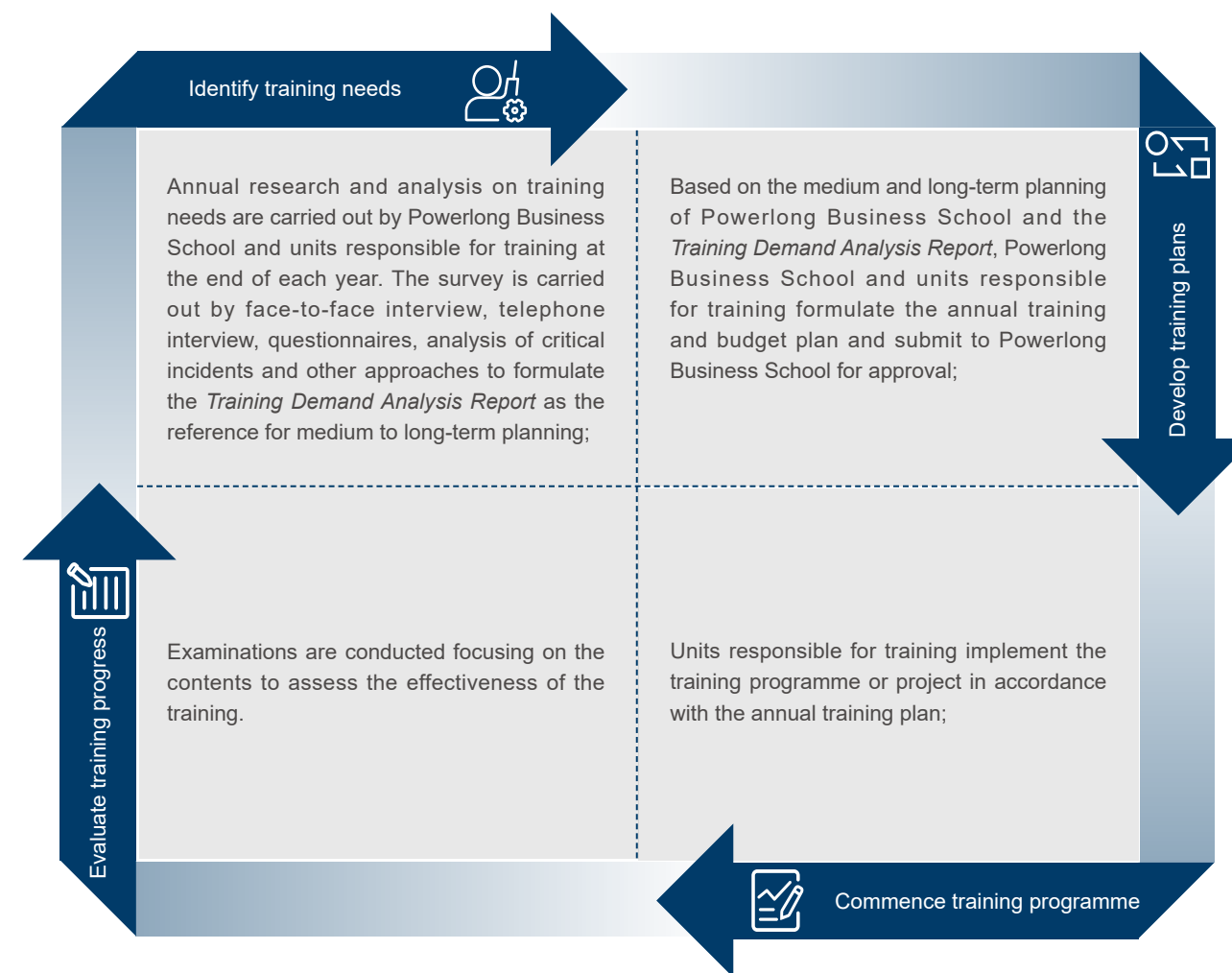
Cultivation of High-quality Talents

The Group places the training of high-quality talents at the core of its corporate development, and it is committed to enhancing the professionalism and overall competence of its employees through the platform of Powerlong Business School. We have implemented a systematic and tiered training program for each professional field and job level to ensure that all employees, from senior management to grassroots, are provided with professional training and development opportunities that match their responsibilities. This program has allowed us to achieve comprehensive and well-rounded talent development within the Group.

When creating training contents, we focus on the combination of professionalism and specificity, and have constructed a three-dimensional training system including standardised training, echelon training and professional skills enhancement training to meet the needs of different functional areas. This training system emphasises the enhancement of employees' professional skills and work efficiency, as well as leadership development and teamwork, thus ensuring that the Group maintains its competitive edge in the fast-changing market environment.

Powerlong Vocational Training Programme			
Training Category	Project	Objective	Frequency
Standardised Training	Training for new employees	Helping new employees to integrate better into the corporate environment	Monthly / Real Time
	Standardised promotion	Conducting training on various new processes and policies	Real Time
	General skills sharing	Conducting level-specific training on general workplace skills	Real Time
	Lecture sharing	Conducting sharing of excellent cases and experiences in various lines	Monthly
Echelon Training	Training for traders	Conducting specialised business and management skills enhancement training	Monthly
	Training for two-line functional general managers		
	Training for other functional general managers		
Professional Skills Enhancement Training	Training of enhancing competency for business lines	Focusing on on-the-job professional skills upgrading for employees	Quarterly
	Cross-line professional communication	Carrying out associated business interface training	Quarterly
	Stage-by-stage training on operational difficulties	Carrying out review and discussion of recent specialised business difficulties	Real Time

The Group's training system operates in accordance with the ISO10015 International Standard Project Management Process.



The Group actively advocates and supports its employees to participate in general and professional upgrading programs organised by external higher education institutions or professional certification organisations. In order to alleviate the burden of learning on employees, the Group undertakes part of the cost of such training to encourage employees to pursue personal enhancement.

In addition, in order to further strengthen the business-related skills of our employees and to facilitate their career development, the Group has implemented a policy of full reimbursement of expenses. The Group will fully cover the cost of any training course or qualification examinations that are closely related to employee's responsibilities and that are taken by employees on their own initiative, subject to verification. Through such initiatives, we have helped our employees realise their individual career goals, while at the same time fostered a workforce with in-depth professional knowledge and skills for the Group's long-term development.



Caring for the Society

- ☐ Stimulating Community Vitality
- ☐ Committing to Public Services

Stimulating Community Vitality

As a responsible company, the Group has incorporated social responsibility into its core development strategy and considers it an integral part of its business operations. We believe that society's health and well-being are directly related to our company's success. Therefore, we are actively engaged in a variety of community care and public welfare activities, aiming to promote the harmonious development of the community and enhance the quality of life for its residents.

Powerlong Warm Heart: Sunset Programme - Free Haircut in the Community

Powerlong Warm Heart: Sunset Programme is the first public fund-raising project launched by Powerlong Charity Foundation, which aims to solve the problem of haircutting difficulties faced by the elderly. By purchasing haircutting services from professional organisations, the volunteers launched the "Free Haircut in the Community" campaign. Haircutting services are provided to the elderly over 60 who live alone, individuals with disabilities, retired military personnel, low-income individuals, long-term public welfare volunteers, and other groups of people, allowing them to take advantage of the "doorstep" close-by, convenient haircut service.

According to the statistics, Powerlong Charity has initiated 60 charity activities, provided haircutting services to 2,711 individuals, offered door-to-door services to 111 individuals, operated as project assistants for 65 individuals, served as warmth ambassadors for 30 individuals, and employed 154 volunteer haircutters.



Committing to Public Services

Powerlong established the Shanghai Powerlong Foundation in 2020. With the motto of "Building on Love, Doing Good to Achieve Great Results", the Foundation is committed to supporting and fostering art students from families with difficulties, assisting low-income families in improving their living conditions, and funding projects and activities related to elderly care services, among other public welfare endeavours.

Powerlong Community Charity Campaign

With funding from Shanghai Powerlong Foundation and assistance from the Foundation Management Office of the Shanghai Civil Affairs Bureau, the "Shanghai Rende Foundation-Powerlong Community Charity Campaign" fund was created in Shanghai Rende Foundation in 2023. The fund aims to cultivate and empower community foundations with high quality, to promote the development of community charity, and to enable community foundations to assume a more significant role in community governance. The project encourages and subsidises community foundations to set up "Warm Heart" special funds to provide community assistance for the poor, the disabled, the young, education, and venture philanthropy, to promote community charities to really put them into practice, to promote the grass-roots community governance in Shanghai, and to build a better new community.



In June of this year, the Rende Foundation conducted due diligence visits to 12 social organisations and conducted on-site surveys, to fully understand the needs of projects to help children in difficult circumstances, as well as to understand the status of the applying institutions and projects from the perspectives of traceability, sustainability and development. The Foundation hopes to comprehensively examine the qualifications of the organisations, their internal governance, the professionalism of the project staff and the possibility of project implementation through surveys, so as to select projects with clear needs, excellence and in urgent need of help. This will enable the Foundation to provide effective and targeted assistance.

Appendix

Performance Summary

The statistical data and calculation methods used in the Report have been properly presented. Historical data and information of some indicators have been sorted out and presented. Environmental data covers properties held and operated by the Group. During the Reporting Period, the Group further improved its data collection and statistical system, thus there were differences for some data as compared with the previous year due to changes in both the data collection items and the scope of projects covered in the Reporting Period compared to 2022. Unless other stated, the data provided in this chapter are the annual summary data for the corresponding year or data as at 31 December of the corresponding year.

Powerlong Responsibility

Prevention of bribery and corruption:

Indicators	2023	2022	2021	Unit
Number of cases involving bribery, extortion, fraud, and money laundering	0	0	0	Case
Number of operation litigation cases related to intellectual property infringement	0	0	0	Case

Excellent Service

Operational performance:

Indicators	2023	2022	2021	Unit
Number of operation litigation cases related to safety and health	0	0	0	Case
Number of complaints due to leakage of client information	0	0	0	Case

Client Satisfaction:

Indicators	2023	2022	2021	Unit
Average customer satisfaction of the commercial sector	95.5	96.2	96.2	%
Average resident satisfaction of the residential property management centre	93.4	87.3	87.2	%
Average customer satisfaction of the hotel operation	96.4	93.0	93.2	%

Toward Zero Carbon

Emissions

Atmospheric pollutants²:

Indicators	2023	2022	2021	Unit
Nitrogen oxides (NO _x)	8.49	6.90	8.50	Tonne
Sulphur oxides (SO _x)	0.04	0.92	1.05	Tonne
Particulates Matter (PM)	0.06	0.01	0.01	Tonne

GHG emissions:

Indicators	2023	2022	2021	Unit
Collective GHG emissions	381,194.32	351,494.14	341,603.39	Tonne CO ₂ eq
Direct emissions (Scope 1) ³	7,816.28	9,514.88	11,578.89	Tonne CO ₂ eq
Indirect emissions (Scope 2) ⁴	373,378.04	342,240.53	330,285.78	Tonne CO ₂ eq
Reduced GHG emissions by owned trees ⁵	239.41	261.28	261.28	Tonne CO ₂ eq
Collective GHG emissions (Scope 1 and 2) per income in thousand RMB from property rental, development and management services ⁶	0.09	0.07	0.07	Tonne CO ₂ eq

² The atmospheric pollutants data included the natural gas emission from stationary sources, the fossil fuel consumption from on-road vehicles and non-road mobile source. The calculation was based on the *Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler, Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial)* and the *Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial)* issued by the Ministry of Ecology and Environment of the PRC. Since the calculation of air pollutants from stationary sources was based on the Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler and the emission total particulate matter is not included, the emission data of atmospheric pollutants were presented in three categories: nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

³ The direct GHG emission data were calculated according to the consumption data of stationary sources, road mobile sources, non-road mobile sources, as well as relevant conversion factors in the *Guidelines for Accounting and Reporting GHG Emissions by China Public Building Operation Units (Enterprises) (Trial)* and the *Guidelines for Accounting and Reporting GHG Emissions by China Land Transportation Enterprises (Trial) in Mainland China*.

⁴ The grid emission factors used in the 2023 GHG emissions calculation for purchased electricity are derived from the *Notice on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry for 2023-2025* issued by the Ministry of Ecology and Environment of the PRC.

⁵ Refers to the total amount of GHG reduced by trees with height of 5 metres and above held by the Group. The GHG emission reduction data were calculated based on the relevant conversion factors in the *Guidelines to Account for and Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Public Use) in Hong Kong*.

⁶ Refers to the total income of the Group's annual income from rental income from investment properties, the income from provision of commercial operational services and residential property management services, as well as the income from other property development related businesses.

Produced non-hazardous wastes:

Indicators	2023	2022	2021	Unit
Total amount of produced non-hazardous waste	7,134.27	5,690.09	8,043.65	Tonne
Domestic waste ⁷	6,148.78	4,707.19	6,270.28	Tonne
Food waste ⁸	985.49	982.90	1,773.37	Tonne
Amount of produced non-hazardous waste per income in thousand RMB from property rental, development, and management services	1.75	1.16	1.65	Kilogramme

Produced hazardous waste:

Indicators	2023	2022	2021	Unit
Total produced amount of hazardous waste	12.96	15.63	16.81	Tonne
Electronic waste	4.61	2.76	3.93	Tonne
Waste battery	1.45	3.28	3.10	Tonne
Waste lamp containing mercury	5.43	6.16	7.30	Tonne
Used cartridge	0.94	0.95	0.62	Tonne
Chemical container	0.53	2.48	1.87	Tonne
Amount of produced hazardous waste per income in thousand RMB from property rental, development, and management services	0.003	0.003	0.003	Kilogramme

Wastewater discharge⁹:

Indicators	2023	2022	2021	Unit
Wastewater discharge	9,363,596.78	7,282,334.62	7,256,688.43	Tonne

Emissions and discharge compliance:

Indicators	2023	2022	2021	Unit
Number of cases involving the illegal discharge of pollutants into the environment	0	0	0	Case

⁷ The statistics and calculation scope of domestic waste have excluded wastes generated by commercial tenants in shopping malls, tenants in office buildings, and residents in the residential properties, but have included wastes generated in hotel guestrooms.

⁸ The statistics and calculation scope of food wastes have excluded wastes generated by restaurants in the shopping malls, tenants in office buildings, and residents in residential properties, but have included wastes generated by hotel kitchens.

⁹ The data of water discharge were calculated based on the total water usage data and the Manual of Accounting Methods and Calculation Factors for Pollutant Production and Discharge from Domestic Sources.

Resource Use

Energy consumption¹⁰:

Indicators	2023	2022	2021	Unit
Total energy consumption	653,023.49	647,500.56	626,163.88	MWh
Direct resource use				
Natural gas	38,188.53	46,571.76	56,717.03	MWh
Gasoline	577.48	688.84	855.42	MWh
Diesel	148.86	133.82	113.33	MWh
Indirect resource use				
Purchased electricity	614,108.61	600,106.14	568,478.10	MWh
Energy consumption amount per income in thousand RMB from property rental, development, and management services	0.16	0.13	0.13	MWh

Water consumption:

Indicators	2023	2022	2021	Unit
Total water usage ¹¹	10,403,996.42	8,091,482.91	8,062,987.15	m ³
Consumption of municipal water (domestic water) ¹²	9,738,197.56	7,677,784.91	7,729,827.65	m ³
Consumption of circulating water (reclaimed water and cooling water)	665,798.86	413,698.00	333,159.50	m ³
Amount of water discharged into the natural environment after self-pretreatment and meeting discharge standard	1,110,216.00	687,312.32	971,835.84	m ³
Total water consumption ¹³	8,627,981.56	6,990,472.59	6,758,012.81	m ³
Water consumption amount per income in thousand RMB from property rental, development, and management services	2.11	1.65	1.39	m ³

¹⁰ The data of resource consumption were calculated based on the amount of purchased electricity and the consumption of natural gas, gasoline and diesel, and converting coefficients from the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises in Other Industries (Trial)* issued by the National Development, Reform Commission of the PRC.

¹¹ Refers to the sum of total usage of municipal water and circulating water.

¹² According to the business characteristics of the Group in real estate industry, source of water withdrawal by the Group is mainly municipal water (domestic water).

¹³ Refers to the difference between the usage of municipal water (domestic water) and the amount of water discharge.

Mitigating Natural and Environmental Impact

Weight of recycled waste materials during operation:

Indicators	2023	2022	2021	Unit
Recycled plastic bottle	35.14	50.76	58.40	Tonne
Recycled soap	0.74	0.68	0.53	Tonne
Recycled toothbrush	0.92	0.20	0.16	Tonne
Recycled toothpaste	0.45	0.20	0.22	Tonne
Recycled metal	19.24	16.50	22.74	Tonne
Recycled paper	85.37	81.80	107.67	Tonne
Recycled glass bottle	11.03	8.82	9.14	Tonne

Environmental greening:

Indicators	2023	2022	2021	Unit
Number of trees owned by the Group with a height of 5 metres and above	10,409	11,360	11,360	Tree

Environmental compliance:

Indicators	2023	2022	2021	Unit
Number of cases involving damage to the natural environment	0	0	0	Case

Supply chain:

Indicators	2023	2022	2021	Unit
Region	Number of suppliers by region			Number
Mainland China	12,500	7,377	31,796	Number
Hong Kong, China	0	0	0	Number
Number of suppliers to whom the practice has been implemented	12,500	7,377	31,796	Number

People-oriented

Employment

Employee composition:

Indicators	2023	2022	2021	Unit
Total number of employees	9,234	10,046	13,212	Person
By gender				
Male	5,546	5,661	7,881	Person
Female	3,688	4,385	5,331	Person
By employment category				
Full-time	9,234	10,046	13,212	Person
Part-time	0	0	0	Person
By region				
Mainland China	9,231	10,043	13,206	Person
Hong Kong, China	3	2	4	Person
Other regions	0	1	2	Person
By age				
Above 50	516	466	542	Person
41-50	1,834	1,774	2,104	Person
31-40	4,353	4,680	5,905	Person
21-30	2,487	3,086	4,561	Person
20 or below	44	40	100	Person
By educational background				
Master's Degree and above	227	260	507	Person
Bachelor's Degree	3,193	3,822	4,677	Person
College Degree	3,051	3,296	4,142	Person
Secondary school	1,012	1,083	1,398	Person
Others	1,751	1,585	2,488	Person

Employment turnover rate¹⁴:

Indicators	2023	2022	2021	Unit
By gender				
Male	60.4	46.6	35.5	%
Female	57.0	40.9	33.3	%
By region				
Mainland China	59.1	43.3	34.6	%
Hong Kong, China	0	33.3	0	%
Other regions	0	50.0	0	%
By age				
Above 50	26.7	38.2	24.4	%
41-50	35.0	37.6	24.9	%
31-40	54.9	42.0	33.0	%
21-30	87.8	50.3	40.4	%
20 or below	100	57.9	52.4	%

Occupational health and safety

Employee health and safety:

Indicators	2023	2022	2021	Unit
Number of work-related fatalities	0	0	0	Person
Number of employees that were unable to go to work due to work-related injuries	0	0	0	Person
Number of lost days due to work-related injuries	0	0	0	Day

¹⁴ The employee turnover rates were calculated according to “the number of turnovers of the category / (the total number of employees of the category + the number of turnovers of the category).”

Development and Training

Employee training:

Indicators	2023	2022	2021	Unit
Person-times of employees receiving training related to career development ¹⁵				
Male	5,894	3,858	4,645	Person
Female	6,408	2,677	3,626	Person
Senior level	1,397	555	901	Person
Middle level	2,000	1,190	1,354	Person
General employees	10,547	5,608	5,583	Person
Average training hours per employee of the Group receiving training related to career development ¹⁶				
Male	14.2	15.3	10.1	Hours
Female	14.9	13.3	8.9	Hours
Senior level	26.0	587.7	646.9	Hours
Middle level	43.8	45.9	44.1	Hours
General employees	8.6	11.9	7.4	Hours

Caring for the Society

Community investment/Public charity:

Indicators	2023	2022	2021	Unit
Amount of money invested for community ¹⁷	315	25,896	34,564	RMB'000

¹⁵ According to the statistical system of the Group, the calculation unit of trained employees was “person-times”, and the Group does not have the statistics of total number of trained employees in the unit “person”. The Group will consider about the improvement of the statistical system in the future, and calculate and disclose the data of the percentage of trained employees in “person”.

¹⁶ From 2021, the Group calculated the average training hours completed per employee by employee category based on the relevant guidelines and calculation methods from the Appendix III, Reporting Guidance on Social KPIs, of *How to Prepare an ESG Report* issued by the Stock Exchange, and the formula was “the total number of training hours of employees in relevant category/the total number of employees in that category”. In 2020, the calculation formula of average training hours completed per employee by employee category was “the total number of training hours of employees in relevant category/the total person-times of employees receiving training in that category”

¹⁷ Including charitable and other donations made by the Group.

Laws and Regulations that the Group has Complied with During the Reporting Period

Corresponding laws and regulations to the ESG Reporting Guide ¹⁸		The Group's compliance status
A. Environmental		
Aspect A1: Emissions		
Mainland China	<i>Environmental Protection Law of the PRC</i> <i>Prevention and Control of Atmospheric Pollution of the PRC</i> <i>Environmental Protection Tax Law of the PRC</i> <i>Regulations on the Implementation of the Environmental Protection Tax Law of the PRC</i> <i>Water Pollution Prevention Law of the PRC</i> <i>Prevention and Control of Environmental Pollution by Solid Wastes Law of the PRC</i> <i>Environmental Impact Assessment Law of the PRC</i> <i>Prevention and Control of Environmental Noise Pollution Law of the PRC</i> <i>Regulations on Environmental Protection Management of Construction Projects</i> <i>Urban Drainage and Sewage Treatment Regulations</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, and noise control that have significant impacts on the Group.
Hong Kong, China	<i>Water Pollution Control Ordinance</i> <i>Waste Disposal Ordinance</i>	
B. Social		
Aspect B1: Employment		
Mainland China	<i>Company Law of the PRC¹⁹</i> <i>Labour Law of the PRC²⁰</i> <i>Labour Contract Law of the PRC</i> <i>Regulations on the Implementation of the Labour Contract Law of the PRC</i> <i>Social Insurance Law of the PRC</i> <i>Employee Paid Annual Leave Regulations</i> <i>Protection of Women's Rights and Interests Law of the PRC²¹</i> <i>Protection of Minors law of the PRC²²</i> <i>Labour Dispute Mediation and Arbitration Law of the PRC</i> <i>Protection of Disabled Persons Law of the PRC</i> <i>Employment Regulations for Disabled Persons</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits that have significant impacts on the Group.
Hong Kong, China	<i>Employment Ordinance²³</i> <i>Employee Compensation Ordinance</i> <i>Minimum Wage Ordinance</i>	

¹⁸ The Group's operation complies with laws and regulations, which the laws and regulations the Group has complied with including but not limited to the content listed in this chapter.

¹⁹ To avoid repetitive statement, the law and regulation also apply to "Aspect B7" in this Appendix.

²⁰ To avoid repetitive statement, the law and regulation also apply to "Aspect B2" and "Aspect B4" in this Appendix.

²¹ To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

²² To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

²³ To avoid repetitive statement, the law and regulation also apply to "Aspect B4" in this Appendix.

Aspect B2: Health and Safety		
Mainland China	<i>Work Safety Law of the PRC</i> <i>Provisions on Workplace Occupational Health Supervision and Administration</i> <i>Fire Protection Law of the PRC</i> <i>Occupational Disease Prevention Law of the PRC</i> <i>Work Injury Insurance Regulations</i> <i>Labour Insurance Regulations of the PRC</i> <i>Safety Production License Regulations</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impacts on the Group.
Hong Kong, China	<i>Occupational Safety and Health Ordinance</i>	
Aspect B4: Labour Standards		
Mainland China	<i>Prohibition of Child Labour</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to preventing child and forced labour that have significant impacts on the Group.
Aspect B6: Product Responsibility		
Mainland China	<i>Trademark Law of the PRC</i> <i>Trademark Law of the PRC</i> <i>Protection of Consumer Rights and Benefits Law of the PRC</i> <i>Advertising Law of the PRC</i> <i>Patent Law of the PRC</i> <i>Land Administration Law of the PRC</i> <i>Construction Law of the PRC</i> <i>Urban Real Estate Management Law of the PRC</i> <i>Interim Measures for the Administration of Store Advertising</i> <i>Urban Real Estate Development and Management Regulations</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that have significant impacts on the Group.
Aspect B7: Anti-corruption		
Mainland China	<i>Criminal Law of the PRC</i> <i>Against Unfair Competition Law of the PRC</i> <i>Bidding and Tendering Law of the PRC</i> <i>Anti-Money Laundering Law of the PRC</i> <i>Interim Provisions on Prohibiting Commercial Bribery</i>	During the Reporting Period, the Group did not violate any laws and regulations relating to bribery, extortion, fraud and money laundering that have significant impact on the Group.
Hong Kong, China	<i>Prevention of Bribery Ordinance</i>	

Content Index of the ESG Reporting Guide of the Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs		Location of Disclosure or Remarks
Mandatory Disclosure Requirements		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Management
Reporting Principles	Describe or explain how the reporting principles were applied in the ESG report	Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report
"Comply or Explain" Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Regarding air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Toward Zero Carbon Laws and Regulations that the Group has Complied with During the Reporting Period
KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary

KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Toward Zero Carbon
KPI 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.	Toward Zero Carbon
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Toward Zero Carbon Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Toward Zero Carbon
KPI 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.	Toward Zero Carbon
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Due to the Group's business nature, matters related to packaging materials are not applicable to the Group.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Toward Zero Carbon
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Toward Zero Carbon
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Toward Zero Carbon
KPI 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.	Toward Zero Carbon
B. Social		
Aspect B1: Employment		

General Disclosure	Regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	People-oriented Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary
Aspect B2: Health and Safety		
General Disclosure	Regarding providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	People-oriented Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
KPI B2.2	Lost days due to work injury.	Performance Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-oriented
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training and may include internal and external courses paid for by the employer.	People-oriented
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary
Aspect B4: Labour Standards		
General Disclosure	Regarding preventing child and forced labour: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	People-oriented Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-oriented
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Toward Zero Carbon
KPI B5.1	Number of suppliers by geographical region.	Performance Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Toward Zero Carbon Performance Summary
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Toward Zero Carbon

KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Toward Zero Carbon
Aspect B6: Product Responsibility		
General Disclosure	Regarding health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Excellent Service Laws and Regulations that the Group has Complied with During the Reporting Period
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Due to the Group's business nature, this is not applicable to the Group.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Excellent Service In accordance with the "materiality" principle, for relevant data, please refer to the Environmental, Social and Governance Report 2023 of Powerlong CM, the subsidiary of the Group.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Powerlong Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Excellent Service Due to the nature of the Group's business, the recall procedure is not applicable to the Group.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Excellent Service
Aspect B7: Anti-corruption		
General Disclosure	Regarding bribery, extortion, fraud and money laundering: (a) the policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Powerlong Responsibility Laws and Regulations that the Group has Complied with During the Reporting Period
KPI 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.	Powerlong Responsibility Performance Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Powerlong Responsibility
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Powerlong Responsibility
Aspect 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.	Caring for the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for the Society Performance Summary



ESG REPORT

POWERLONG 2023

POWERLONG TOWER	UNIT 3303, 33RD FLOOR
1399 XINZHEN ROAD	WEST TOWER, SHUN TAK CENTRE
MINHANG DISTRICT	168-200 CONNAUGHT ROAD CENTRAL
SHANGHAI	HONG KONG
PRC	

Website: www.powerlong.com