



POLY DEVELOPMENTS AND HOLDINGS
2023 SUSTAINABILITY REPORT

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About This Report

Reporting period

This report covers the period from 1 January 2023 to 31 December 2023, mainly providing a panorama of Poly Developments and Holdings' progress and achievements in sustainable development management. To enhance this report's comparability and forward-looking nature, certain contents may extend beyond the Reporting Period.

Terms and definitions

For the purposes of this report, the terms below are used with the following meanings unless otherwise specified:

Poly Property Services	Refers to Poly Property Services Co., Ltd.
Zhonggong Architectural Design Institute	Refers to Guangdong Zhonggong Architectural Design Institute Co., Ltd.
Poly Consultancy	Refers to Poly Harmony Real Estate Investment Consultancy Co., Ltd.
Fuli Construction	Refers to Fuli Construction Group Co., Ltd.
Poly Commerce & Tourism Development	Refers to Poly Commerce & Tourism Development Co., Ltd.
Poly Events	Refers to GuangZhou Poly International Trade and Investment Co., Ltd.
Poly Jinhan Exhibition	Refers to Guangzhou Poly Jinhan Exhibition Co., Ltd.
Poly Health	Refers to Poly Health Industry Investment Co., Ltd.
Poly Cultural Tourism	Refers to Poly (Chongqing) Cultural Tourism Industry Development and Management Co., Ltd.
Poly Apartment	Refers to Poly Apartment Management Co., Ltd.
CITIC Poly Fund	Refers to CITIC Poly Private Equity Fund Management Co., Ltd.
Poly Capital	Refers to Poly Capital Management Co., Ltd.

Preparation basis

This report is mainly prepared in accordance with a range of pertinent reporting standards, such as the *Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* issued by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), the *Corporate Social Responsibility Reporting Guide for Chinese Enterprises (CASS-ESG5.0)* issued by the Chinese Academy of Social Sciences ("CASS"), the *Study on ESG Special Report Compilation for Listed Companies Controlled by Central Enterprises*, the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* ("Guidelines"), as well as the *Global Reporting Initiative Sustainability Reporting Standards* ("GRI Standards").

Data source

Data and information used herein are sourced from the Company's statistical reports, internal documents and reports, and third-party questionnaire surveys. The Company's Board of Directors is responsible for the authenticity, accuracy, and completeness of this report's contents.

Review and approval

This report is released upon review and approval by the Board of Directors. Additionally, concerning the Company's sustainable development, the Board of Directors reviews and determines the annual goals and plans, regularly checks the Company's progress and performance, and continuously supervises the direction and task implementation.

Disclaimer

This report contains forward-looking statements. Therefore, terms including but not limited to "will", "expect", "predict", "future", "aim", "estimate", "plan", "believe", "potential", "continue", "continuously", "goal", "purpose", and "may/might/can/could" will be utilised herein. As these statements are prepared based on current expectations, assumptions, estimates, and predictions, they may significantly deviate from the actual results due to uncertainties. Under this circumstance, the Company assumes no obligation to update any forward-looking statements herein unless mandated by pertinent laws. Additionally, the Company bears no responsibility for any consequences resulting from individuals' judgements based on the information provided herein.

Report access

This report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail. To read or download this report, please visit Poly Developments and Holdings' official website at <http://www.polycn.com/social.html>.

Feedback

Feel free to provide any feedback through the following channels:

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Message from the Senior Management

The year 2023 marked the beginning of implementing the guiding principles of the 20th National Congress of the Communist Party of China ("CPC") in all aspects. It was also a year brimming with challenges and opportunities. In this context, Poly Developments and Holdings Group Co., Ltd. (hereinafter referred to as "Poly Developments and Holdings" or the "Company") still holds fast to the brand concept of "Building Harmony" and has worked arduously to become a kindred spirit in fostering a better life and a steadfast advocate for serving national strategies.

While holding onto the ambitious goal of "Safeguarding the Country, Serving the People, Striving for Excellence", Poly Developments and Holdings has earnestly implemented national strategies and made it the Company's duty to safeguard people's livelihoods while driving steady industry development. The Company's ultimate mission is to create a better life for everyone. It has emphasised both development and security while continuously advancing high-quality development to ensure steady and sustainable progress in this new landscape. Operating compliantly with high quality development as the basis.

Operating compliantly with high-quality development as the basis

Poly Developments and Holdings has always persevered in operating with integrity and upholding business ethics. Moreover, it has enhanced internal control mechanisms and integrated the management and philosophy of sustainable development into corporate development strategies, boosting the Company's overall development. In 2023, the Company ranked first in the industry with sales totalling RMB422.2 billion. This achievement is a testament to its ongoing efforts to improve operating results through robust internal management.

Embracing low-carbon development with green solutions as the foundation

Responding to climate change is the shared responsibility of humanity, and attaining carbon peaking and carbon neutrality is a strategic goal for our nation. Committed to these causes, the Company has been engaged in climate change response and practised low-carbon development models, green construction, green operations, and circular economy. These efforts aim to minimise and ultimately avoid the adverse impacts of the Company's operations on climate and the environment, thereby "creating a living environment where nature, architecture and humanity coexist in harmony". In 2023, the Company's new projects fully complied with standards for green buildings, and its new gross floor areas ("GFA") in compliance with standards for green buildings totalled 14.91 million square metres, thus reaffirming the Company's unwavering dedication to green development.

Being committed to social development with responsibility as the principle

As a responsible central enterprise, Poly Developments and Holdings has diligently accomplished the development tasks entrusted to it by the state and the public at large. It has proactively engaged in infrastructure construction and stimulated industrial vitality, fully demonstrating the vital role of state-owned enterprises in promoting high-quality development. At the same time, the Company has vigorously promoted industry development, driven the construction of subsidised housing, contributing

to rural revitalisation, and implemented philanthropic initiatives. These endeavours highlight the Company's strategic role in supporting structural adjustment, employment stabilisation, and satisfaction of living needs. In 2023, Poly Developments and Holdings donated a total of RMB17.71 million to rural revitalisation, benefiting over 8,000 persons and contributing to the narrative of a better life.

Refining products with quality as the priority

Products serve as a bridge between enterprises and customers. Poly Developments and Holdings has continued deepening its "real estate ecosystem platform" strategy and rolled out diverse residential products and comprehensive services to meet the demands of different customer bases. Adhering to a customer-centric approach, Poly Developments and Holdings places people at the core of efforts. Furthermore, following the guidance of corporate culture and taking space as a vehicle, the Company has developed six core "IENJOY" products and deepened six core "ITRUST" services. This strategy has enabled the Company to redefine "humanistic communities" in the new era while delivering top-notch products, services, and lifestyle enablements. In 2023, the Company delivered 291,000 units of superior quality, marking a 12% year-on-year increase, accompanied by a steady rise in customer satisfaction. At the same time, it has consistently responded to and addressed customer concerns, achieving a 96% closure rate for all product and service-related complaints.

Advancing together with employees as the partner

Poly Developments and Holdings adopts a "safety-first" approach to workplace safety management to safeguard the health and security of both employees and contractors. In 2023, the Company conducted more than 32,000 workplace training sessions in production safety, benefiting more than 690,700 persons. Moreover, the Company has actively responded to national talent development and employment-first strategies and persevered in talent recruitment. Poly Developments and Holdings' overall goal is to empower employee growth and provide employees with extensive opportunities for individual career development.

To make good on the commitment to the nation's prosperity and people's well-being, Poly Developments and Holdings has established a new "real estate perspective". The Company forges ahead and builds strength in order to achieve excellence. The year 2024 is pivotal for Poly Developments and Holdings in attaining its goals for the "14th Five-Year Plan" period as it continues its transition into a "provider of infrastructure services with new quality productive forces". Poly Developments and Holdings will continue its mission to meet people's expectations for a better life. To this end, it will take on responsibilities with courage and confident morale, thereby striving for economic, social and environmental harmony and sustainability. In this manner, it will build a future of greater prosperity and higher quality.

About Poly Developments and Holdings

Company profile

Poly Developments and Holdings Group Co., Ltd. (Stock Code: 600048.SH), or Poly Developments and Holdings in short, was established in 1992. It is a major listed real estate company under Poly Group and the main operation platform of its real estate industry. The Company remains committed to "building a real estate ecosystem platform with excellent competitiveness" and providing comprehensive services to the industry ecosystem based on real estate investment and development, asset operation, and capital operation. Ranking 243rd among Forbes Global 2000 companies in 2023, the Company remained the No.1 Central SOE in the real estate industry for 15 consecutive years, and ranked first among the top 100 real estate companies in China in 2023.

Poly Developments and Holdings adheres to the brand concept of "Building Harmony" and takes "Making Life Even Better" as its corporate mission. Its business network extends to more than 100 cities in China and other countries, including Australia and the UK. The Company has been ranked as a leading Central SOE in property development and property services for many years, and its brokerage services and financial services have been ranked among the top 10 in the industry for many years. The Company has participated in the construction of many important projects in many cities by virtue of its outstanding construction, operation and service strengths, and it has made great contributions to promoting innovation in the industry, urban development, and improving people's lives. The Company's property management company (Stock Code: 06049.HK) is an important stock in the property management sector of HKEX and a leading listed property management company in China.

Business layout

Poly Developments and Holdings takes real estate investment and development as its starting point to extend its "real estate ecosystem", aiming to build a real estate ecosystem platform with outstanding competitiveness and stability. The Company is strategically positioned as a real estate ecosystem platform and develops three major industrial chains, namely real estate investment and development, better life services and industrial financial services, with 34 real estate subsidiaries and ten industrial subsidiaries and a total of more than 50,000 employees.

Real estate investment and development

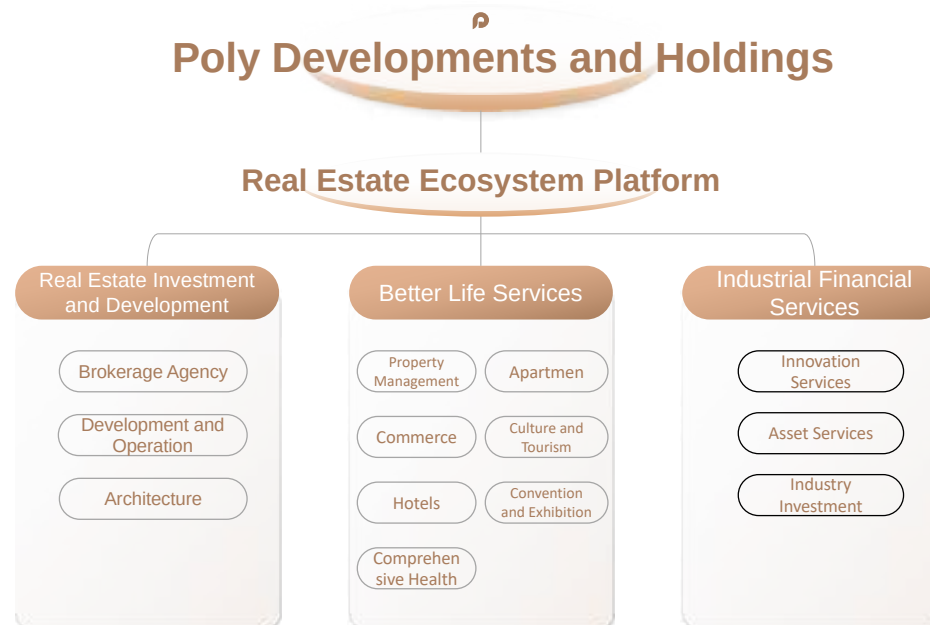
Based on real estate investment and development, the Company extends the industry chain to provide whole-chain services such as investment, design, construction, brokerage agency, property management and industry chain finance. The Company also develops its real estate business to provide comprehensive services such as residence, business, culture, entertainment, recreation and industry operation in physical places such as residences, office buildings, hotels, shopping centres, venues, industrial parks, and theme parks, forming a symbiotic, co-prosperous and harmoniously developed organic system through the mutual development of talents, capital, science and technology, and information.

Better life services

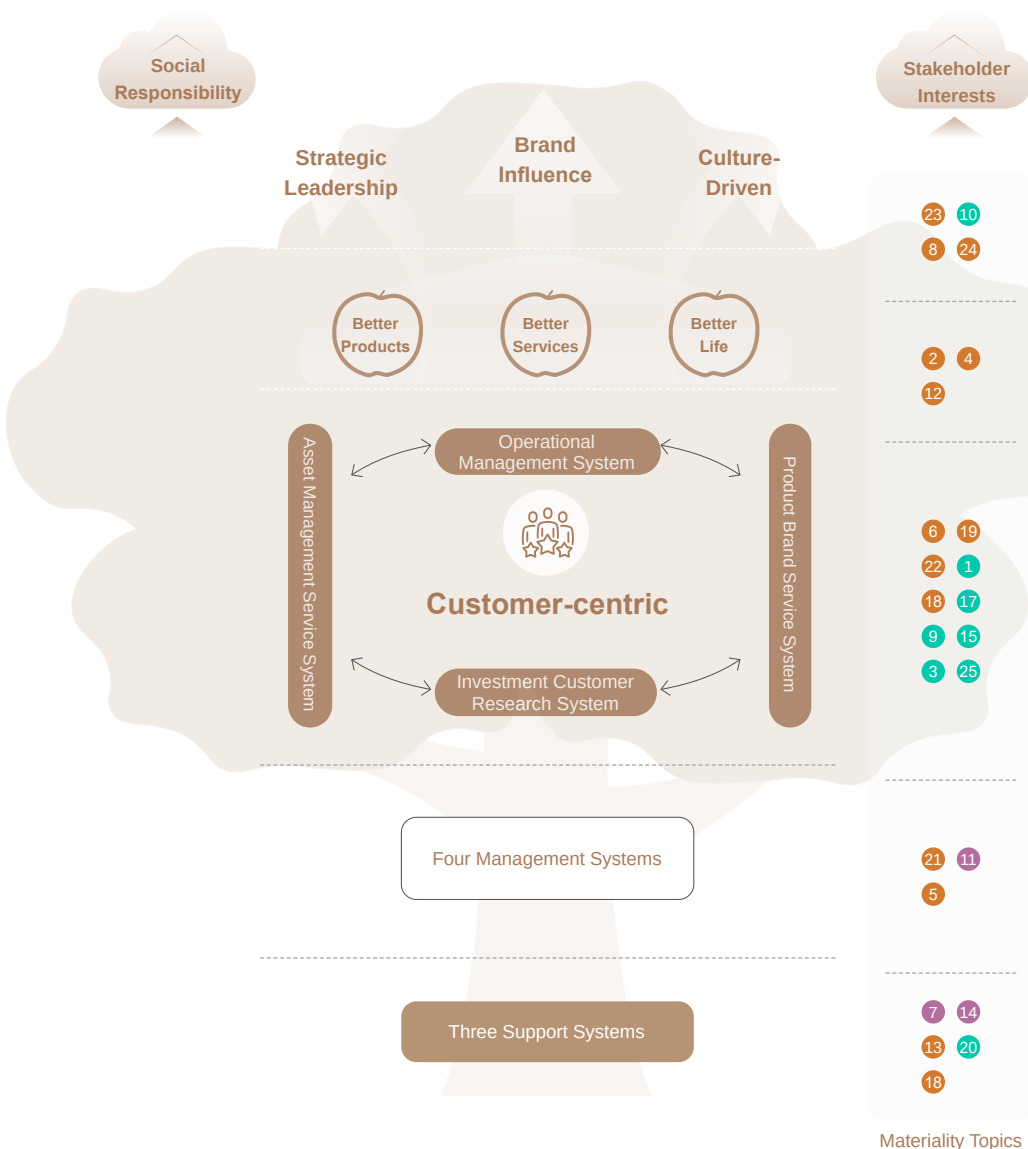
By extending the whole industry chain of real estate, Poly Developments and Holdings has effectively integrated the industry's ecosystem resources. Its construction, property management, agency and asset management businesses have reached a scale worth tens of billions. Following the national strategies of boosting domestic demand and upgrading consumption, the Company has formed a featured service system in the fields of culture and tourism, convention and exhibition, recreation and health care, and financial services from the perspective of customers' and community's needs, providing one-stop comprehensive solutions for people's better life.

Industrial financial services

With the business philosophy of combining industrial and financial capital, Poly Developments and Holdings attaches importance to the empowerment of capital to industry and is one of the first companies in China to have set up real estate private equity funds with real estate fund management organisations. In terms of industrial funds, asset securitisation, innovative industry incubation, and capital operation, the Company has a pioneering advantage and practical ability. Through the connection between capital and industry, Poly Developments and Holdings will benchmark against internationally renowned investment institutions to create a new industry ecosystem that combines industrial and financial capital.



Sustainability Management



Sustainable development concept

Assuming the responsibility and mission of meeting the people's needs for a better life, Poly Developments and Holdings grows together with its shareholders, employees, suppliers and other related parties to achieve a harmonious symbiosis between the Company and its stakeholders. During the Reporting Period, Poly Developments and Holdings formulated a systematic blueprint for corporate development and construction of the "Tree of Development", formed a new mode of 'high-quality development' and new momentum of "new quality productive forces", aiming to promote the stable and healthy development of the Company and bring sustainable value to the society.

Governance structure

Poly Developments and Holdings complies with the relevant provisions of the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission and the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Standardised Operation* issued by the Shanghai Stock Exchange and continues to strengthen the participation of the Board of Directors and the management in sustainable development, forming a top-to-bottom culture of sustainable development. The Company has formed a four-level sustainable development governance structure consisting of the Board of Directors, the Sustainable Development Working Group, each functional department, and front-line operational units to effectively implement sustainable development management.

Board of Directors

- As the highest decision-making body for sustainable development management, the Board of Directors assumes the overall responsibility for sustainable development and is responsible for formulating sustainable development management strategies, considering and approving the Company's sustainable development management objectives, reviewing the achievement of the objectives on an annual basis, deciding on major sustainable development issues and risk response initiatives, and considering and approving the Company's sustainable development report.

Sustainable Development Working Group

- The General Manager of the Company is responsible for the overall planning. The Secretary of the Board of Directors is responsible for the implementation of the sustainable development management strategy, coordination of the sustainable development management objectives, review of relevant internal guidelines and policies, and the preliminary examination of the sustainable development report to be submitted to the Board of Directors for deliberation;
- Carry out the training related to sustainable development and guide the subordinate enterprises to implement sustainable development management in an orderly manner.

Functional Departments

- Functional departments consist of functional centres or the heads of functional departments and are responsible for decomposing the annual work content and preparing the Company's sustainable development report in accordance with the sustainable development management objectives.

Front-line Operational Units

- Front-line operational units are responsible for implementing the daily management of sustainable development and fulfilling the environmental, social, and corporate governance responsibilities.

Under the leadership of the sustainability governance structure, the Company's Board of Directors, special committees, functional departments and front-line operational units have all played an important role in the Company's sustainability governance, working together to drive Poly Developments and Holdings' high-quality, sustainable development.

Board of Directors and Special Committees		Sustainability Management Practice of the Year	
Board of Directors	It participated in the assessment of materiality topics, approved the results of the assessment of materiality topics, and considered and approved the 2022 Annual Social Responsibility Report & ESG Report. It considered the Proposal on the 2022 Internal Control Evaluation Report, the Proposal on the 2023 Significant Risk Assessment Report, and the Proposal on the Revision of the Independent Directors Work Policy to ensure that the company governance and risk management are on a steady course.		
Strategy Committee	It examined the Company's development strategies, major investment and financing programmes, capital operation and asset management projects, and other key matters to ensure that the Company's decisions are in line with its long-term development objectives and the principle of sustainable development.		
Nomination Committee	It established criteria and procedures for the selection of directors and senior management members, conducted rigorous scrutiny of candidates for directors and senior management members, strengthened the quality and transparency of the Company's governance, and regularly reviewed and confirmed the impartiality of independent directors.		
Audit Committee	It guided the Company to adapt to the new situation of the industry, continuously strengthen risk prevention and control, and enhance internal control building and internal audit practices. Based on the Company's lean management requirements, it strengthened the whole-process management for external guarantees, financial subsidies and related party transactions, to strictly control operational and financial risks.		
Remuneration and Appraisal Committee	It established a formal and transparent procedure to develop a fair compensation programme, including a performance evaluation and reward system, reviewed employees' performance of their duties and conducted annual appraisals, and monitored the implementation of the compensation system, thereby ensuring the management of key talent and the achievement of the Company's long-term goals.		

Functional Departments and Front-line Operational Units		Sustainability Management Practice of the Year	
			Emphasis on environmental protection: Actively implementing the national green and low-carbon policy, the functional departments achieved the goal of 100% compliance with green building standards in their new projects, introduced clean energy, and improved resource utilisation efficiency, aiming to focus on green supply chain management, and jointly promote green development.
Functional Departments			Active fulfilment of social responsibility: They strictly abide by laws and regulations to protect consumer rights and interests. They have actively attended social welfare activities and invested funds to support public welfare activities in education, poverty alleviation and environmental protection, contributing to the harmonious development of society.
			Strengthened corporate management: The subsidiaries comprehensively carried out self-inspection and self-correction, strengthened the responsibility of operation units, and organically combined regularised self-inspection and self-correction with audit supervision and internal control evaluation.
			Environmental performance: By actively implementing the Company's environmental protection policies, the front-line operational units have reduced waste emissions, promoted effective recycling of water resources rationally utilised resources, and paid more attention to biodiversity protection, thus contributing to sustainable development.
Front-line Operational Units			Social performance: They deeply assessed the needs of the local community and actively participated in social welfare activities. They also paid more attention to employee welfare, provided a positive working environment, and strengthened vocational training, to ensure the rights and interests of employees.
			Governance performance: The subsidiaries comprehensively carried out self-inspection and self-correction, strengthened the responsibility of operation units, and organically combined regularised self-inspection and self-correction with audit supervision and internal control evaluation.

Sustainable development goals

Guided by the concept of high-quality sustainable development and with reference to the United Nations Sustainable Development Goals (UN SDGs), Poly Developments and Holdings integrated the concept of sustainable development into the processes of corporate governance, risk control, green construction, employee development, industry cooperation and social value creation, and through the operation and management of various issues, it steadily improved its sustainable development capability.

UN SDGs	Goals	Corresponding Topics	UN SDGs	Goals	Corresponding Topics
	SDG 1 No Poverty End poverty in all its forms everywhere.	Contributing to Rural Revitalisation		SDG 10 Reduced Inequalities Reduce inequality within and among countries.	- Contributing to Rural Revitalisation - Job Creation and Equal Employment
	SDG 2 Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Contributing to Rural Revitalisation		SDG 11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.	- Prefabricated and Green Buildings - Serving National Infrastructure Construction and Urban Revitalisation - Provision of Quality Products and Services
	SDG 3 Good Health and Well-being Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	- Public Welfare and Charitable Causes - Provision of Quality Products and Services - Health and Safety		SDG 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns.	- Prefabricated and Green Buildings - Emissions and Waste Management - Responsible Marketing - Customer Satisfaction - Customer Privacy and Information Security
	SDG 4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	- Contributing to Rural Revitalisation - Public Welfare and Charitable Causes - Employee Training and Development		SDG 13 Climate Action Take urgent action to combat climate change and its impacts.	- Responding to Climate Change "Dual-carbon" Strategy
	SDG 5 Gender Equality Achieve gender equality and empower all women and girls.	Job Creation and Equal Employment		SDG 14 Life below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	Biodiversity Protection
	SDG 6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all.	Resource Management		SDG 15 Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	Biodiversity Protection
	SDG 7 Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all.	Energy Efficiency and Renewable Energy Use		SDG 16 Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.	- Compliant Operation - Risk Management and Internal Control - Business Ethics
	SDG 8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Employee Rights, Remuneration and Benefits		SDG 17 Partnerships for the Goals Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.	- Promoting Business Innovation and Serving Regional Economic Development - Supply Chain Management - Promoting Industry Development
	SDG 9 Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	- Serving National Infrastructure Construction and Urban Renewal - Promoting Business Innovation and Serving Regional Economic Development			

Strengthened stakeholder communication

The opinions and suggestions of the stakeholders will help Poly Developments and Holdings to formulate long-term development strategies, effectively identify potential risks and opportunities for sustainable development, and enhance its management capabilities. The Company maintains regular communication with its stakeholders through various means with a view to understanding their key concerns and expectations.

Stakeholder	Topics of High Concern	Mode of Response to Topics
Employees	- Employee Rights, Remuneration and Benefits - Prefabricated and Green Buildings - Health and Safety - Employee Training and Development	- Employee rights and interests protection - Establish sound remuneration management system - Strengthen the talent evaluation criteria of "politics, performance, competence and driving force"
Customer	- Prefabricated and Green Buildings - Customer Privacy and Information Security - Customer Satisfaction - Health and Safety	- Focus on housing quality evaluation - Rigorous implementation of third-party quality reviews - Efficient and quality customer response and service
Partner	- Prefabricated and Green Buildings - Energy Efficiency and Renewable Energy Use - Contributing to Rural Revitalisation "Dual-carbon" Strategy	- Strengthen peer exchanges - Explore and promote the industry trends and technological innovations
Government/Regulatory Authorities	- Prefabricated and Green Buildings "Dual-carbon" Strategy - Contributing to Rural Revitalisation - Serving National Infrastructure Construction and Urban Revitalisation	- Compliance and sound operations - Improve transparency of information - High-quality sustainable development
Community/Public Welfare Organisation	- Contributing to Rural Revitalisation - Prefabricated and Green Buildings - Energy Efficiency and Renewable Energy Use - Promoting Business Innovation and Serving Regional Economic Development	- Carry out cooperative projects - Community activities - Develop social value
Shareholder/Institutional Investor/Securities Analyst	- Prefabricated and Green Buildings - Energy Efficiency and Renewable Energy Use - Contributing to Rural Revitalisation - Serving National Infrastructure Construction and Urban revitalisation	- Disclosure of transparent information - Shareholders' Meeting - Investor roadshow - Routine communication
Media	- Prefabricated and Green Buildings - Contributing to Rural Revitalisation "Dual-carbon" Strategy - Serving National Infrastructure Construction and Urban Revitalisation	- Disclosure of transparent information - Shareholders' Meeting - Regular communication

Voice of stakeholders

The Company received many comments and suggestions from stakeholders during this year's research on materiality topics:

Management

“

- Actively respond to national policies
- Continuously strengthen compliant operation and coordinate safety and development



”

Government/Regulatory Authorities

“

- Implement the investor-oriented philosophy, while continuing to optimise operations, standardise governance and reward investors
- Continue to drive the Company's development with scientific and technological innovation



”

Customer

“

- Ensure product and service quality to improve customer satisfaction



”

Employees

“

- Promote digital transformation to improve the operational efficiency and management level of enterprises
- Boost the talent strategy and focus on staff training and talent development
- Integrate sustainable development into investment decision-making and risk management



”

Shareholder/Institutional Investor/Securities Analyst

“

- Promote the development of prefabricated and green buildings to contribute to the implementation of "dual-carbon" strategy
- Expect new achievements in urban renewal and subsidised housing



”

Partner

“

- Commit to the sustainable development of the industry and lead the healthy development of the industry
- Participate in the establishment of industry ESG standards, improve the ESG supply chain, and expand the influence of the industry



”

Management of materiality topics

The following steps were followed in the assessment of materiality topics for Poly Developments and Holdings in 2023:

1. Identification and screening

Poly Developments and Holdings focuses on high-quality development, integrated development and safety, quality enhancement, systematic construction, quality enhancement and improvement of asset operation capability for its sustainable development building. Through analysing policy trends, disclosure standards, the capital market, and peer practices, Poly Developments and Holdings has built a materiality topics library by identifying and sorting out the materiality topics of the current year in a multi-dimensional manner based on the original list of materiality topics.

Management of Materiality Topics

Closely following the requirements of national macro policies, Poly Developments and Holdings has conducted in-depth research on national, provincial and municipal policies and regulations and analysed the sustainable development trend of the industry in conjunction with the policies and regulations of the real estate industry.

Attention to Disclosure Standards

With reference to the GRI standard, the Task Force on Climate-Related Financial Disclosures (TCFD), the *ESG Reporting Guide* of HKEX, the *ESG Report of Listed Companies Controlled by Central Enterprises*, and the SASB real estate industry standards, Poly Developments and Holdings has grasped the latest management standards and disclosure requirements for sustainable development issues.

Attention to the Capital Market Requirements

Focusing on the topics and requirements of ESG rating agencies and indices, Poly Developments and Holdings has updated the library of capital market rating topics.

Benchmarking Analyses

Benchmarking the excellent sustainability-related disclosures of domestic and international peers, Poly Developments and Holdings has identified and defined key topics of industry concern.

Business Correlation Analysis

Focusing on high-quality sustainable development, Poly Developments and Holdings has sorted out and identified materiality topics related to the Company's high-quality development, integrated development and safety, quality enhancement, systematic construction, quality enhancement and improvement of asset operation capability.

2. Research and assessment

The Company conducted a one-month stakeholder survey with a total of 7,545 valid questionnaires collected from stakeholders, including directors, supervisors, management layers, employees, customers, partners, government/regulatory authorities, community/public welfare organisations, shareholder/institutional investor/securities analyst, and the news media. Based on the results of the questionnaire, the Company carried out an assessment of the importance of annual topics. The matrix of materiality topics is finalised through internal management and external expert review.

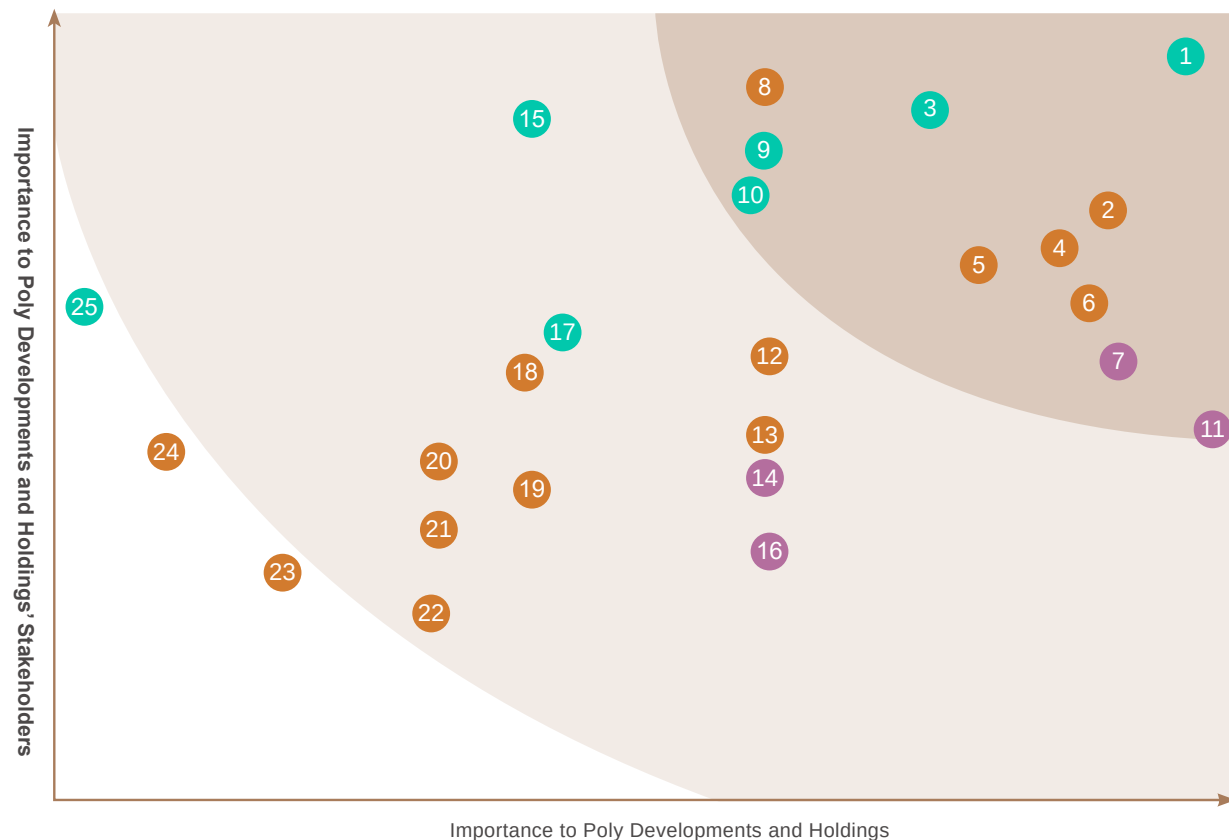
3. Response and disclosure

The Company developed and implemented action plans for materiality topics, then presented them to the Board of Directors, obtained confirmation, and provided a focused response and disclosure in the report.

4. High-quality development-related topics

In the course of the questionnaire survey for this year's sustainability report, Poly Developments and Holdings conducted a "Survey on ESG Topics Related to High-Quality Development" for directors, management and employees of the Company to further identify topics that would help the Company achieve its high-quality development goals, integrate development and safety, strengthen systematic construction, improve quality and enhance asset operation capabilities.

Matrix of Materiality Topics



Topic category and title:

Environmental

Social

Governance

Highly material topics

- 1 Prefabricated and Green Buildings
- 2 Serving National Infrastructure Construction and Urban Revitalisation
- 3 Resource Management
- 4 Promoting Business Innovation and Serving Regional Economic Development
- 5 Employee Rights, Remuneration and Benefits
- 6 Provision of Quality Products and Services
- 7 Compliant Operation
- 8 Contributing to Rural Revitalisation
- 9 Energy Efficiency and Renewable Energy Use
- 10 "Dual-carbon" Strategy
- 11 Risk Management and Internal Control

Moderately material topics

- 12 Customer Satisfaction
- 13 Job Creation and Equal Employment
- 14 Business Ethics
- 15 Emissions and Waste Management
- 16 Strengthened Stakeholder Communication
- 17 Responding to Climate Change
- 18 Health and Safety
- 19 Responsible Marketing
- 20 Employee Training and Development
- 21 Customer Privacy and Information Security
- 22 Supply Chain Management

Generally material topics

- 23 Promoting Industry Development
- 24 Public Welfare and Charitable Causes
- 25 Biodiversity Protection

Sustainability Practice of the Year

Annual results

Financial indicators

Equity attributable to the shareholders of the parent company: RMB**198.54** billion

Net profit attributable to the shareholders of the parent company: RMB**12.07** billion

Total assets: RMB**1,436.91** billion

Total operating revenue: RMB**346.89** billion

Sales: RMB**422.24** billion

Environmental indicators

Greenhouse gas emissions: **495,231** tCO₂e

Total energy consumption: **110,741** tce

Water consumption: **14.72** million tonnes

Recycled water consumption: **1.94** million tonnes

Newly added area meeting green building standards: **14.91** million square metres

Newly commenced projects using prefabricated construction methods to GFA using new techniques: **84%**

New projects in 2023 using renewable energy technology: **3,572** thousand square metres

Social indicators

Total number of employees: **56,259**

Proportion of female employees: **44%**

Per capita training hours of employees: **38** hrs

Employee safety training coverage: **100%**

Number of suppliers: **53,253**

Total public welfare investment: RMB**17.91** million



Annual executive summary

Category	Objective	Action
Governance	Strengthen the capabilities of duties performance of directors	In terms of ensuring the conditions of duties of directors, the Company conducts special investigations and organises thematic reports to reinforce support for duty performance and aids external directors in comprehensively understanding the Company's operational dynamics. In terms of implementing the Board of Directors' rights, by refining pre-meeting communication mechanisms, optimising agenda contents and other means, the Company ensures directors fully comprehend agenda items and express opinions, thereby enhancing decision-making efficiency.
	Strengthen investor communication	The Company prioritises broadening and deepening communication with investors, and enriching communication formats. Within the year, the Company organised 50 activities such as investor conferences, receptions for research, and roadshows, attended over 60 brokerage strategy meetings, and responded to over 1,600 investor inquiries through sseinfo.com, securities hotlines, email, and other channels.
	Enhance information disclosure quality	For ten consecutive years, the Company has been awarded an A-grade in the Shanghai Stock Exchange's Information Disclosure Work Evaluation, ranking at the forefront among listed companies in terms of rating results.
	Enhance risk compliance awareness	The directors of the Company have participated in multi-dimensional risk management training to improve risk management decision-making capability.
	Construct a centralised, comprehensive, authoritative, and efficient audit supervision system	The Company implements "top-down audit" and supervision and provides guidance and supervision for the internal audit work across the entire system. The Company has strengthened its organisational leadership, established various leading groups under the "Holistic Supervision" system, specified their members and responsibilities, and reinforced the leadership of the Company's supervision system.
	Continuously expand the coverage of business ethics training	In 2023, the coverage rate of employee business ethics training reached 100%.
	Conduct supervision and inspection covering the headquarters and all subsidiaries	In 2023, the Company completed two batches of "patrol-audit linkage" tasks for six subsidiaries.
Environmental	Promote relevant party integrity management	The signing rate of the Business Integrity Agreement for suppliers was 100%.
	Promote the achievement of the target that all new project constructions 100% meet green building design standards	The Company is gradually implementing ultra-low energy consumption and near-zero energy consumption building technologies. During the Reporting Period, newly added green-building-certified areas included 2,151 thousand square metres at the two-star level and 954 thousand square metres at the three-star level.
	Continue to seek high-level green building certification	During the Reporting Period, buildings obtaining green building two-star or higher certifications totalled 463 thousand square metres; LEED Gold certifications covered 323 thousand square metres.
	Strictly adhere to "six 100%" for dust control, "eight rules" for noise management, "five requirements" for wastewater treatment, and "eight essentials" for waste management to ensure that all emissions and waste meet regulatory standards	The Company continuously enhanced dust control at construction sites, strengthened measures to control noise, wastewater, and waste emissions, and improved the management of pollution from various emissions and waste. In 2023, all measures for emissions and waste management control were implemented, and the handling of emissions and waste complied with the prescribed standards.
	Continuously avoid the use of disposable and non-biodegradable materials	In Poly Commerce & Tourism Development's hospitality projects, 80% of consumables used are made from 100% renewable materials, progressively reducing the use of plastic products in available consumables.
	In business operations, assess the ecological and biodiversity impacts to ensure corporate development coexists harmoniously with the natural environment without negative effects	In the operational phase of the project, the Company enhances ecological protection, optimises landscape engineering, and monitors ecological impacts. In 2023, the Company participated in the operation of Guangzhou Haizhu National Wetland Park, and implemented an "Ecology + Service" operation model, restoring and repairing the wetland ecosystem.

Category	Objective	Action
Social	Accelerate the "Three Major Projects" of government-subsidised housing construction, urban village renovation, and urban public infrastructure construction	As of 31 December 2023, Poly Developments and Holdings had accomplished 109 subsidised housing projects with more than 100,000 units of subsidised apartments and engaged in over 130 urban village renovation projects, covering more than 100 million square metres.
	Explore innovative ways of flexible and comprehensive use of urban land and achieve intensive and diversified utilisation of land resources through rational planning and efficient management	As of 31 December 2023, Poly Developments and Holdings has implemented nearly 10 TOD projects, promoting the sustainability and liveability of urban development through the in-depth integration of transportation and culture.
	Facilitate urban revitalisation and focus on the protection and inheritance of historical and cultural heritage	In 2023, the Up City Projects of Poly and Jing'an Tianyue Project were selected as "2023 Outstanding Cases of Urban Revitalisation".
	Establish a hub for technology application and implementation, lead the industry chain of low-carbon and smart living, and foster innovation across the sector	As of 31 December 2023, the equity investment fund's portfolio encompassed 13 upstream supply chain firms, 12 downstream industrial chain projects, 9 construction technology ventures, and 13 industrial enterprise management initiatives.
	Align closely with the national strategy for regional coordination and city cluster growth and stimulate harmonious and synergistic progress in regional economies	The Company intensified its commitment to regional economic growth via multifaceted partnerships, with 86% of its investments, as of 31 December 2023, channelled into core national economic zones, notably the Greater Bay Area.
	Prioritise employment enhancement, and innovate an "Education + Employment" model for talent rejuvenation	As of 31 December 2023, the "Poly Spark Programme" had run uninterruptedly for six years, amassing a total enrolment of 580 eligible youths across targeted regions
Product	Support public welfare and charitable causes, sharing Poly Developments and Holdings' progress with society at large	As of 31 December 2023, the cumulative expenditure on charitable endeavours and donations reached RMB17.91 million.
	Obtain more ISO 9001 quality management systems certificate continuously	In 2023, a number of subsidiaries were granted ISO 9001 certificates, including Poly Property Services, Poly Events, and Zhuhai Hepin Health Technology Co., Ltd.
	Ensure that the timely closure rate of complaints about products and services reaches 85% and the closure rate reaches 95%	In 2023, the timely closure rate of complaints about products and services reached 86%, and the closure rate reached 96%.
	Continuously make progress in more fruitful training for suppliers	In 2023, 38 supplier conferences or training programmes were held by relevant subsidiaries.
	Boost the coverage of training on responsible marketing for all marketing employees	In 2023, 100% of the Company's sales and marketing employees were trained on responsible marketing.
	Regularly conduct customer satisfaction surveys	The Company has commissioned third parties to carry out customer satisfaction surveys for 12 consecutive years.
	Maintain overall customer satisfaction at a high level in the industry	In 2023, the overall customer satisfaction rate was 84% and the property service satisfaction rate was 86%.
	No customer privacy breaches	In 2023, there were no customer privacy breaches.

Category	Objective	Action
Employee	Continue to consolidate the foundation of safe production and ensure that no fatal production safety accidents will occur	In 2023, there were no production safety incidents resulting in fatalities throughout the year, maintaining an overall stable situation in terms of production safety.
	Continue to implement stringent measures for safety management by only cooperating with qualified suppliers and resolutely ceasing cooperation with unqualified suppliers	In 2023, the Company's headquarters completed six rounds of comprehensive production safety inspections, covering all suppliers. Moreover, the Company launched specialised campaigns for problem inspection and remediation against the Company's outsourcers and tenants, and strictly implemented safety management measures for suppliers.
	Continue to foster the safety culture of employees and suppliers, heighten their awareness of production safety, and improve their relevant professional capabilities	In 2023, the Company provided more than 32,000 training sessions in production safety for over 690,700 participants.
	Continue to recruit talent, actively take on the Company's social responsibility, improve the measures to stabilise and promote employment, and lead high-quality employment practices	The Company has made efforts to build an employer brand and attract high-quality talent through various channels to build a talent pipeline. Over the past three years, the Company has averagely attracted more than 1,000 talents every year through campus recruitment.
	Continue to improve the insurance system for employee health to provide employees with long-term and stable health and financial protection, and enhance their satisfaction and sense of belonging	For 15 consecutive years, the Company has offered its employees supplementary medical insurance and kept upgrading and optimising the insurance scheme, providing support for routine medical expenses and the expenses for serious diseases and accidents. As of 31 December 2023, the medical insurance programme has paid out nearly RMB100 million, benefiting approximately 30,000 employees.
	Continue to improve employee competence and ensure a coverage rate of employee training of 100% every year	In 2023, the Company held a total of 8,623 training sessions at all levels, while the annual average learning time on the online learning platform per employee approached 38 hours and the coverage rate of employee training reached 100%.

Sustainable development honours

Honours and awards



China Association for Public Companies

Best ESG Practice Case of Listed Companies in 2023



China Media Group (CMG)

China's Top 100 ESG Pioneer Listed Companies



China Association for Public Companies

Responsible Top Bull Awards



The China Enterprise Reform and Development Society (CERDS), China Social Responsibility 100 Forum

China's Top 50 ESG Pioneer Listed Companies in Greater Bay Area



Advancing the "Three Major Projects" and Consolidating Efforts for High-quality Development

In the development process of the new era, Nation has launched the "Three Major Projects"¹ as a significant initiative to advance socio-economic development, improve people's well-being, and enhance urban quality, and has consistently accelerated the transformation of the real estate development model, injecting new vitality into the construction of a modern socialist country in all respects.

As a forerunner among central state-owned enterprises in the real estate field, Poly Developments and Holdings always places a high value on its social, environmental, and economic responsibilities. It has a profound understanding of the significance of the "Three Major Projects". Guided by the national policy, it actively responds to the state's call, closely aligns the policy requirements with the Company's development strategy, and converts the aspirations of the "Three Major Projects" into practical action guidelines for the Company.

The Company is committed to exploring a new development model that focuses on "effective qualitative improvement and reasonable quantitative growth" while upholding the principle that "houses are for living in, not for speculation". While serving the national overall strategies, the Company leverages its advantageous resources and increases its investment efforts, aiming to promote high-quality development in the real estate industry with a new development model. Amid the reform of the housing system and the improvement of the government-subsidised home system, including public rental housing, subsidised rental housing, and homes with shared ownership, the Company follows principles of "market regulation for private housing, and government oversight for subsidised housing" and "houses are for living in, not for speculation". Emphasising the importance of meeting genuine demand, the Company encourages both housing rentals and purchases and upgrades and optimises its development model.

Subsidised housing

Housing is a major issue for both people's well-being and national development, and the construction of government-subsidised housing is a key initiative to meet the basic housing needs of the people. The CPC Central Committee and the State Council actively promote the transformation of the real estate industry, advance the development of a new model, foster the steady and healthy growth of the real estate market, and improve people's well-being through the construction of subsidised housing.

In addition to supplying commercial housing, Poly Developments and Holdings, as a centrally administered and state-owned enterprise, actively responds to the national policy and fulfils its social responsibility by constructing and providing low-cost housing for society and the general public, so as to address the housing demand unmet by commercial housing. As of 31 December 2023, the Company had a total of 185 government-subsidised housing projects (including projects involving subsidised housing), with a GFA of 9.46 million square metres. Among them, 109 subsidised housing projects have been completed, with a planned GFA of 4.3 million square metres, and 76 subsidised housing projects are proposed to be built or under construction, with a planned GFA of 5.16 million square metres.

¹Three Major Projects: Government-subsidised housing construction, urban village renovation, and public infrastructure construction.

The number of the Company's subsidised housing projects is

185

GFA is **9.46** million square metres

Case — Start a New Chapter in Urban Revitalisation: Poly Developments and Holdings Rewrites the Rules for Resettlement Housing

Poly Developments and Holdings is actively involved in urban Revitalisation. With a GFA of more than 720 thousand square metres, Putian Tianhui Resettlement Plot (Shouxi Jingyue) is a housing project designed to enable a better life for more than 5,000 resettled residents. Firmly committed to the original aspiration of "Safeguarding the Country and Serving the People", the Company strives to establish this project as a model for urban housing support projects, contributing to building urban subsidised housing and renewing the look of the city.



► Rendering of the Putian Tianhui Resettlement Plot (Shouxi Jingyue) Project

Urban village renovation

The renovation of urban villages is an important part of urban Revitalisation. The *Guiding Opinions on Actively and Steadily Promoting the Renovation of Urban Villages in Megacities and Supercities* issued by the General Office of the State Council provides policy guidance on the renovation of urban villages. It specifies that the primary focus of urban village renovation projects is to address the housing needs of new urban residents, young people, and migrants, as well as satisfy the demand for low-cost, jobs-housing balanced and rental-based housing.

In 1995, Poly Developments and Holdings participated in urban Revitalisation for the first time. In 2009, the Company made more great efforts to explore urban Revitalisation. By 2023, the Company has promoted more than 130 urban village renovation projects in 20 cities of 11 provinces, with a renovated GFA of more than 100 million square metres, effectively improving the living environment of more than 100,000 households and becoming a leading enterprise in the practice of urban Revitalisation services.

The number of provinces: 11	The number of cities: 20	The number of projects in this business segment is over: 130	The total renovated floor area is over: 100 million square metres	The number of households is over: 100,000
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Case — Establish the Tianyue Brand in Xi'an with the North Zhangba Road Project

Poly Developments and Holdings developed the Zhangba North Road Project, the first primary development pilot project in Xi'an. Through cooperation with the government in the early stages, the Company completed the demolition and relocation of the project, and acquired premium development plots. With a total investment of nearly RMB20 billion, Xi'an Subsidiary acquired this project through public bidding, explored and realised the development model of primary and secondary coordination, securing the launch of the high-end product brand of Poly Tianyue.

As a high-end improved residential community in Xi'an, Poly Tianyue is located in the core hinterland of Hi-Tech Zone, west of Zhangba North Road and north of Keji Sixth Road, with a GFA of more than 1 million square metres. It offers a wide range of products, such as furnished single-story mansions, multi-story garden houses, and rare stacked houses.



► Rendering of the Zhangba North Road Project



Case — Carry Out the Beizhang Village Renovation Project in Taiyuan as a New Model of High-quality Development

In the Xiaodian District of Taiyuan, Beizhang Village is located close to the South Middle Ring area and surrounded by renowned schools. In 2016, as one of the largest urban villages in Taiyuan, Beizhang Village, with more than 500 rural homesteads and nearly 3,000 villagers, was listed as a key village for whole-village demolition at the municipal and district levels. Poly Developments and Holdings actively supports urban construction and satisfies people's needs for a better life. Given that the South Middle Ring area is a key hub for Taiyuan's strategy of "development towards the south and the west", the Company signed a contract for the Beizhang Village Renovation Project in October 2016. Following seven years of construction, Beizhang Village has been transformed into a vast community with upscale residences, large-scale commercial facilities, schools, and other supporting facilities, totalling more than 700 thousand square metres. The Company is committed to consistently optimising the urban layout and achieving modernisation of good residences.



► Rendering of the Beizhang Village Renovation Project in Taiyuan

Public infrastructure construction

● Poly Sports Center in Jiangmen >>>

Completion date: 2017

Total site area: 400 thousand square metres

GFA: 203 thousand square metres



● Qingyuan Olympic Sports Centre >>>

Completion date: 2021

Total site area: 640 thousand square metres

GFA: 129 thousand square metres



● PWTC Expo >>>

Completion Date: 2008

Total site area: 196 thousand square metres (exhibition centre)

Exhibition area: 85 thousand square metres (exhibition hall)



● Shenzhen Yuehai Cultural Centre >>>

Completion date: 2023

Total site area: 5,760 square metres

GFA: 39 thousand square metres



It is essential to support the "Three Major Projects" to sustain economic and social development, improve people's well-being, and enhance the city's overall image in the context of the new era. In the future, Poly Developments and Holdings will make significant investments in the planning and implementation of the "Three Major Projects", and gain momentum to contribute to building a more advanced modern socialist country.





GOVERNANCE

Compliant Operation

Risk Management and Internal Control

Business Ethics

Compliant Operation

Topic essence: The Company ensures compliance in various aspects of its operations, adhering to local laws and regulations, thereby ensuring that financial and operational practices meet regulatory requirements, thus creating long-term and stable value for shareholders.



SDG 16 – Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

Our philosophies

Poly Developments and Holdings believes that effective corporate governance structures, standardised corporate governance mechanisms, and transparent information disclosure form the foundation for the Company to drive high-quality sustainable development and implement issue management. The Company continuously strengthens the capabilities of its directors to perform their duties, enhances investor communication and information disclosure quality, proactively manages, prevents, and mitigates risks, and helps create a fair, just, and transparent business environment.

Objectives and progress

Objectives for 2023

- Strengthen the capabilities of duties performance of directors
- Strengthen investor communication
- Enhance information disclosure quality

Progress Review

- In terms of ensuring the conditions of duties of directors, the Company conducts special investigations and organises thematic reports to reinforce support for duty performance and aids external directors in comprehensively understanding the Company's operational dynamics.

In terms of implementing the Board of Directors' rights, by refining pre-meeting communication mechanisms, optimising agenda contents and other means, the Company ensures directors fully comprehend agenda items and express opinions, thereby enhancing decision-making efficiency.
- The Company prioritises broadening and deepening communication with investors, and enriching communication formats. Within the year, the Company organised **50** activities such as investor conferences, receptions for research, and roadshows, attended over **60** brokerage strategy meetings, and responded to over **1,600** investor inquiries through sseinfo.com, securities hotlines, email, and other channels.
- For ten consecutive years, the Company has been awarded an **A**-grade in the Shanghai Stock Exchange's Information Disclosure Work Evaluation, ranking at the forefront among listed companies in terms of rating results.

Corporate governance

In strict accordance with laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, Poly Developments and Holdings has established a sound corporate governance structure, including the Shareholders' Meeting, the Board of Directors and its special committees, and the Board of Supervisors and management, as well as implementing hierarchical decision-making and execution. The Company has developed a governance system with clear powers and responsibilities, division of labour, mutual checks and balances, and integrated development. Additionally, it has formulated regulations such as the *Articles of Association*, the *Rules of Procedure of Shareholders' Meetings*, the *Rules of Procedure of the Board of Directors*, and the *Decision-making Policy on Related-Party Transactions* to establish boundaries of responsibilities for each governance body, optimise decision-making processes, and ensure standardised, compliant, and implementable work.

Shareholders' Meeting

The Shareholders' Meeting is the highest body of the Company, empowered by relevant laws, regulations, and the Company's Articles of Association to make decisions on critical organisational matters. It legally decides on significant matters of the Company, including reviewing and approving the Company's annual financial reports, investment plans, and profit distributions, as well as critical financial matters such as bond and equity financing plans.

Board of Directors

The Board of Directors is responsible to the Shareholders' Meeting and exercises the corporate decision-making authority in accordance with the law. The Company strictly adheres to regulations regarding the appointment of independent directors. Currently, the Board of Directors consists of nine directors², including three independent directors, who independently perform their duties to ensure the objectivity and fairness of the decision-making process. Efforts are made to enhance the Board of Directors' diversity, considering factors such as age, cultural background, education, professional experience, skills, and tenure to create a more comprehensive and balanced board structure. This fosters broader perspectives and experiences within the Board, thereby driving the Company's sustainable development.

Four special committees have been established under the Board of Directors: the Strategy Committee, Nomination Committee, Audit Committee, and the Remuneration and Appraisal Committee. Independent directors serve as conveners of the Nomination, Audit, and Remuneration and Appraisal committees and constitute a majority in these special committees, enabling them to better leverage their professional expertise and oversight roles. In the Remuneration and Appraisal Committee, independent directors account for 100% of the members.

In 2023, the Company held a total of 24 board and special committee meetings, at which 70 proposals were approved. The governance mechanism was characterised by clear responsibilities, transparent meeting processes, standardised procedures, and efficient decision-making. By amending the Independent Directors Work Policy, internal management systems were optimised, further enhancing the Company's governance effectiveness and the level of standardized operation.

² The Company's director information is accurate as of the report disclosure date.

Board of Directors	
Chairman	Liu Ping
Directors	Chen Guanzhong, Zhou Dongli, Yu Xiaodong, Chen Yuwen, Zhang Fangbin
Independent Directors	Li Fei, Dai Deming, Zhang Jingzhong
Board of Supervisors	
Chairman of the Board of Supervisors	Kong Junfeng
Supervisors	Gong Jian, Li Hongliang

Special Committee Category	Convener	Members
Strategy Committee	Liu Ping	Chen Guanzhong, Zhou Dongli, Yu Xiaodong, Li Fei
Nomination Committee	Zhang Jingzhong	Liu Ping, Zhang Fangbin, Li Fei, Dai Deming
Audit Committee	Dai Deming	Chen Guanzhong, Chen Yuwen, Li Fei, Zhang Jingzhong
Remuneration and Appraisal Committee	Li Fei	Dai Deming, Zhang Jingzhong

Special Committee Category	Strategy Committee	Nomination Committee	Audit Committee	Remuneration and Appraisal Committee
Convener	Chairman of the Board	Independent Directors	Independent Directors	Independent Directors
Directors	4	2	2	0
Independent Directors	1	3	3	3
Proportion of Independent Director Members	20%	60%	60%	100%

Core Responsibilities	1. Research and propose suggestions for the Company's long-term development strategy planning.	1. Propose suggestions for the size and composition of the Board of Directors.	1. Propose hiring or replacement of external audit firms.	1. Establish performance evaluation standards, procedures, and major evaluation systems, reward and punishment schemes and systems, etc.
	2. Research and propose suggestions for major investment and financing schemes.	2. Research the selection criteria and procedures for directors and senior management members.	2. Supervise the Company's internal audit system and its implementation.	2. Review the performance of the evaluation objects and conduct annual performance evaluations.
	3. Research and propose suggestions for major capital operations and asset management projects.	3. Search extensively for qualified candidates for directors and senior management members.	3. Responsible for communication between internal and external audits.	3. Formulate equity incentive plans and handle related matters of equity incentive plans.
	4. Research and propose suggestions for other significant matters affecting the Company's development.	4. Review and propose suggestions for director (including independent directors) and senior management candidates.	4. Review the Company's financial information and disclosure.	4. Supervise the implementation of the Company's compensation system.
	5. Other matters authorised by the Board of Directors.	5. Other matters authorised by the Board of Directors.	5. Review the Company's internal control system, and organise deliberations on major related party transactions.	5. Other matters authorised by the Board of Directors.
			6. Other matters authorised by the Board of Directors.	

Board of Supervisors

The improvement of the Company's internal supervision mechanism is crucial for enhancing the quality of corporate governance and reducing governance risks. The basic function of the Board of Supervisors is to supervise the Board of Directors and the management, representing the Shareholders' Meeting to oversee the performance of the Board of Directors and the management, as well as the Company's financial condition and business activities.

The Company's Board of Supervisors consists of three supervisors. It effectively supervises the Company's operations, major decision-making procedures, and the performance of directors and senior management members, along with safeguarding the legitimate interests of the Company and shareholders. The Board of Supervisors has the right to require the Board of Directors and managers to correct acts that violate the Company's Articles of Association and harm the Company's interests.

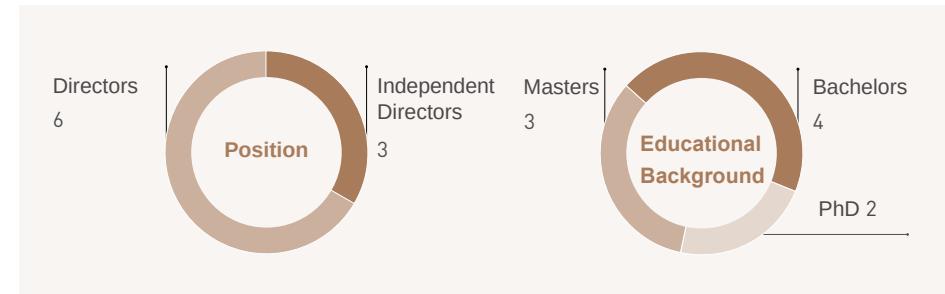
Senior Management

The senior management is the executive body responsible for the Company's day-to-day operation management. It is authorised by the Board of Directors to organise and implement resolutions of the Shareholders' Meeting and the Board of Directors and oversee the daily operational management of the enterprise.

For more detailed information on corporate governance, please refer to the Poly Developments and Holdings 2023 Annual Report.

Board of Directors diversity

Poly Developments and Holdings values the diversity of the Board of Directors. Independent directors come from different professional backgrounds such as real estate, legal compliance, audit and finance, and corporate management. Board members maintain diversity in terms of professional knowledge, work experience, and educational backgrounds, bringing broader and deeper insights and decision-making support to the Company, enhancing governance capabilities and innovation vitality. In the future, the Company will further promote diversity in the Board of Directors in terms of professional backgrounds, gender, and other criteria.



Specialty	Liu Ping	Chen Guanzhong	Zhou Dongli	Yu Xiaodong	Chen Yuwen	Zhang Fangbin	Li Fei	Dai Deming	Zhang Jingzhong
Financial and Investment	√	√	√	√	√	√		√	
Industry	√		√	√	√	√			√
Legal				√		√			√
Corporate Culture and Brand Management						√	√		
Risk Management	√	√	√	√	√			√	√

Compliant operation

Poly Developments and Holdings adheres to compliant operations, safeguards the rights of consumers and investors, enhances asset efficiency and quality, and maintains the value of state-owned assets. It practices integrity in cooperation, establishes stable partnerships, continuously improves its integrity system, and provides high-quality products to customers.

The Company emphasises the importance of corporate compliance management, establishing a Compliance Management Committee and a multi-level compliance management organisational structure composed of the Party Committee, Board of Directors, Management, Investment Positioning and Compliance Review Committee, and Chief Compliance Officer, ensuring the effective implementation of compliance management responsibilities.

Party Committee Central Group

- Responsible for implementing the pre-decision-making procedures of the Party organisation, ensuring that major decisions and important projects of the Company receive sufficient research and discussion and are included in the Party Committee's research and discussion checklist.

Board of Directors and the Management

- Responsible for reviewing and approving basic compliance management regulations and incorporating compliance work into the Company's overall strategic planning.

Investment Positioning and Compliance Review Committee

- Responsible for coordinating and planning the Company's compliance management, and ensuring that all business activities comply with laws, regulations, and company policies.

Chief Compliance Officer

- Empowered to participate in key company meetings and provide professional opinions on compliance issues to promote the development of a compliance culture and risk management.

The Compliance Management Committee strictly follows the regulation of primary responsibility for law-based governance, integrates compliance work into overall planning, implements compliance responsibilities at all levels, promotes the development of a compliance culture, enhances employees' compliance awareness, and ensures the effective execution of compliance work.



Data highlights



In 2023, the Company achieved a **100%** compliance review coverage rate for significant matters in its operations.



Transparency of information

Poly Developments and Holdings attaches great importance to information transparency. Through high-quality information disclosure and regular investor communication, the Company continuously strengthens investors' understanding of its business philosophy and operating conditions, and promotes the establishment of a transparent and orderly business environment.

To improve the efficiency of exercising shareholder rights, the Company optimises information disclosure, enhances interactive communication, and improves response to inquiries, strengthening communication with existing and potential investors, enhancing investor trust and recognition of the Company, further improving corporate governance effectiveness and enterprise market value, and truly respecting, rewarding, and protecting shareholders. Since its listing and as of 31 December 2023, the Company has cumulatively distributed dividends of RMB58.1 billion, ranking first among real estate companies listed on the Shanghai Stock Exchange for 13 consecutive years.

The Company focuses on both the quantity and quality of information disclosure, deeply integrating industry characteristics, and continuously improving the way of disclosing operational information to fully safeguard the investors' right to be informed. It actively improves decision-making disclosure methods, refines related-party transaction management, and enhances the information content and readability of announcements, effectively meeting regulatory and market demands. For ten consecutive years, the Company has been awarded an A-grade in the Shanghai Stock Exchange's Information Disclosure Work Evaluation, ranking at the forefront among listed companies.



Data highlights

In 2023, the Company organised **50** activities such as investor conferences, receptions for field-research, and roadshows, attended over **60** brokerage strategy meetings, and responded to over **1,600** investor inquiries through sseinfo.com, securities hotlines, and email, showcasing the Company's operational achievements and actively listened to investor suggestions.

Case

Minority Shareholders Visit Poly Developments and Holdings: Promoting Deep and Substantial Investor Communication

In 2023, Poly Developments and Holdings jointly organised the "I Am a Shareholder - Minority Investors Visit Poly Developments and Holdings" event with Everbright Securities and Wanlian Securities. Investors had the opportunity to visit the Company's exhibition hall and engage in face-to-face interactions, gaining a comprehensive understanding of the Company's development strategy, business performance, and financial situation and providing valuable suggestions to help the Company improve the quality of its development.

Through diverse and increasingly normalised interactive exchanges, the Company actively addresses current investor concerns, comprehensively and timely conveys confidence and direction in the Company's future development to all stakeholders and enhances the effectiveness of value discovery and transmission.



Photographs from the Event

The real estate industry's supply-demand relationship and development logic are undergoing profound changes. As a leading enterprise in the industry, the Company promptly and comprehensively discloses operational information, shares industry development trends in regular reports, and responds to stakeholders' concerns about industry development dynamics.

In 2023, Poly Developments and Holdings was the only Chinese central state-owned enterprise in the industry to simultaneously implement share repurchases and holdings, aiming to maintain the Company's value and shareholder rights and promote healthy and sustainable development. The Company formulated the *Shareholder Return Plan*, establishing a continuous, stable, and scientific return strategy and mechanism, as well as institutionalised profit distribution planning. In January 2024, the Company revised the *2023-2025 Shareholder Return Plan*, increasing the proportion of cash dividends to the net profit attributable to shareholders of the listed company for the years 2023 to 2025 to "not less than 40%". This move further enhances the transparency and shareholder value return, and promotes an orderly sharing of the benefits driven by prudent operations with investors.

Intellectual property protection

Poly Developments and Holdings strictly adheres to laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, and has formulated a series of policies, including the *Intellectual Property Objectives and Funds Management Procedures*, the *Intellectual Property Management Policy*, and the “Poly” *Trademark and Trade Name Use Management Measures* to improve the compliance of intellectual property protection.

Poly Developments and Holdings attaches great importance to protecting the intellectual property rights of the Company and others by continuously optimising trademark registration, software copyright registration, patent application management, and other work processes, and strengthening the protection of intellectual property rights. Through means such as trademark monitoring and litigation rights protection, Poly Developments and Holdings ensures that the legitimate rights and interests of the Company are not infringed.

Category	Added in 2023
Valid Registered Trademarks	2
Valid Invention Patents	7
Utility Model Patents	91



Risk Management and Internal Control

Topic essence: The Company establishes and improves systems and processes for identifying, evaluating, and addressing risks, establishing a sound internal control system, ensuring compliance, accuracy, and stability in company operations, and enhancing the overall governance level of the Company.



SDG 16 – Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

Our philosophies

Risk management and internal control are essential means to safeguard the steady development of the Company. The Company has established a comprehensive risk assessment and early warning mechanism, continuously improving and strengthening risk identification, monitoring, and prevention functions at the Board of Directors and the management levels. It has comprehensively deepened the assessment and control of real estate risks, strengthened risk management training, and further solidified risk management awareness to promptly identify and address market, credit, liquidity, operational, and legal risks.

Objectives and progress

Objectives for 2023

- Enhance risk compliance awareness.
- Construct a centralised, comprehensive, authoritative, and efficient audit supervision system.

Progress Review

- The directors of the Company have participated in multi-dimensional risk management training to improve risk management decision-making capability.
- The Company implements "top-down audit" and supervision and provides guidance and supervision for the internal audit work across the entire system. The Company has strengthened its organisational leadership, established various leading groups under the "Holistic Supervision" system, specified their members and responsibilities, and reinforced the leadership of the Company's supervision system.

Risk management

Poly Developments and Holdings continuously strengthens the development of its risk prevention system and polices, improves the risk assessment mechanism, coordinates the relationship between risk management and business development, strives to eliminate or reduce the possibility of risk events, and ensures the Company's sustainable and healthy development. All members of the Company's Audit Committee possess the professional knowledge and skills necessary for the performance of duties of the Audit Committee. Members of the Audit Committee have rich experience and professional skills in financial management and risk management. They listen to information on risk management-related laws, regulations, and best practices at meetings of the Audit Committee meetings and daily communications, effectively perform risk prevention and control functions, and safeguard the legitimate rights and interests of the Company and shareholders.

To ensure the effectiveness of risk management, the Company has established a risk management structure including "Party Committee - Board of Directors - Management Team - Subsidiaries and Business Units", clarifying the management responsibilities at each level and the collaborative management capabilities from top to bottom, and building an agile and efficient risk prevention and control network.

Party Committee

- The pre-decision-making body of the Company's Board of Directors and General Manager's Office Meeting for major risk management decisions

Board of Directors

- Lead the development and supervision of the comprehensive risk management system, research and decide on major matters related to comprehensive risk management

Management Team

- Responsible to the Board of Directors for the effectiveness of comprehensive risk management

Subsidiaries and Business Units

- As the main responsible units for comprehensive risk management, establish and improve risk management systems and implement overall deployment of their own risk management

The Company's comprehensive risk management strategy consists of four core principles:

Matching Rights and Responsibilities

The Company ensures that employees in each business segment and level assume their responsibilities by means of hierarchical and graded measures. Meanwhile, the Company strengthens the coordinating role of the risk management departments, as well as the supervisory function of the disciplinary inspection, inspection and audit departments, to ensure that each department performs its own duties and works in concert. All subsidiaries, centers and all employees have established correct risk management concepts, improved risk prevention awareness, actively responded to risk events and enhanced risk resistance.

Systematic and Comprehensive Management

Risk management covers all business segments and structures of the Company, and runs through all aspects of decision-making, management, execution and supervision, aiming to realise the whole process management, and develop a comprehensive risk management system that covers all businesses, the whole process and all employees.

Integration into Daily Management

The Company integrates risk management into all levels and aspects of daily operations and management to ensure that risk identification and control requirements become part of the business process and that the implementation of policies and procedures is strengthened through the information system.

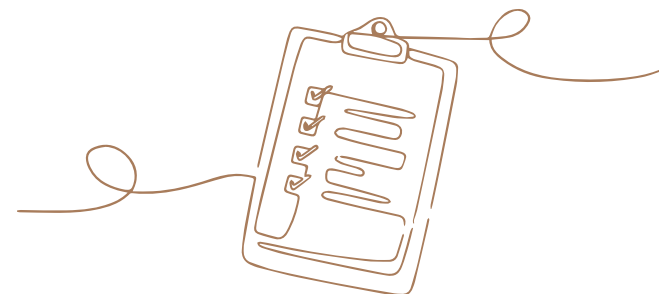
Continuous Optimisation

In response to risks and violations exposed, the Company emphasises the importance of process control. By revising policies, adjusting business processes and clarifying job management responsibilities, the Company continuously improves its management coverage and dynamically updates and improves its risk management mechanism to standardise the operation process and continuously improve and enhance the effectiveness of the Company's comprehensive risk management.



Highlights

- The Company conducts dynamic monitoring of possible risks, and issues quarterly monitoring reports on significant risks every quarter and annual assessment reports on significant risks every year.
- The Company revised the *Internal Control Manual of Poly Developments and Holdings Group Co., Ltd.* to put forward more comprehensive and systematic requirements for investment, finance, and marketing to ensure that the internal control requirements are in line with the Company's policies.



In 2024, the Company will adhere to the principle of "Stabilise Operations, Adjust the Structure, Mitigate Risks, and Promote Development", and strengthen comprehensive budget management, comprehensive risk management, assessment and allocation management, and data sharing management based on the management concept of "Tree of Development". The Company will conduct regular operational stress tests to cope with the complex and changing internal and external environments. By understanding the situation and identifying problems, the Company will identify key risk factors affecting safety and development, and take various measures, including sales recovery and asset revitalisation, to prevent and resolve major risks. The Company will take the initiative to sort out potentially risky projects, strengthen integrated governance and comprehensively identify the operational risks of projects.

Risk culture development

The Company focuses on the development of risk culture and continuously carries out risk management training to ensure that all directors (including independent directors) have an in-depth understanding of the industry environment in which the Company operates, the market dynamics as well as professional knowledge of risk management, and are fully aware of the importance of risk management. The Company's awareness of risk management has been increasing and its risk management capability has been enhanced through participation in special training or directors' training organised by the Exchange and by the Company. In addition, Poly Developments and Holdings has incorporated the results of risk management into the performance evaluation process through performance appraisal for risk mitigation to further enhance the risk culture development. The Company has set up an appraisal mechanism for subsidiaries based on the mitigation of existing risks, promoting effective management and risk mitigation of subsidiaries by means of performance appraisal, safeguarding the asset liquidity and maximising the value of the Company's assets.

Internal audit

Poly Developments and Holdings adheres to the value orientation of "serving the Company's strategic development and empowering frontline business", with the goal of building a centralised, comprehensive, authoritative, and efficient audit supervision system. Based on the positioning of "economic supervision", the Company focuses on core areas and key procedures, promotes full coverage of audit supervision, implements comprehensive auditing, strictly audits, strengthens internal control, prevents risks, promotes compliance, and enhances efficiency, thereby promoting the steady development of the Company's strategic deployment.

The Company has established a sound internal audit governance system, led directly by the Party Committee and the Board of Directors, implementing "top-down audit" and supervision and providing guidance and supervision for the internal audit work of the entire system. To strengthen organisational leadership, the Company has established various leading groups under the "Holistic Supervision" system, specified their members and responsibilities, and reinforced the leadership of the Company's supervision system. At the same time, according to the principle of "centralised management, hierarchical responsibility, and dual coverage", the Company has improved the two-level organisational structure of the "headquarters-platform", and enhanced audit functional management. Each subsidiary has set up an internal audit institution, accepting "dual management" from the company and the Headquarters Audit Department, while strengthening the unified deployment of the company's audit work, achieving vertical and horizontal communication, and maintaining consistency.

In 2023, the Company identified 285 risk points in five aspects including "implementing the economic policies, decisions, and arrangements of the party and state", "corporate financial revenue and expenditure", "major economic decisions", "internal management and significant risk prevention and control", and "improving conduct, building integrity, and enhancing professional integrity among the Company's leadership". It required all subsidiaries to conduct normalised self-inspection and self-correction and strengthen the responsibility of the operating entities, effectively supporting audit supervision and internal control evaluation.

Case

Inspection and Audit Joint Response to Common Topics, Fully Unleashing the Supervisory Synergistic Effect

Poly Developments and Holdings comprehensively optimised the inspection and audit work process and key supervision, focusing on simultaneous disclosure of problems, talent utilisation, inspection, consultation, rectification, supervision, and other "four synchronous" procedures. Under the guidance of the Party Committee, the inspection and audit responded to the same topic. In 2023, the Company completed two rounds of "inspection-audit linkage" with high quality, effectively connecting "political health checks" with "economic supervision", fully exerting the supervisory synergistic effect of "1+1>2", making supervisory work more efficient and robust, and ensuring comprehensive enhancement of internal control and risk management.

In 2024, the Company will further enrich audit perspectives, optimise audit methods, improve audit mechanisms, enhance audit capabilities, improve the audit quality, continuously enhance the performance of internal audit duties, and consistently contribute to internal audit values in strengthening internal control, preventing risks, promoting compliance, and improving efficiency.



Business Ethics

Topic essence: The Company emphasises business ethics, strengthens internal supervision and reporting management against corruption and commercial bribery, and creates a fair business environment.



SDG 16 – Peace, Justice, and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

Our philosophies

Poly Developments and Holdings attaches importance to business ethics construction and is committed to avoiding legal risks, compliance risks, and reputation risks to ensure the long-term stable development of the enterprise. The Company solidly promotes the construction of a system to punish and prevent corruption, follows the basic principle of "deterring, stopping, and discouraging from becoming corrupt", continuously improves its "Holistic Supervision" pattern system, deepens the "disciplinary inspection-audit linkage", and strives to create an ecosystem of "an enterprising spirit and a clean and upright atmosphere" to escort the healthy and sustainable development of the Company.

Objectives and progress

Objectives for 2023

- Continuously expand the coverage of business ethics training.
- Conduct supervision and inspection covering the headquarters and all subsidiaries.
- Promote relevant party integrity management.

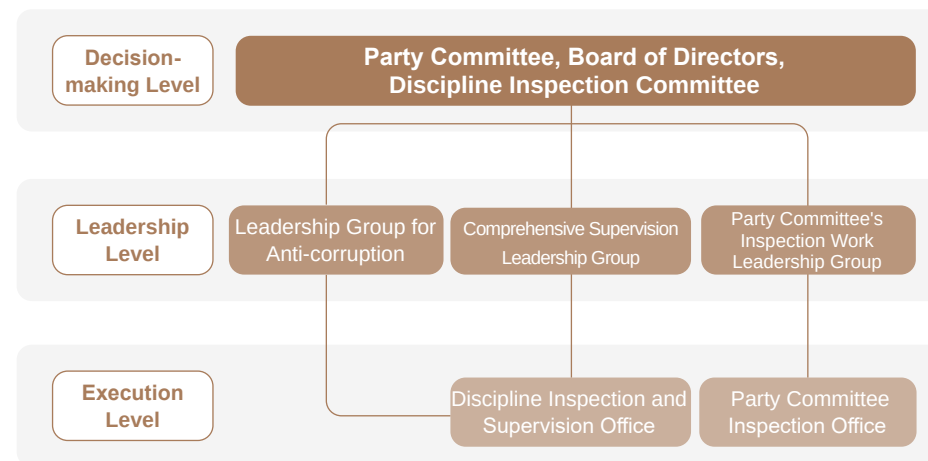
Progress Review

- In 2023, the coverage rate of employee business ethics training reached **100%**.
- In 2023, the Company completed two batches of "patrol-audit linkage" tasks for six subsidiaries.
- The signing rate of the *Business Integrity Agreement* for suppliers was **100%**.

Business ethics management

Poly Developments and Holdings has developed a sound integrity management system to ensure that business activities comply with laws, regulations, and business ethics, and conducts business ethics audit of all business operations once every five years. In accordance with the relevant requirements of the *Rules on Integrity of Executives of State-Owned Enterprises*, corresponding regulations and policies have been formulated. Multiple "Holistic Supervision"-related and non-permanent institutions, such as the leadership groups for Party conduct and integrity management and anti-corruption, the comprehensive supervision leadership group, and the Party Committee's inspection work leadership group, have been established to ensure comprehensive coverage and effective implementation of integrity management.

Inspection and supervision are strategic policy arrangements for comprehensive strict governance over the Party. Under the leadership of the Company's Party Committee and Discipline Inspection Committee, the Party Committee Inspection Office and the Discipline Inspection and Supervision Office are established. Among them, the Party Committee Inspection Office is mainly responsible for political inspections of subsidiaries, focusing on whether party organisations at subsidiaries fully play their core leadership roles and whether grassroots party building is solid and effective, promoting subsidiaries to fulfil their political responsibilities, strengthen party building, and provide a strong guarantee for the Company's sustained and healthy development. The Discipline Inspection and Supervision Office mainly promotes the systematisation of work related to discipline inspection and supervision, upholds discipline, fights corruption, strengthens the building of grassroots discipline inspection and supervision forces, and enhances the effectiveness of supervision.



Policy improvement

The Company continuously improves various policies related to investment management, financial management, human resource management, brand management, real estate development and operation management, procurement management, statistical management system, comprehensive risk management system, internal audit, discipline inspection, and supervision, providing management norms for solid business ethics management. In 2023, the Company formulated the *Work Rules of the Discipline Inspection Committee* and other regulations and guidelines, and each subsidiary revised and compiled more than 60 discipline inspection policies. The Discipline Inspection and Supervision Department formulated and issued multiple specialised supervision and management regulations such as the *Comprehensive Supervision Work Manual*, the *Work Suggestions on Strictly Implementing Supervision and Discipline Requirements and Strengthening Reporting for Instructions*, the *Work Rules of Discipline Inspection Committees of Regional Companies and Subsidiaries*, the *Party Committee Inspection Work Methods*, the *Party Committee Inspection Work Procedures*, and the *Inspection Personnel Management Implementation Rules*.

Normalised management

Poly Developments and Holdings insists on closely integrating political supervision, comprehensive supervision, and daily supervision with the central tasks, taking multiple measures to ensure the in-depth advancement of party integrity management.

The Company continues to promote the normalisation of management and daily supervision of integrity management through regular face-to-face talks, joint inspections, and other means. During the Reporting Period, the Company compiled and released the *Summary of Party Conduct and Integrity Management Construction and Anti-corruption Work* quarterly, incorporating integrity management into the assessment bonus mechanism and encouraging mutual learning among subsidiaries.

Face-to-face Talks with Cooperative Units

Jiangsu Subsidiary and Anhui Subsidiary set up "Secretary of the Discipline Inspection Commission Reception Day", regularly conducting face-to-face talks with suppliers and partners.

Signing Commitment Letters

Zhejiang Subsidiary encouraged family members of employees to sign "Integrity Commitment Letters" and conducted targeted "small and micro powers" rectification.

Regular Joint Inspections

South Zhejiang Subsidiary and Poly Commerce & Tourism Development cooperated in operating and financial businesses, regularly conducting joint inspections.

Inclusion in Assessment Incentives

Poly Property Services and South China Subsidiary improved evaluation incentives, setting up a special award for "Excellent Primary Discipline Inspection and Supervision Officers".



Data highlights

- Completed two batches of "inspection-audit linkage" tasks for **6** subsidiaries. Followed up and rectified the "retrospective inspection" checks conducted by Poly
- Group's Party Committee, with a completion rate of **100%** for rectification of problems.
- Conducted focused investigations on issues discovered by inspections, recovered funds, and supervised the revision of **82** policies.
- Conducted **3** special inspections on "opposing pointless formalities, bureaucratism, hedonism, and extravagance", focusing on "ten key issues", and organising supervisory inspections to ensure the implementation of the guiding principles of the eight-point decision on improving Party and government conduct.

Training and awareness-raising

The Company attaches importance to the development of an integrity culture, has zero tolerance for corruption and other fraudulent behaviours, and incorporates the education and promotion of integrity into daily management as a routine. The Company cultivates and promotes its culture of integrity through activities, training courses, organisation of supervision interviews, and other forms.

During the Reporting Period, the Company conducted supervision interviews with “first-in-command” persons and new cadres at all levels throughout the year, effectively improving the awareness of integrity and self-discipline of key personnel. The Discipline Inspection Secretary takes the lead by example, and has conducted multiple special training sessions on supervision and discipline at subsidiaries and key positions through training, research, and party building contact points.

The Company encourages subsidiaries to carry out propaganda and education in a normalised manner through field learning, integrity talks, and integrity home visits, creating a strong atmosphere of integrity and due diligence. In terms of building an integrity culture, each subsidiary actively innovates and invests.



Sichuan Subsidiary fully utilised self-owned properties and resident resources to build an integrity education exhibition hall, organised visits to prisons and integrity bases, and strengthened the intuitiveness and effectiveness of education.



Subsidiaries in Fujian, Haixi, Huaihai, and other regions conducted integrity home visits, strengthened emotional communication with family members, and enhanced the role of families in integrity education.



Subsidiaries in Shanghai, Guangdong, and Hubei promoted the implementation of integrity discipline through original comics, videos, and other means, making integrity education more vivid and practical.



Subsidiaries in Beijing and Changchun were committed to creating characteristic integrity culture brands through various forms, such as integrity columns, special issues, and integrity galleries, creating a long-term integrity culture propaganda and education platform.



Data highlights

- The Company held more than **200** comprehensive supervision meetings at all levels, each subsidiary discovered and rectified **254** problems through comprehensive supervision and promoted the revision and improvement of **121** regulations.
- The business ethical training programs covered **100%** of employees. All levels of the Company conducted integrity education and training activities **885** times, covering **143,041** employees and Contractors.
- Meetings on improving the Party working style, boosting clean governance, and anti-corruption were held at all levels of the Company a total of **45** times.

Integrity management of relevant parties

While strengthening its own integrity management, the Company actively encourages suppliers to build an integrity structure together, creating an integrity and transparent business environment and regulating the integrity conduct of suppliers, service providers, and project personnel.

- Formulated related regulations such as the *Bidding Management System*, the *Supplier Management System*, and the *Supplier Integrity Blacklist Management Measures*, explicitly prohibiting corrupt behaviour by relevant parties.
- At the contract signing stage, signed a special *Business Integrity Agreement* with suppliers, with a 100% signing rate for the *Business Integrity Agreement* with suppliers.
- Strengthened supervision throughout the entire bidding process, organised six special inspections and thematic seminars, and promoted the improvement of related regulations such as the *Procurement Management Measures* and the *Supplier Management Measures*.
- Implemented entry bans on non-compliant suppliers, focusing on management practices in key areas such as marketing, engineering, and property.

Supervision and whistleblowing

Poly Developments and Holdings has formulated and implemented the *Work Measures for Complaints and Proposals Regarding Discipline Inspection and Supervision*, clarifying the corresponding whistleblowing channels and the reception and handling methods for letters and visits. Reporters can report violations through letters, visits, hotlines, and emails.

Letter Reporting	Discipline Inspection and Supervision Office, 57/F, Poly Plaza, 832 Middle Yuejiang Road, Haizhu District, Guangzhou
Visit Reporting	Reception location: Discipline Inspection and Supervision Office, 57/F, Poly Plaza, 832 Middle Yuejiang Road, Haizhu District, Guangzhou
Reporting Hotline	020-89898989-6728
Reporting Email	jijianxinfang@polycn.com

The Company stipulates that the Discipline Inspection and Supervision Department and its staff must strictly abide by the confidentiality system for letter and visit whistleblowing. When implementing the confidentiality system, the Company strictly protects the personal information and reported content of the reporters, and includes the reported materials in confidential management.

The Company's work on letter and visit

whistleblowing—protection of whistleblower



- The Company strictly keeps the personal information of whistleblowers, such as their names, workplaces, and home addresses, and the reported content confidential, and includes the reported materials in confidential management;
- It is strictly prohibited to transfer reported materials to the units and individuals reported or accused;
- Accepting whistleblowing from or verifying information with whistleblowers must be done on the premise of ensuring confidentiality;
- When publicising and rewarding reporters who have made contributions or achievements, only with the consent of the whistleblowers can their names and workplaces be made public;
- Acts of retaliating against or instigating others to retaliate against whistleblowers and their relatives will be punished with according to discipline and regulations;
- Evidence and materials related to unit leaders using their powers or influence to retaliate against whistleblowers and their relatives provided by the People's Procuratorate will be verified in accordance with relevant regulations. If the verification results are conclusive, organisational measures or disciplinary actions will be taken according to relevant regulations.

Establishment of the Secretary of the Discipline Inspection

Case

Committee Reception Day in Hunan Subsidiary, Facilitating Channels for Complaints and Proposals

Hunan Subsidiary set up a "Secretary of the Discipline Inspection Committee Reception Day" and designated the Wednesday of the first week of each month as the day for the Secretary of the Discipline Inspection Committee to receive visitors. It invited 1 to 3 suppliers to hold talks, fully collected and listened to the voices of suppliers, and further smoothed and optimised the Company's letter and visit whistleblowing channels.

Hunan Subsidiary published specific reception arrangements one to two weeks before the reception day. During the talks, the Secretary listened to feedback from suppliers on the behaviour of employees, collected suggestions and opinions on business management and discipline inspection, promptly organised the collected information, reported important or sensitive matters to the Party Committee to deal with, and effectively enhanced the Company's supervision effectiveness over project sites and cooperating suppliers.

ENVIRONMENTAL

Responding to Climate Change

"Dual-carbon" Strategy

Prefabricated and Green Buildings

Energy Efficiency and Renewable Energy Utilisation

Emissions and Waste Management

Resource Management

Biodiversity Protection



Responding to Climate Change

Topic essence: The Company proactively responds to climate change, identifies the physical and transitional risks posed by climate change, integrates climate risk management into the Company's overall risk management strategy, advocates for green production and operations, and seizes the developmental opportunities presented by climate change.



SDG 13 - Take urgent action to combat climate change and its impacts

Our philosophies

Poly Developments and Holdings focuses on the impacts of climate change on business operations and long-term value, and actively responds to the national “dual-carbon” strategy, recognising the developmental opportunities climate change brings. It promotes prefabricated and green buildings, enhances the use of renewable energy, and advocates for green operations. Concurrently, the Company systematically advances climate risk management, including extreme weather management, continually strengthening its climate change response capabilities. To provide transparent, consistent, comparable, and verifiable climate-related information and data, Poly Developments and Holdings discloses climate information with reference to the framework suggested by the International Sustainability Standards Board (ISSB) in the *IFRS S2 - Climate-related Disclosures*.



Governance

Poly Developments and Holdings continuously strengthens the responsibility and involvement of the Board of Directors and the management in climate-related risks, gradually forming a governance structure for climate change that includes the Board of Directors, the Sustainable Development Working Group, various functional departments, and front-line operational units, orderly promoting climate-related risk management.

Board of Directors



- The Board of Directors oversees the Company's climate-related matters, deciding on policies, strategies, and strategic planning for climate change response, regularly examining climate-related goals and progress, periodically reviewing climate-related risks and opportunities, listening to the management's reports on climate matters, and making suggestions.

Sustainable Development Working Group



- The Sustainable Development Working Group, composed of management members, oversees the Company's climate-related activities, coordinates the formulation of major policies and strategic planning, identifies risks and opportunities for climate change and low-carbon development, manages climate-related goals, and clarifies the management responsibilities of relevant departments and subsidiaries.

Functional Departments



- Individuals responsible for sustainable development within the functional departments take charge of implementing climate-related risk response strategies, devising front-line implementation plans, deploying and implementing countermeasures, and regularly reporting on their effectiveness to the Sustainable Development Working Group and relevant departments.

Strategies

In recent years, with the increasing severity of global climate change, climate risk management has become a crucial part of risk management in corporate sustainable development. According to reports by the Intergovernmental Panel on Climate Change (IPCC), global climate change has significantly impacted the natural ecosystem and human society, with frequent extreme weather events, rising sea levels, and reduced biodiversity. In this context, enterprises face unprecedented climate risk challenges.

Poly Developments and Holdings believes that climate change not only has direct and indirect impacts on business operations but can also alter the market pattern, creating new business opportunities. Therefore, the Company actively conducts climate-related risk assessments to sort and identify how climate-related information might impact the Company's business operations, strategy formulation, and financial indicators, providing a scientific basis for business decision-making and resource allocation.



High-quality Green Building Development

- ✓ The Company ensures technological R&D resources, promotes the development of prefabricated and green buildings and drives green smart manufacturing.



Carbon Emission Assessment and Monitoring

- ✓ The Company implements tracking, collection, and analysis of business data, identifies major sources of carbon emissions, formulates targeted emission reduction measures, and develops a carbon emissions management system.



Increase Investment and Utilisation of Renewable Energy

- ✓ The Company explores applications of renewable energy sources, including solar and wind energy, orderly and timely enhances their application ratio, reduces dependence on fossil fuels, and lowers carbon emissions.



Participation in Carbon Emission Trading Markets

- ✓ Beijing Subsidiary promotes operational carbon neutrality (including Scope 1 and Scope 2) by purchasing carbon emission allowances.



Lead the Green Development in the Industry Chain

- ✓ By organising a green and clean industry chain and strengthening cooperation with upstream and downstream enterprises, the Company drives high-energy-consuming enterprises towards low-carbon transformation, achieving green development across the industry chain.



Management of opportunities and risks related to climate change

In 2023, Poly Developments and Holdings identified the potential impacts of climate change-related opportunities and risks on its business and developed corresponding strategies. Meanwhile, the Company comprehensively considered uncertain factors, including the frequency and intensity of extreme weather events, changes in policies and regulations, and the pace of innovation in green building technologies while assessing climate adaptability. By understanding the transmission mechanism between climate risks and operational risks, climate risk has been integrated into the risk management framework to address challenges brought by uncertainties. Going forward, the Company plans to conduct climate scenario analysis to further enhance its understanding of and preparedness for the impacts of climate change.

Climate-related opportunities and response measures

Climate Opportunities	Impacted Business Segments	Potential Impacts on Business	Response Strategies
Green Buildings and Sustainable Urban Development	Property Development and Building Technology Research	Incentive policies for green, low-carbon buildings may offer subsidies and bonuses such as increased floor area ratio rewards.	Invest in R&D of green building materials and energy-saving technologies, incorporate renewable energy, and design and construct projects to meet high green building standards such as ultra-low energy consumption, near-zero energy consumption, LEED, or BREEAM, enhancing the projects' market competitiveness.
Construction of Climate-Resilient Infrastructure	Property Development	The increase in extreme climate events requires infrastructure to be more adaptable and resilient. New projects should fully integrate climate adaptability concepts such as flood prevention and drought resistance in their design, construction, and operational management to enhance climate resilience.	Introduce climate adaptability principles in the design and construction phases, cooperate with the government on urban infrastructure upgrade projects, and provide property services and maintenance that adapt to climate change.
	Property Services	Offer more comprehensive and climate-adaptive property services to ensure the safety of residents and tenants' lives and property, enhance disaster resilience, and reduce long-term operational costs.	- Regularly inspect and maintain infrastructure to ensure its normal operation under extreme weather conditions, such as enhancing the management and maintenance of drainage systems, roofs, and external walls; - Adopt intelligent maintenance management systems, utilise technology to monitor facility conditions, predict potential risks, and implement preventive maintenance.
Market and Consumer Preferences Towards Environmental Protection and Efficiency	Property Development	Consumers have higher demands and acceptance for smart home living and environmentally friendly communities, which helps meet future needs for healthy and friendly urban living.	Pursue higher green building standards, create healthy living environments, integrate smart home technologies, and provide healthier, lower carbon, more convenient, and smarter living solutions.
	Property Services	As the concepts of green property and smart property services deepen, tenants and residents have specific demands for property service companies in energy saving, waste management, and smart management, making companies that perform better more attractive.	Launch energy-saving and emission-reduction services such as smart energy management systems and waste recycling programmes to enhance the value and appeal of properties.
	Commercial Hospitality	Consumers are more willing to support commercial and hotel brands that adopt environmental measures, and green leasing in commercial projects may bring a market premium.	- Introduce environmental concepts in commercial real estate projects, such as green retail shops and organic food markets, to attract target consumer groups; - Implement waste sorting and recycling programmes in hotel services, reduce the use of disposable items, and provide more sustainable services to enhance overall environmental friendliness.
Energy Transition and Clean Energy Project Investment	Industry investment	Investing in clean energy and environmental technology projects supports high-quality, sustainable development, potentially yielding investment returns.	- Invest in clean energy projects such as solar and wind, as well as innovative companies in environmental materials and energy-saving technologies, to achieve a diversified investment portfolio; - Seek investment opportunities in green technology and sustainable solutions to promote green development throughout the industry chain.
Green Finance and Sustainable Investment	Real Estate and Commercial Industry Investment	- An increasing number of investment institutions are joining and signing the United Nations Principles for Responsible Investment, integrating ESG concepts into their investment strategies; - Some investment institutions prefer to invest in assets with green sustainable development capabilities, and good performance can attract more investment institutions, which may help the Company broaden its financing channels and reduce financing costs (as the case may be).	- Regularly disclose the Company's sustainability information to enhance investors' confidence in the Company's green low-carbon development; - Develop high-quality green underlying assets, expand financing channels, and focus on diverse financing channels.

Climate-related risks and response strategies

Risk Category	Risk Name	Impacted Business Segments	Impacts on Business	Response Strategies
Physical Risks	Extreme high temperatures <i>Manifested by an increase in the number of days with maximum temperatures exceeding 30°C annually.</i>	Property Development	Property development could face increased difficulties in outdoor activities, a decline in labour productivity, leading to delays in project construction progress, increased project costs, and unpredictable completion times;	- Reasonably schedule construction times to avoid high-temperature periods; - Enhance heatstroke prevention and health care facilities for construction teams and front-line service staff, improving safety production and operational awareness and ensuring the health and safety of employees and contractor staff;
		Property Services	In high-temperature environments, front-line property service personnel face health and safety risks such as heatstroke; maintenance costs for property operational facilities and equipment, such as air conditioning systems, may increase;	Incorporate heat insulation layers in the external walls and use high-efficiency insulation materials in the architectural design of key high-temperature impacted business areas to reduce indoor and outdoor temperature differences and lower air conditioning energy consumption;
		All Business	Potential exacerbation of the urban heat island effect, increasing air conditioning load and energy consumption.	Increase vegetation cover in public areas to use the transpiration of plants to reduce surrounding environmental temperatures.
	Typhoons <i>Characterised by an increased likelihood of typhoons, bringing substantial rainfall and accompanying secondary meteorological disasters such as storm surges and thunderstorms.</i>	All Business	- Assets in typhoon-affected areas may suffer structural damage and operational interruptions due to strong winds and heavy rains, increasing the costs of asset reconstruction and repair; - Outdoor operations face higher difficulties and dangers, such as encountering strong winds and heavy rains during high-altitude operations, which could reduce operational efficiency and even lead to incidents affecting the health and safety of the workforce; - Potential disruptions to water and electricity supply and housing structural damage directly impacting residents' quality of life or safety.	- Closely monitor extreme weather and natural disaster information, promptly push critical meteorological reports, and provide warning prevention information; - Strengthen contacts with local meteorological departments, normalise extreme weather and natural disaster prevention, and implement emergency preparedness and safety measures.
Transitional Risks	Policies and Regulations <i>Corporate and development construction projects will gradually face strict regulation of carbon emissions.</i>	Property Development	The government may update building regulations and construction standards, requiring higher energy efficiency standards and environmental requirements, necessitating timely improvements in the management of green design, green material procurement, and green manufacturing, impacting the development and operational costs of projects, and requiring strengthened talent reserves as a guarantee.	- Continuously monitor national and regional green building policies; - Continuously improve the green building standard performance of new and existing projects, maintaining the goal of 100% of new project GFA meeting green building design standards. <u>See the "Prefabricated and Green Buildings" section</u>
	Technology Risks <i>During the construction and operation phases, technologies required include alternative energies replacing coal and oil, as well as solar and wind energy, among other renewable sources.</i>	Property Development Building Technology Research	The emergence of new technologies could change the development, operation, and maintenance modes of real estate, requiring companies to adapt to these technological changes to maintain competitiveness.	Actively carry out ultra-low energy consumption building technology applications, gradually develop smart energy management technologies, and advance research on green low-carbon performance. <u>See the "Prefabricated and Green Buildings" section</u>
	Carbon Pricing <i>Charging fees to carbon emitters, including carbon trading (mandatory and voluntary carbon markets) and carbon taxes.</i>	Real estate Commercial operations, hotels	- The construction industry will be included in the carbon emission trading system in the future, conducting carbon emission and carbon sequestration accounting for land use, meeting carbon emission quota targets during construction and operational phases, potentially incurring hidden costs; - Energy prices may fluctuate, leading to increased production/operational costs, affecting the Company's cost control and project budgets.	- Implement project low-carbon and energy-saving measures through building design, material selection, and low-carbon technology application, reducing carbon emissions over the building lifecycle; - Reduce carbon emissions and energy costs during operation by improving energy efficiency, using clean energy, and implementing energy-saving and emission reduction measures; - Actively participate in the carbon trading market. Beijing Subsidiary has signed a carbon neutrality strategic cooperation agreement with China Beijing Green Exchange Co., Ltd., achieving comprehensive carbon neutrality for its self-owned commercial offices and apartments.

Indicators and objectives

In 2023, the Company further expanded the coverage of its greenhouse gas emissions data, continually enhancing its data management capabilities. Moreover, to advance the Company's climate risk response and management abilities and to implement the national "dual-carbon" strategy, the Company has adopted indicators for ongoing tracking and management related to climate information. These include energy efficiency, carbon emissions, use of renewable energy, and the proportion of new project GFA meeting green building standards.

Indicator	Unit
Total energy consumption	tce
Greenhouse gas emissions (Scope 1)	tCO ₂ e
Greenhouse gas emissions (Scope 2)	tCO ₂ e
Greenhouse gas emissions (Scope 3)	tCO ₂ e
Area of renewable energy technology application in new projects	Ten thousand square metres
GFA of new projects using new processes (including the "five-set package" ³ or prefabricated construction)	Ten thousand square metres
GFA of new projects achieving green building design standards	Ten thousand square metres

³Five-set package: Includes full cast-in-place external walls, aluminium formwork, climbing scaffolds, high-precision masonry, thin plastering, and other new processes



"Dual-carbon" Strategy

Topic essence: The Company actively responds to the national "carbon peaking and carbon neutrality" policy, enhances "carbon peaking and carbon neutrality" strategic and planning studies, integrates the "carbon peaking and carbon neutrality" concept into the Company's development strategy, promotes the formulation of carbon emission targets and action plans, and regularly reviews progress towards these targets.



SDG 13 - Take urgent action to combat climate change and its impacts

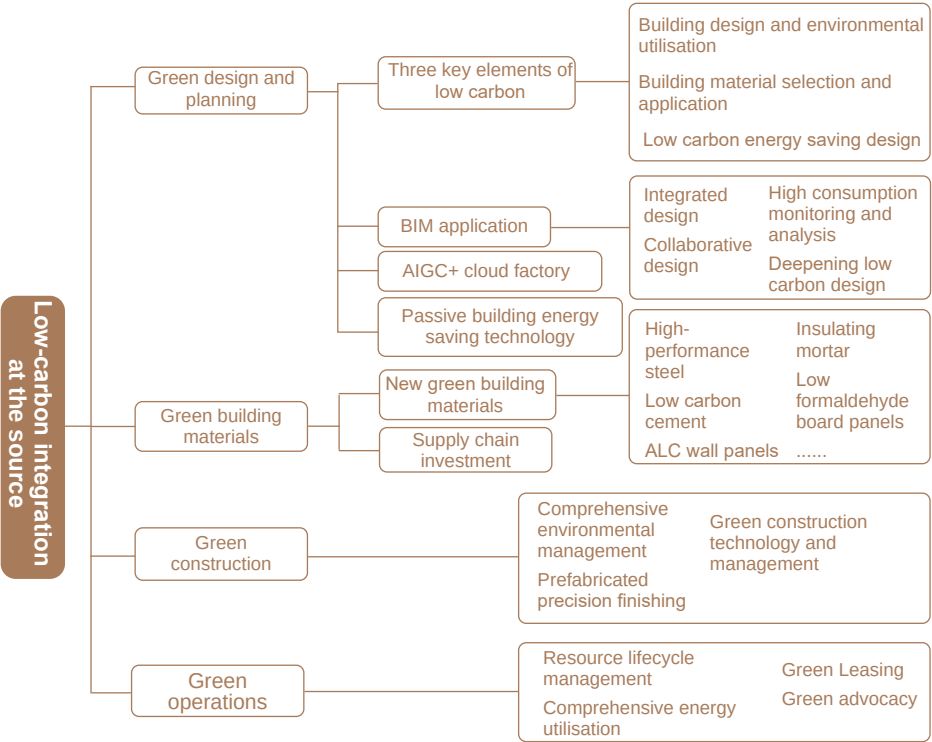
Our philosophies

Poly Developments and Holdings actively responds to the national "3060" "carbon peaking and carbon neutrality" strategy, integrating carbon peaking and carbon neutrality objectives into the Company's operations management, advancing the construction of a low-carbon building system, driving the development of the industry chain of low-carbon and smart living, practicing green low-carbon operations, and reinforcing the Company's "dual-carbon" strategic actions.

Low-carbon building system

Pursuing low-carbon operations and creating green products are the two main focuses of the Company's "dual-carbon" strategy implementation. Through innovation-driven and technology-empowered approaches, the Company aims to build a new low-carbon economic model, promote industrial upgrading, provide customers with consistent and stable low-carbon products, and reduce the full lifecycle carbon emissions of buildings.

Adhering to the principles of "safety and durability, health and comfort, convenience, resource conservation, and environmental suitability", Poly Developments and Holdings is dedicated to creating a tangible green building system, integrating carbon emission management throughout all business processes.

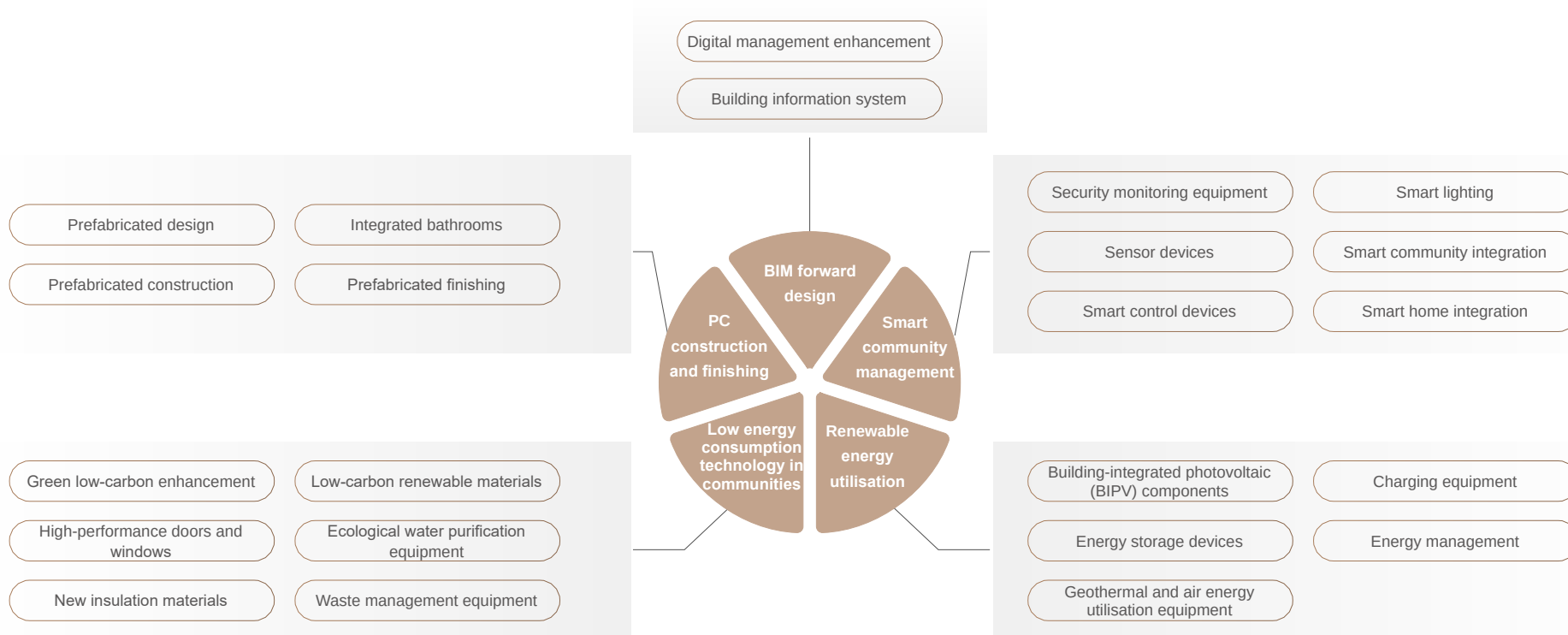


Low-carbon Building System

Industry chain of low-carbon and smart living

The residential industry is a critical anchor point for the "3060" "carbon peaking and carbon neutrality" strategy. Poly Developments and Holdings, combining the conditions of its sector, has established the "Industry Chain of Low-carbon and Smart Living". By enhancing the low-carbon management level across the entire industry chain, the Company ensures low-carbon sourcing, production, and products, managing the carbon emissions throughout the building lifecycle effectively.

Poly Developments and Holdings focuses on five key technologies: renewable energy use, low-energy consumption technology in communities, precast concrete ("PC") construction and finishing, forward design using building information modelling ("BIM"), and smart community management. These integrate the residential industry with the national "dual-carbon" strategy, leveraging industry scale and influence to construct a comprehensive industry chain map and promote the development of the "Industry Chain of Low-carbon and Smart Living".



Map of Poly Developments and Holdings' "Industry Chain of Low-carbon and Smart Living"

Key Technologies	Implementation Plans
Renewable energy utilisation	- Focusing on integrated photovoltaic building systems, which encompass system technologies for generation, storage, charging, and building electricity management. - Ensuring a complete industry chain capability for key components such as photovoltaic generation, energy storage, and charging equipment. - Advancing the utilisation and optimisation of energy services, enhancing integrated service capabilities across the industry chain, and promoting comprehensive development at all nodes of industry chain equipment and materials.
Low energy consumption technology in communities	- Collaborating on R&D for low-cost, high-efficiency, and low-energy consumption community technology systems, focusing on high-efficiency building envelopes, sponge cities, and energy consumption management systems. - Jointly implementing high-performance insulation materials, energy-saving doors and windows, efficient water treatment equipment, intelligent irrigation systems, and high-efficiency electromechanical equipment with the value chain. - Investing in and nurturing design firms, building insulation material manufacturers, and greywater treatment and reuse equipment manufacturers with integrated low-energy consumption community technology capabilities, promoting open cooperation between companies.
PC construction and finishing	- Optimising building construction technology, deepening the application of ALC wall panels, prefabricated PC external walls or components, and prefabricated internal partitions and construction processes. - Exploring high-assembly, high-construction efficiency, scalable new construction systems, such as the mould-free assembly integrated PI system. - Focusing on integrated bathrooms and complete house PC finishing, collaborating with industry chain enterprises to establish integrated manufacturing, construction, and post-maintenance systems.
BIM forward design	- Based on BIM technology and a big data cloud platform, constructing a full-process information management platform for the residential industry. - Exploring management scenarios including design optimisation, engineering quantity calculation, cost evaluation, procurement lists, display outputs, and operations and maintenance management. - Trialling BIM data three-way linkage: - Linking the supply chain platform for automatic ordering of parts and materials; - Linking the smart community platform for post-maintenance monitoring and informatisation; - Linking the prefabricated construction system and integrating intelligent construction technology to achieve smart construction.
Smart community management	- Establishing a management framework and standards for smart communities, forming a smart community operational scenario system. - Integrating the community digital platform, pulling through the spatial intelligence system hardware standards, building a unified smart community management platform, and integrating various subsystems and data applications. - Promoting the construction of core base technologies, intelligent hardware development, system design, cloud service platforms, network operation services, and comprehensive smart living service solutions. - Establishing an ecosystem encompassing monitoring devices, sensor devices, control devices, and terminal hardware and software services, incorporating them into the supply chain system to form an industrial cluster.



The residential industry is pivotal in influencing people's lifestyles and driving a new round of technological innovation. It faces a historic opportunity for low-carbon smart transformation. Poly Developments and Holdings will leverage its scale and business advantages to fully play its role as a bridge and link in the development of low-carbon green operating models and new productive forces in the construction industry. By fully utilising industry chain investment funds and supply platforms, it will delve into and integrate new technologies, new materials, and new business models, achieving a green production structure upgrade across the industry chain and aiding the national carbon peaking and carbon neutrality targets.

Low-carbon operations

Poly Developments and Holdings is committed to enhancing low-carbon management during the building operational phase to continuously reduce greenhouse gas emissions. Beijing Company has entered into a carbon neutrality collaboration with the China Beijing Green Exchange Co., Ltd. ("China Beijing Green Exchange"). The Company has engaged the China Beijing Green Exchange to certify the carbon neutrality of Poly Developments and Holdings Beijing Company's self-held assets over a three-year period (2021-2023). This certification covers assets including the Poly Metropolis, Peking One, Poly Plaza, Poly International Plaza, and the Xiyue Linyu N+ apartment projects.



Data highlights



The carbon emissions from Beijing Company's self-held projects are approximately **36.2** kg CO₂/m² per annum, which is about **40%** lower than that of typical large public buildings.

Case

Beijing Company Has Undertaken Carbon Reduction Initiatives for These Self-held Projects and Has Obtained Operational Carbon Neutrality Certification

Design Phase:

Integrating low-carbon principles in building design, material selection, and the application of low-carbon technologies to ensure carbon optimisation of architectural structures;

Construction Phase:

Implementing lean management and using green materials; Beijing Poly Plaza achieved complete carbon neutrality during its renovation, with over 10% of materials being recyclable. The Company also optimises material logistics to reduce transportation distances and consequent carbon emissions; all site machinery complies with environmental registrations and labels, with regular assessments, testing, and maintenance of machinery oil consumption, work efficiency, and fuel efficiency;

Operational Phase:

Lean operations are conducted across four major energy-saving sectors: Equipment energy efficiency, lighting efficiency, waste recycling, and air conditioning energy efficiency, in a bid to enhance operational efficiency.



Comprehensive Carbon Neutrality Certificates for Beijing Company's Self-held Assets



Poly Metropolis: Carbon neutrality certificates from 2021 to 2023



Poly Plaza: Carbon neutrality certificates during construction and operational phases for 2023



Poly International Plaza: Carbon neutrality certificates from 2021 to 2023



Peking One: Carbon neutrality certificates from 2021 to 2023

Prefabricated and Green Buildings

Topic essence: The Company promotes the application of prefabricated construction and adheres to green building standards. By integrating environmental principles into the design and construction processes, the Company controls environmental management from design through to operation, maximising resource conservation and minimising the environmental impact of buildings, thus creating green, low-carbon, healthy living spaces.



SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

SDG 12 - Ensure sustainable consumption and production patterns

Our philosophies

The theme of green transformation and high-quality development defines the construction industry in the new era. Poly Developments and Holdings is seizing opportunities in the energy transformation, green buildings, and the industrialisation of construction, continually promoting the use of green materials, environmentally friendly processes, and standardised production systems. While positively impacting the environment, the Company is continuously improving resource efficiency, helping the construction and real estate development industries to advance firmly on the path of green and low-carbon development.

Objectives and progress

Objectives for 2023

- Promote the achievement of the target that all new project constructions **100%** meet green building design standards.
- Continue to seek high-level green building certification.

Progress Review

- The Company is gradually implementing ultra-low energy consumption and near-zero energy consumption building technologies. During the Reporting Period, newly added green-building-certified areas included **2,151** thousand square metres at the two-star level and **954** thousand square metres at the three-star level.
- During the Reporting Period, buildings obtaining green building two-star or higher certifications totalled **463** thousand square metres; LEED Gold certifications covered **323** thousand square metres.

Green buildings

Poly Developments and Holdings actively promotes the development of prefabricated and green buildings by establishing a series of green building standards and policy frameworks, providing customers with future-proof green and healthy building products. It is committed to delivering higher levels of green building technology to the industry and fostering the development of green construction.

Green building design

- The Company is gradually researching and applying ultra-low energy consumption and near-zero energy consumption building technologies, developing smart energy management technologies, and advancing research on green low-carbon performance.
- Projects in Beijing Huguang Xujing, Beijing Zhaoyang Hexu, Shanghai Inner Joy, Shanghai Jin House, and others are actively implementing ultra-low energy building technologies, including sandwich insulation exterior wall technology, graphene back-plaster exterior wall technology, photovoltaic applications, high air-tightness low-thermal-transfer system windows and doors, and air source heat pump technology, achieving ultra-low energy consumption throughout the building lifecycle.
- Through advancing research on green low-carbon performance, the Company enhances its low-carbon energy efficiency levels. Zhonggong Architectural Design Institute has completed research on Rhino and Grasshopper simulation analysis technologies, developing standardised modules for green low-carbon scheme design optimisation, including lighting, shading, and wind environment, which have been applied in project optimisation for the Guangdong Mechanical & Electrical Polytechnic Training Building S2 Project, Guangzhou Longdong Comprehensive Commercial Project, and Chongqing Technology and Business University, among others, promoting energy saving, green, and low-carbon transformation of various public buildings.



Data highlights



In 2023, Poly Developments and Holdings contributed to the compilation of the *Near-zero Carbon Campus Design Standards* and the *Sustainable Zero Carbon Community Evaluation Standards*.

Green building certification

Throughout the Reporting Period, Poly Developments and Holdings has continuously enhanced the green building standard performance of both new and existing projects, maintaining the goal that 100% of new project GFA meet green building design standards. This commitment provides customers with green, healthy residential and commercial products, fostering high-quality green development within the construction industry.

 **Data highlights**



Guangzhou Poly Plaza's East Tower
received LEED O+M:
Existing Buildings

Platinum certification





Beijing Poly Plaza was awarded
LEED BD+C:
Core and Shell

Gold certification





Shanghai Poly Jing'an Tianyue
achieved LEED BD+C:
Core and Shell

Gold certification



	2016-2021	2022	2023
Green Building Targets	Cumulative GFA of buildings meeting green building standards reached 64,555 thousand square metres	All new project constructions 100% meet green building design standards	All new project constructions 100% meet green building design standards
Green Building Performance		New projects meeting at least the one-star green building standard cover a GFA of 8,827 thousand square metres	New projects meeting green building evaluation standards cover a GFA of 14.91 million square metres
High-standard Green Building Performance	Three-star green building standard covers a GFA of 1.62 million square metres	During the Reporting Period, 2,652 thousand square metres achieved green certified	During the Reporting Period, buildings obtaining green building two-star or higher certifications totalled 463 thousand square metres; LEED Gold certifications covered 323 thousand square metres
			Continuous achievement of leading green building targets beyond national benchmarks Continuous maintenance of full green building coverage Gradual improvement in the level of green building certification

Case – Poly Plaza Has Promoted Smart Green Management and Obtained Several Green Building Certifications

Serving as the headquarters for Poly Developments and Holdings and several subsidiaries, Poly Plaza in Guangzhou has received LEED Gold certification, a two-star green building certification mark, and WELL Certification at the Gold level for operations, covering an area of approximately 210 thousand square metres.

Driven by tenant requirements and Poly Plaza's green operational management standards, continual advancements are made in green management and capital refurbishment at Poly Plaza in Guangzhou. Poly Property Services has passed the IFMA (International Facility Management Association) qualification audit and has officially become its annual strategic partner. Poly Property Services continues to improve the energy-saving performance of building operations through the following measures:

- ✓ Promoting the use of automated equipment and rainwater harvesting systems, saving annually 5,840 kWh of electricity and 550 cubic metres of water;
- ✓ Using a BA group control system for air conditioning, saving 800 thousand kWh per year;
- ✓ Implementing smart lighting modifications, saving 100 thousand kWh per year; Modifying 1,000 intelligent lights in car parks, saving approximately 126 thousand kWh per year;
- ✓ Actively pursuing LEED certification and participating in carbon offset programmes, contributing to Poly Plaza's receiving a 2023 zero-carbon digital energy-saving and carbon reduction five-star building certification.



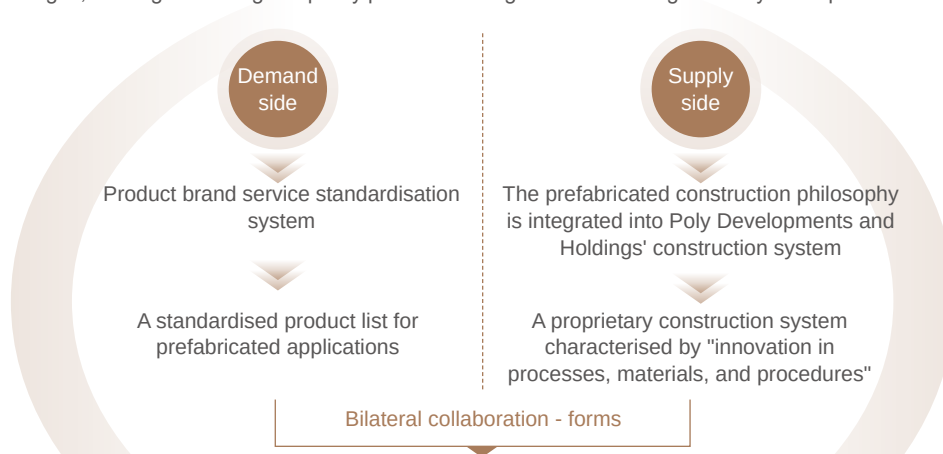
► Poly Property Services has become an annual strategic partner of IFMA



► Poly Plaza has been awarded LEED Gold certification and WELL Certification at the Gold level for operations

Prefabricated construction

Prefabricated construction is the foundational technology for industrialised production and intelligent construction, representing a significant manifestation of new productive forces in the construction industry. Poly Developments and Holdings creates standardised product lists for prefabricated applications around "demand-side" and "supply-side" needs, integrating prefabricated construction principles into its autonomous building system of "innovation in processes, materials, and procedures", thus establishing Poly Developments and Holdings' prefabricated construction system. Additionally, the Company deeply integrates the concepts and technologies of prefabricated construction and industrialisation into the construction and delivery stages, offering clients higher quality products through waste-reducing and recyclable processes.



Poly Developments and Holdings' Prefabricated Construction System

Poly Developments and Holdings' Prefabricated Construction System Diagram

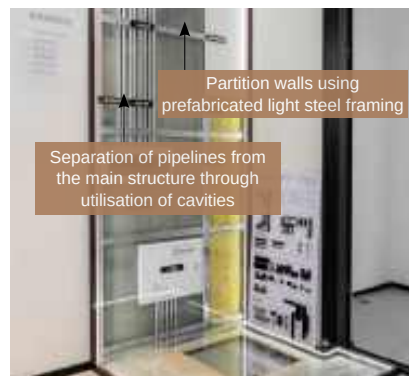
A proven real estate management system	Key points of integration with prefabricated construction	Outcomes of the prefabricated construction
Product brand service standardisation system	Local prefabricated policy requirements	A standardised product list for prefabricated applications
Poly Developments and Holdings' construction system	New materials and processes such as aluminium formwork, climbing scaffolds, fully cut external walls, ALC partition boards, or high-precision masonry	A proprietary construction system characterised by "innovation in processes, materials, and procedures".

Prefabricated Construction Actions of Poly Developments and Holdings

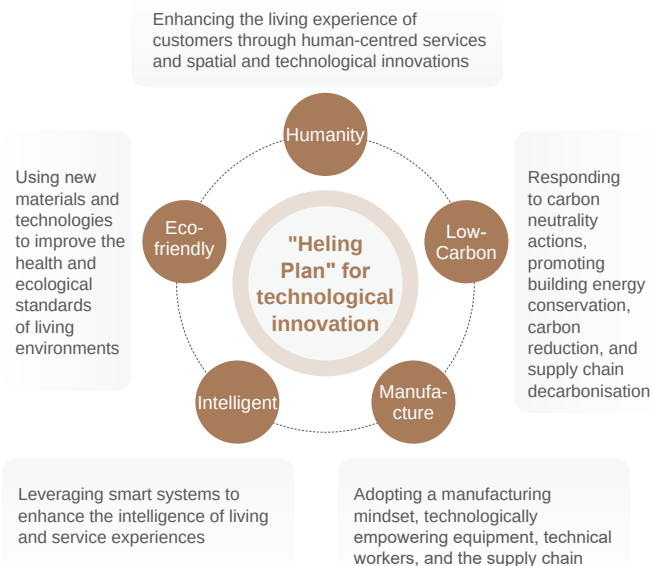
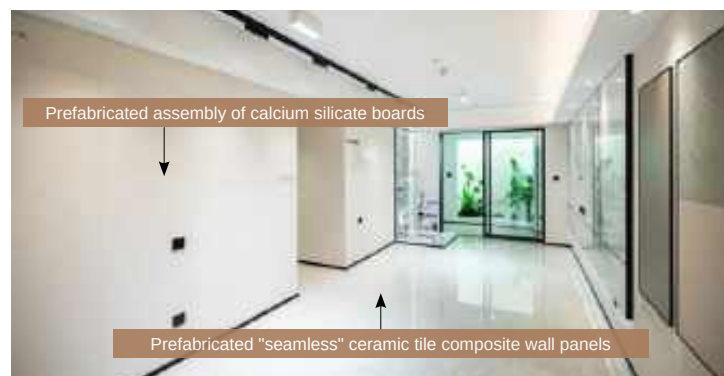
Case – The "Heling Plan" for Technological Innovation Supports Prefabricated Home Finishing

Poly Developments and Holdings has seized the digital and manufacturing trends in the housing construction sector, responding to the call from General Secretary Xi Jinping to develop "new productive forces". The "Heling Plan" focuses on "human-centred, green, low-carbon, intelligent, and industrialised" directions, shaping Poly Developments and Holdings' technology innovation strategy. This includes practising prefabricated construction, utilising renewable energy, developing smart communities, AI design, BIM design, and other technologies, using technology to enhance product value and reform production modes.

The Company's headquarters' Product R&D Centre collaborates with leading enterprises to research prefabricated home finishing, developing ten new materials and process constructions. The research results have been showcased in Poly Developments and Holdings' innovation product showroom, hosting nearly 100 groups of industry peers for technology exchange and promotion, applying prefabricated finishing and kitchen and bathroom technology in new apartment projects such as the Foshan Poly Vita and Dongguan Poly Time Zone Apartments, with an expected 3,200 units covering 97 thousand square metres of apartment projects set for prefabricated finishing in 2024, enhancing construction efficiency and quality.



▶ Heling Plan for Prefabricated Home Finishing



Data highlights

In 2023, for Poly Developments and Holdings:



GFA of new projects using new processes (including the "five-set package" or prefabricated construction) accounted for **62%** of total GFA.



Newly commenced projects using prefabricated construction methods constituted **84%** of the GFA using new processes, representing **52%** of the total new GFA, marking a significant increase from 2022.

Poly Developments and Holdings collaborates with upstream and downstream industry enterprises to continuously optimise construction technology and deepen the application and construction techniques of ALC wall panels, prefabricated PC external walls or components, and prefabricated interior partitions. The focus is on integrated bathrooms and fully-finished PC homes, collectively creating an integrated system of "integration-manufacturing-construction-post-maintenance".

The Company empowers key upstream integrated product suppliers, material part suppliers, and construction service providers, providing them with various support plans. It integrates prefabricated upstream and downstream materials, parts, and integrated product resources, conducts procurement and service docking through the supply chain platform, and enhances the integration capability of the industry chain, continuously promoting the development of prefabricated construction in the industry.

Energy Efficiency and Renewable Energy Use

Topic essence: The Company puts forward energy saving and consumption reduction requirements (such as the use of electricity, natural gas, gasoline, etc.) for operating projects, projects under construction and planned projects, promotes the use of renewable energy, improves the energy management mechanism, and raises the awareness of employees to save energy, in an effort to create a green and low-carbon operating environment.



SDG 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

Our philosophies

As China enters a new phase of development, it will accelerate the establishment of a clean, low-carbon, safe, and efficient energy system. As a responsible state-owned enterprise, Poly Developments and Holdings actively enhances energy efficiency, expands the application scenarios of renewable energy, and pioneers the application and implementation of ultra-low energy consumption building technology.

Objectives and progress

Objectives for 2023

- Carry out in-depth implementation of the national policy for building an energy-saving society, advance property green operations and practise energy and consumption reduction.

Progress Review

- The Company conducted regular collection and analysis of project energy consumption data, addressing energy management from project operations, equipment renewal, and technical transformation.

Energy management

Poly Developments and Holdings strictly adheres to the *Energy Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and other related legal regulations, continuously improving the *Engineering Cost Control Management Regulations* and the *Energy Management Work Guidelines*, enhancing the energy management level of projects comprehensively. During business operations, the Company continually deepens the low-carbon concept through standardising energy consumption cost accounts, enhancing project energy use efficiency through operational management, equipment renewal, and technological transformation.



Operational Management

- Poly Developments and Holdings actively conducted detailed energy consumption management, established equipment energy consumption accounts, strictly controlled energy consumption, and regularly tracked and analysed energy data. When energy consumption deviation exceeds 5%, the Company intervened early;
- Additionally, the Company set energy consumption assessment indicators, assessing energy usage monthly, and used the assessment mechanism to incentivise improved energy efficiency.



Equipment Renewal

- Poly Developments and Holdings focuses on the potential high energy consumption risks of ageing equipment, continuously advancing the replacement and renovation of energy-saving facilities and equipment. In 2023, for the residential business under management, the Company replaced energy-saving devices in public areas, including lighting fixtures, water supply pumps, elevators, and air conditioning units; for commercial projects, the Company carried out energy efficiency investigations of key area products and equipment and compiled a comprehensive plan for the renewal and transformation of key area product equipment.



Technical Transformation

- During the process of technical transformation, the Company has integrated energy consumption management tools applicable to various scenarios, such as introducing time control, infrared radar induction, chronometric control, and luminance sensing control in circuits, to manage the energy consumption of facilities and equipment more effectively.



Case

Capitalised Renovation by the Poly Commerce & Tourism Development

Poly Commerce & Tourism Development is committed to continuously improving the energy efficiency of buildings through capitalised renovation, embodying the Company's low-carbon development philosophy. In 2023, the Poly Commerce & Tourism Development completed an energy-saving renovation of the efficient machine room at Poly Plaza in Guangzhou, anticipated to save 820 thousand kWh of electricity annually, reducing carbon dioxide emissions by 820 tonnes and saving approximately RMB630 thousand in electricity costs. Additionally, an energy-saving renovation was completed at Guangzhou Zhongyue Plaza (including the Yueya Hotel), expected to save 660 thousand kWh of electricity per year, saving RMB490 thousand in electricity costs and reducing carbon dioxide emissions by 660 tonnes.



Efficient Machine Room Control System

Renewable energy utilisation

Poly Developments and Holdings is vigorously developing an ultra-low energy consumption building technology system and expanding the use of renewable energy in project construction. Renewable energy utilisation, as a key technology of Poly Developments and Holdings' "Industry Chain of Low-carbon and Smart Living", actively involves strategic layouts such as photovoltaic building integration. These technologies are implemented and applied in Poly Developments and Holdings' ultra-low energy consumption building projects, making renewable energy a new productive force during the development, construction, and operational phases, promoting the Company's transformation towards a green energy structure.

The Company promotes the application of renewable energy within its operational scope for ongoing projects, such as solar water heaters and solar streetlights, reducing the electrical load at construction sites and fostering an adjustment in its own energy structure. During the operational phase, further advancements are made in solar and wind energy device transformations, retrofitting managed project fixtures to dual-purpose photovoltaic or wind-powered lighting, thereby fostering energy conservation and carbon reduction at the building operations level.



Data highlights



In 2023, new projects covering
3,572 thousand square
metres utilised renewable
energy technologies.

Case

An Ultra-low Energy Consumption Building Project at Poly Shanghai Jing'an Lingshi Community

Under the encouragement of Shanghai Municipal Housing and Urban-Rural Development Commission policies, Poly Developments and Holdings built an ultra-low energy consumption building project of roughly 280 thousand square metres at Poly Shanghai Jing'an Lingshi Community. This project incorporated various renewable energy technologies, using a solar photovoltaic system to power elevators and achieving "self-generation and surplus power grid integration", creating a green, clean, and low-carbon residential model.



Rendering of Shanghai Jing'an Lingshi Community Project

Green leasing

Poly Developments and Holdings integrates green, low-carbon management requirements with the Company's standardised management systems. Agreements supporting green and environmental protection are made with merchants, tenants, and other parties during their decoration, operation, and residence phases, and the promotion of green conventions and green clauses continues.

Poly Apartment

Poly Apartment signs the *N+ Youth Apartment Tenant Agreement* with tenants in residence, displaying it in public and kitchen areas, proposing behavioural norms and initiatives for public area sanitation, encouraging tenants to adopt low-carbon living habits, and collectively fostering an environmentally friendly and healthy living environment.

Poly Commerce & Tourism Development

- All new *Property Commercial Agreements* signed with commercial project merchants and tenants now include green leases within the commercial contract terms. The contract specifically requires dining merchants to install energy-efficient fume exhaust and air supplement systems during renovation and to shut down unused systems to reduce energy consumption; the Company conducts irregular spot checks on merchants, and those found violating regulations face penalties.
- The *Shop Decoration Guide Manual* is formulated and incorporated into commercial leasing agreements to ensure that renovation activities meet green and environmental standards.



The Shop Decoration Guide Manual of Poly Commerce & Tourism Developments

- ✓ Green and environmental requirements are set in the stages of decoration design, construction material entry, and completion inspection, explicitly prohibiting non-environmentally friendly materials;
- ✓ Pilot projects for efficient air conditioning rooms and photovoltaic power generation are implemented, dynamically controlling and effectively reducing conventional energy consumption;
- ✓ Compliance with various emission and waste management systems is maintained, providing and using low-carbon, environmentally friendly, healthy, and safe products and services;
- ✓ Tenants, suppliers, and other partners are encouraged to participate in energy-saving, consumption-reducing, and environmentally-friendly charitable activities.

Case

Poly Commerce & Tourism Development Collaborates with Customers to Observe "Earth Hour"

In 2023, Poly Commerce & Tourism Development engaged with its customers to voice support for the planet through the "Earth Hour" lights-off initiative. Over 20 hotels and some commercial projects, such as the Wuhan Poly Plaza, participated, linking guests and consumers in the collective action to underscore the significance of protecting our planet.



► Poster for the Poly Commerce & Tourism Development's "Earth Hour" Lights-off Action



Emissions and Waste Management

Topic essence: Dedicated to reducing emissions of gases, wastewater, and waste during production and operations, optimising waste management through methods such as ledger management, enhancing waste recycling, and cleaner production. The Company also promptly addresses and proactively manages incidents that negatively impact the environment.



SDG 12 - Ensure sustainable consumption and production patterns

Our philosophies

Managing emissions and waste across the entire lifecycle of buildings is vital for effective environmental strategy and crucial for enterprises' sustainable development goals. Poly Developments and Holdings routinely manages pollution from dust, noise, and wastewater, and conducts non-hazardous treatment and recycling of construction waste, further solidifying the Company's environmental protection responsibilities and ensuring the simultaneous advancement of high-quality development and high-level ecological environment protection.

Objectives and progress

Objectives for 2023

- Strictly adhere to "six 100%" for dust control, "eight rules" for noise management, "five requirements" for wastewater treatment, and "eight essentials" for waste management to ensure that all emissions and waste meet regulatory standards.

Progress Review

- The Company continuously enhanced dust control at construction sites, strengthened measures to control noise, wastewater, and waste emissions, and improved the management of pollution from various emissions and waste. In 2023, all measures for emissions and waste management control were implemented, and the handling of emissions and waste complied with the prescribed standards.

Poly Developments and Holdings rigorously abides by the *Environmental Impact Assessment Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, and other relevant legal regulations, requiring each business division to manage risks of the environmental impacts of their activities and establish a comprehensive environmental management framework. Among these, Fuli Construction proactively identifies environmental risks based on its projects and incorporates their management into Fuli Construction's Safety, Health, and Environmental Management System, establishing a three-tier management structure: "Work Safety Committee and Safe Environment Management Department - Regional Safe Environment Department - Project Manager Department". This structure's main responsibilities include implementing environmental protection policies, developing and updating environmental management systems, organising environmental awareness training and promotional activities, conducting inspections and rectifications of environmental issues, and evaluating environmental performance.

Fuli Construction's Three-tier Safety, Health, and Environmental Management Structure



Under a robust environmental management framework, the Company continuously implements the "Four Savings and One Environmental Protection" standard in construction and operational maintenance as a target for the industrial structure's green transformation and advancement, adhering to the ISO 14001 environmental management system certificate standards. During the Reporting Period, Fuli Construction, Poly Property Services, and Poly Health all received ISO 14001 environmental management system certificate.



Fuli Construction received ISO 14001 environmental management system certificate



Poly Property Services received ISO 14001 environmental management system certificate



Poly Health received ISO 14001 environmental management system certificate

To ensure orderly environmental management system activities, Poly Developments and Holdings actively implements supervision and inspections of ecological environmental protection in ongoing projects, ensuring that ecological environmental risk prevention measures are implemented during production and operational activities, preparing for emergency handling of ecological environmental issues, determining rectification deadlines and responsible persons in supervision and inspections, and urging projects to complete the rectification closed-loop process. The Company conducts statistical monitoring of ecological environmental protection in construction projects, recording, analysing, and archiving monitoring data. During the Reporting Period, no environmental violations above a general level occurred within the scope of Poly Developments and Holdings' new projects.

Dust pollution management

Poly Developments and Holdings enforces the "six 100%" targets for construction dust control, enhancing on-site dust prevention and dust reduction measures, and improving dust pollution management capabilities.

Dust control "Six 100%"

- 100% enclosure at construction sites
- 100% hardening of site road surfaces
- 100% coverage of site sand, soil, and materials
- 100% watering during construction activities
- 100% washing of wheels and bodies of vehicles exiting the site
- 100% coverage or greening of long-term exposed soil

Management Dimensions

Enclose mortar mixers completely

Use smoke purifiers in conjunction with welding operations

Deploy mist cannons and perimeter spray systems to control dust

Specific Measures

Prevent dust from scattering during pouring, protecting the environment and worker health

Capture fumes produced from welding operations to smoke purifiers, preventing external pollution

Cause airborne particles to adhere and settle, reducing dispersion beyond the project site



Pre-rectification



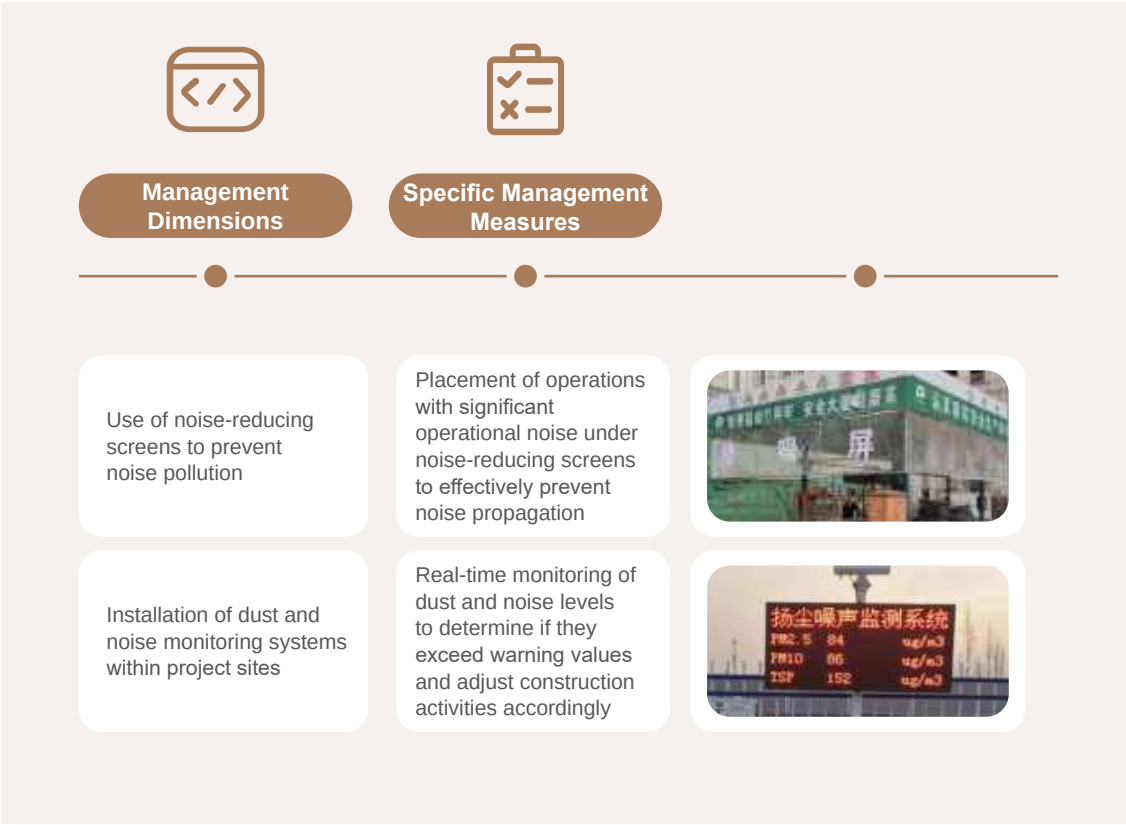
Post-rectification



Noise pollution management

Noise pollution in ongoing projects mainly comes from civil and decoration engineering noise, equipment installation noise, and transport vehicle noise. Poly Developments and Holdings actively identifies noise pollution sources, establishes and maintains comprehensive project noise management rules, adhering to the principles of "no disturbance from blasting and reduced noise at night", using well-protected construction machinery, and scheduling reasonable work periods to control environmental noise pollution and minimise its impact.

Poly Developments and Holdings' "Eight Regulations" on Noise Management	
No.	Content
1	Strict adherence to national standards, and rational arrangement of construction procedures
2	Use of high-efficiency construction equipment to reduce working hours
3	Implementation of noise permits for midday or nighttime construction and public disclosure, with noise monitoring systems installed
4	Use of low-noise, environmentally-friendly vibratory rods during night construction, with noise-sensitive areas having concrete delivery pumps fitted with sound barriers
5	Use of noisy equipment only within specified times and with timely public notification
6	Maintaining active, open communication with local communities
7	Strict prohibition of construction noise exceeding the publicly disclosed limits for various equipment (noise sources)
8	Preference for low-noise equipment and implementation of soundproofing, noise cancellation, and noise reduction measures





Wastewater management

Poly Developments and Holdings strictly adheres to national and local governmental regulations, implementing the "Five Requirements" for pollution and wastewater treatment and managing all types of wastewater discharge risks comprehensively. The Company mandates regular three-tier sedimentation for wastewater for water resource recycling, equipping sedimentation tanks with sludge removal devices and regular dredging. For domestic wastewater, specific grease traps, finished septic tanks, and wastewater treatment procedures are in place to ensure compliance with discharge standards. Each project is required to obtain a discharge permit before discharging wastewater into government-regulated sewage networks, with strict pre-discharge filtration measures enforced and dedicated personnel assigned for wastewater monitoring to ensure lawful and compliant wastewater discharge.

Waste management

Poly Developments and Holdings continuously identifies waste emission sources within its business processes, constantly enhancing the sophisticated management of various types of waste. The Company strives to adopt resource-efficient and environmentally friendly waste treatment methods to advance sustainable business practices.

Indicators	Unit	Data for 2023
Hazardous waste generated	Tonne	38
Non-hazardous waste generated	Tonne	3,491

Operational Phases	Emission Source	Disposal Method
Construction Phase	Hazardous and toxic waste	- Designated temporary hazardous waste storage areas have been established for the separate categorisation and storage; - Toxic construction waste is managed by certified disposal agencies to ensure proper handling.
	Excavated earth	- Most excavated earth is reasonably allocated for use in backfilling elsewhere; - Excavated earth is used as native soil for backfilling whenever feasible.
	Construction waste	- Eight key points for construction waste management have been established; - Legal procedures for the disposal of construction waste are followed before it is transported off-site; - Construction waste is systematically sorted, stored, promptly cleared, and comprehensively utilised. During transportation, measures such as covering and spill prevention are implemented; - Crushing and recycling are carried out by professional organisations.
	Prefabricated construction waste	Suppliers of prefabricated components are required to process and dispose of waste materials through crushing and recycling.
	Obsolete equipment	Efficiency standards for the disposal of old equipment are maintained, with enhanced management supervision to promote equipment upgrades and recycling. Disposal of obsolete equipment is handled by professional agencies.
Operational Phase	Kitchen waste	Management of purchasing, storage, processing, serving, and dining, and kitchen waste processes has been strengthened to mitigate the risk of kitchen waste generation.
	Organic waste	Some organic waste is repurposed to prevent unnecessary environmental impact.
	Disposable waste	- In hospitality projects, customers are offered alternatives to disposable items to prevent unnecessary waste from the source; - Paperless processes are promoted in office settings.
		Waste sorting awareness and proper labelling are promoted to enhance environmental protection awareness among community residents;
	Domestic waste	- Dedicated personnel are available during peak times to assist residents with waste sorting and provide on-site supervision; - Qualified third-party agencies are contracted for waste collection.
	Hazardous waste	Hazardous waste is managed in strict accordance with the <i>National Catalogue of Hazardous Wastes</i>, with wastes categorised and stored separately. Qualified organisations are contracted to recycle and process hazardous waste responsibly.

Resource Management

Topic essence: In the phases of product design, development, and operations, attention is paid to material selection, energy efficiency, product durability, waste recycling management, and strengthening resource management. Simultaneously, water resource management is prioritised, focusing on water conservation and recycling.



SDG 6 - Ensure availability and sustainable management of water and sanitation for all

Our philosophies

The circular economy is a significant manifestation of corporate competitiveness in sustainable development. Poly Developments and Holdings effectively leverages resource recycling to positively impact operations and the environment, systematically utilising water resources and construction materials at multiple levels.

Objectives and progress

Objectives for 2023

- Continuously avoid the use of disposable and non-biodegradable materials.

Progress Review

- In Poly Commerce & Tourism Development's hospitality projects, 80% of consumables used are made from 100% renewable materials, progressively reducing the use of plastic products in available consumables.

Water resource management

Poly Developments and Holdings strictly adheres to the *Water Law of the People's Republic of China*, setting management standards such as the *Engineering Cost Control Management Regulations* to focus on water use risks, continuously optimising water resource management, advancing water-saving renovations, and recycling.

Water-saving Management

Advanced water resource management measures include regular specialised management and the display of water-saving signs to continuously promote water conservation.

- Regular analysis:** Statistically analyse the water resource usage regularly and strengthen water-saving projects based on the results;
- Refined management:** Regularly use professional instruments to check for leaks in the water network, conducting targeted water-saving treatments.

Water-saving Renovation

Option for water-saving and smart devices, such as automatic sprinklers and water-efficient taps, to further optimise water resource management and reduce wastage.

Recycling

Actively explore the efficient use of water resources, categorising and collecting recycled and rainwater for various uses, enhancing water resource efficiency.

- Separate zones for living and construction in ongoing projects ensure the safety of construction workers' water use while recycling water in various forms in different areas;
- Develop rainwater recycling systems in project operations equipped with water-saving devices used for landscaping irrigation, vehicle washing, and dust control on the ground, effectively promoting the secondary use of water resources and reducing the impact on local water resources.

Indicators	Unit	Data for 2023
Total water consumption	'0,000 tonnes	1,472
Circulating water consumption	Tonne	194

Resource sustainability

Poly Developments and Holdings enhances resource utilisation efficiency through appropriate resource allocation, strengthening resource recycling, and extending material usage cycles, reducing unnecessary resource depletion. The Company vigorously implements the recycling and reuse of building materials, maximising the recovery value of materials, and using green construction materials to alleviate the environmental pressure from waste.

Direction	Specific Measures
Construction Phase	• Implement systems like the <i>Construction Waste Recycling Regulations</i> and the <i>Material Issuance Quota System</i> to regulate resource conservation and recycling;
	• Recycle scaffolding, fixed guardrails, and aluminium formwork during the construction process;
	• Reduce land occupation in ongoing projects, using hardened land as temporary roads;
	• Construct two-story temporary buildings to minimise land use and recycle materials.
Operational Phase	• Conduct old clothing recycling and waste sorting within managed projects, properly disposing of related waste;
	• Organise various plant exchange activities, collecting recyclable resources like cardboard from residents and promoting a green and eco-friendly lifestyle.
Office Area	• Promote paperless operations, reduce the use of paper cups, and implement double-sided printing of paper documents;
	• Use recyclable office supplies in office activities, conducting refined management;
	• Launch a "Clean Plate Campaign" with points to create an atmosphere of food conservation.



Data highlights

As of 31 December 2023, in the Poly Commerce & Tourism Development's hospitality projects, 80% of consumables used are made from **100%** renewable materials, progressively reducing the use of plastic products in available consumables.

Case – Green Hotel Operations

Poly Commerce & Tourism Development actively practices green, low-carbon hotel management by implementing various management measures and promoting green, low-carbon living concepts to stakeholders. This includes initiatives such as "Clean Plate" campaigns in restaurants, advocating for the reduction of guest amenity replacements, promoting green meetings, providing green water bars, and reducing the use of disposable bottled water.

- **Crowne Plaza Chongqing New North Zone:** Organised a "Let's Take the Lead in Energy Conservation and Carbon Reduction" campaign involving all hotel staff;
- **Rosewood Sanya:** Provided customers with multiple environmentally-friendly, biodegradable guest consumables. These include sugarcane paper bags with a biodegradable coating + PLA non-woven fabric, with external packaging bags that have received GRS and FSC degradation certifications; the hotel also uses trash bags containing fully biodegradable components to reduce environmental impact. Since 2018, Rosewood Sanya has been rated as a Green Hotel and has been awarded the title of Top 100 National Green Hotels in 2019 and 2020.



Rosewood Sanya's plant-based soap



Rosewood Sanya's fabric bags



Biodiversity Protection

Topic essence: During the design, development, construction, and operational phases of products, there is rational planning and utilisation of land and other natural resources, adherence to environmental compliance, ecological restoration requirements, and the formulation of policies to protect biodiversity and ecosystem protection. This promotes biodiversity charitable projects and advocates for and strengthens biodiversity protection in daily management.



SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Our philosophies

Biodiversity Protection is imperative for high-quality, sustainable development strategies. Poly Developments and Holdings follows the fundamental principles of "Respecting Nature, Prioritising Protection; Green Development, Benefit Sharing" and integrates them throughout the business operations process. In product design, development, construction, and operation, the Company conducts environmental impact assessments, rational planning and use of land and natural resources, adheres to environmental compliance, and promotes ecological restoration to reduce impacts and dependencies on nature, delivering a positive impact of Poly Developments and Holdings on nature and achieving sustainable ecological development.

Objectives and progress

Objectives for 2023

- In business operations, assess the ecological and biodiversity impacts to ensure corporate development coexists harmoniously with the natural environment without negative effects.

Progress Review

- In the operational phase of the project, the Company enhances ecological protection, optimises landscape engineering, and monitors ecological impacts. In 2023, the Company participated in the operation of Guangzhou Haizhu National Wetland Park, and implemented an "Ecology + Service" operation model, effectively restoring and repairing the wetland ecosystem.



Ecological protection

Poly Developments and Holdings strictly adheres to the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Chinese Programme for Natural Protection*, and other relevant ecological environmental protection laws and regulations. Before project initiation, a comprehensive environmental impact assessment, including ecological impacts, is conducted to identify potential ecological risks and develop corresponding mitigation measures.

Avoiding greenfield development

Poly Developments and Holdings' commitment to avoiding greenfield development

- Poly Developments and Holdings commits to avoiding greenfield development, fully respecting and protecting ecology, planning and laying out scientifically, minimising the impact of business development and operations on the ecological environment, and establishing a robust ecological environmental protection regulatory mechanism to ensure that green development concepts are integrated throughout the project development and operation process.

Brownfield management

The Company maintains communication with the government, actively participates in brownfield management, and is committed to promoting the restoration and regeneration of ecosystems.

Case

Poly Yanyu Tangyue Project: Dongfanghong Printing Factory Brownfield Redevelopment Project

Poly Yanyu Tangyue Project at the former Dongfanghong Printing Factory in Guangzhou Haizhu District, originally for industrial use, required transformation into residential land due to urban planning adjustments. After acquiring the land, the Company immediately undertook soil remediation work to eliminate potential environmental pollution risks, ensuring the health and safety of future residents.

Soil Remediation Plan

- ✓ **Soil pollution assessment:** Conduct a detailed assessment of soil and groundwater quality to identify the types and degrees of pollution;
- ✓ **Restoration goals setting:** Based on the assessment results, set specific restoration goals and environmental standards;
- ✓ **Restoration technique selection:** Choose appropriate soil remediation techniques such as bioremediation, chemical oxidation, and soil replacement;
- ✓ **Restoration implementation and monitoring:** Strictly follow the restoration plan during construction and implement strict environmental monitoring to ensure the effectiveness and safety of the restoration work;
- ✓ **Post-restoration management and monitoring:** After restoration is complete, conduct long-term soil and environmental monitoring to ensure the soil quality continuously meets standards.

Only after ensuring 100% completion of comprehensive preliminary remediation and meeting the relevant soil environmental quality standards will the next phase of land development and use proceed. Upon completion, the Poly Yanyu Tangyue project will enhance land value and create a healthy and livable environment for the surrounding residents.



Rendering of Poly Yanyu Tangyue Project

Biodiversity protection

Poly Developments and Holdings actively responds to the *China National Biodiversity Conservation Strategy and Action Plan (2023-2030)*, adhering to the fundamental principles of "Respecting Nature, Prioritising Protection; Green Development, Benefit Sharing". The Company considers biodiversity factors in its core real estate development, property services, and cultural tourism services, mitigating operational impacts on surrounding natural areas.

Poly Developments and Holdings' Commitment to Biodiversity Protection

Poly Developments and Holdings commits to appropriately considering biodiversity factors in its real estate investment and development, as well as other business operations.

The Company pledges to undertake the following biodiversity protection actions:



- 1) Fully consider biodiversity factors during the project location, planning, design, and construction stages, encouraging the inclusion of biodiversity assessments during environmental impact evaluations;
- 2) Minimise operational impacts on the natural environment as much as possible, establishing measures such as ecological buffers to protect biodiversity and maintain ecological balance;
- 3) Actively promote green buildings and ecological housing concepts, enhancing the ecological quality of project areas through green landscape design;
- 4) Enhance biodiversity protection awareness among employees, clients, and partners through cultural dissemination and training;
- 5) Initiate biodiversity-related cultural and public welfare activities to raise public awareness and participation in biodiversity protection;
- 6) Promote ecosystem restoration and strengthen cooperation with relevant government departments, social organisations, and scientific research institutions to jointly advance biodiversity protection efforts.

Real estate investment and development

Poly Developments and Holdings maintains an ecological priority and green development philosophy. The Company focuses on gradually establishing a comprehensive biodiversity protection system, tailoring its environmental management mechanisms to its construction projects' characteristics, prioritising environmental protection, and preventing pollution. Project landscape designs require the use of native plants, adjusting plant combinations according to seasonal changes to ensure compatibility with ecological and seasonal variations.

Property services

Poly Property Services upholds the philosophy of harmonious coexistence between humans and nature, minimising operational impacts on the environment and ecology, and contributes to biodiversity protection through professional services in project operations, thereby supporting the balance of natural ecosystems.

Case – Integration of Ecology and Service Sectors: Safeguarding the City's "Green Heart"

Guangzhou Haizhu National Wetland Park, covering approximately 1,100 hectares in the southeastern corner of the Haizhu District in central Guangzhou, is truly the city's "green heart" and is also the first national wetland park in China to join the International Union for Conservation of Nature.

Following its establishment in the wetland, Poly Property Services has promoted the "Ecology + Service" cross-sector integration at Haizhu Wetland. Service scopes have expanded from basic property management to ecological governance and maintenance, addressing species management, ecological restoration, and ecological repair from various angles. Through appropriate human intervention or assistance, they provide effective examples that can be replicated and promoted for ecological improvement.

- **Species management:** Managing fruit trees using ecological maintenance techniques, constructing and protecting animal habitats, and enriching aquatic biological conditions by clearing and suppressing invasive species and cultivating native species.
- **Ecological restoration and remodelling:** Maximising the self-repairing capabilities of the wetland ecosystem, monitoring water quality and air indices, taking measures to enhance hydrodynamics, water quality, and air quality, maintaining a healthy aquatic ecological environment, and preventing actions that damage or disturb animal habitats.
- **Ecological repair:** For wetlands that are severely degraded or damaged and cannot achieve restoration targets through self-repair alone, promote ecological restoration through moderate human intervention or assistance.

In November 2023, as a joint operator of Haizhu Wetland, Poly Commerce & Tourism Development leveraged its professional expertise to launch the 33rd Wildlife Protection Publicity Month in Haizhu District, Guangzhou, themed "Protecting Wild Birds and Building a Green and Beautiful Guangdong". The event involved an online "Haizhu District Terrestrial Wildlife Hand-drawn Art Competition" combined with offline promotion, attracting over 63,000 participants.



Salvaging water plants such as water hyacinths and drifts



Preserving ancient trees, local species, and agricultural knowledge



The introduction of unmanned drones, patrol robots, and cleaning robots formed part of an integrated "all-domain information system" combining "intelligent management, intelligent service, and intelligent operation"



Data highlights

- Since Poly Property Services began operating the wetland park in March 2022, the variety of wetland birds has increased to **190** species, and insect records have improved to **738** species. This includes the discovery of two new global insect species named after "Haizhu" and **9** new species records for China (including **1** new record family and **3** new record genera).



- As of December 2023, Guangzhou Haizhu National Wetland Park had recorded **835** species of vascular plants and **1,103** species of animals.



Cultural and tourism industry

Poly Cultural Tourism explicitly adopts an "ecology-first, green development" philosophy, integrating it throughout strategic planning, project development, and operational management, committed to creating projects that coexist harmoniously with nature.



- Poly Cultural Tourism manages **9** golf courses in **8** different cities, with a total of **180** holes, covering over **10,000** acres, including nearly **5,000** acres of lawns, almost **500** acres of gardens, and nearly **50** acres of water areas.



Biodiversity Practices in Poly Cultural Tourism

• Biodiversity Assessment

Considering species diversity, ecosystem diversity, and biotic community structure, a comprehensive assessment of biodiversity impacts within project boundaries is conducted.

• Protection of the Ecological Environment around Golf Courses

Establishing ecological buffer zones to protect biodiversity, reduce interference with and damage to the natural environment, and maintain ecological balance.

• Intensification of Greening Efforts

Increasing vegetation coverage to create a pleasant golf course environment and choosing plant species with strong adaptability and ecological benefits to enhance ecosystem stability.

• Landscape Engineering Optimisation

Continuously improving regional roads, gardens, and landscape engineering during operations, including regular maintenance and cleaning of water areas.

• Ongoing Ecological Impact Monitoring

Analysing the impact of golf courses and operations on ecosystem services such as soil and water conservation and leisure tourism.

Case — Huamei Luhu Golf Course, Guangzhou: Luhu Reservoir Renovation

In August 2023, following the takeover of Huamei Luhu Golf Course, the Company renovated a dried-up reservoir on the course. After renovation, the reservoir has become a natural habitat for wild ducks.



Before renovation



After renovation

Case — Special Campaign for the Protection of the Ecological Environment in the Yangtze and Yellow River Basins

In 2023, Poly Cultural Tourism launched a special campaign for the protection of the ecological environment in the Yangtze and Yellow River basins. The campaign organised golf courses along the Yangtze and Yellow River basins in Chongqing, Chengdu, Foshan, and Qinhuangdao to review and enhance inspection points based on their operational realities, conducting comprehensive checks against problems in "five aspects". Poly Cultural Tourism actively assumes corporate responsibility for ecological environmental protection, promoting harmonious coexistence between ecology and economy.



Vegetation greening



Soil restoration



Lake cleaning



Roadside rubbish clearance



Water quality monitoring





SOCIAL

Serving National Infrastructure Construction and Urban Revitalisation

Promoting Business Innovation and Serving Regional Economic Development

Promoting Industry Development

Contributing to Rural Revitalisation

Public Welfare and Charitable Causes

Serving National Infrastructure Construction and Urban Revitalisation

Topic essence: The Company supports and undertakes national infrastructure development and urban revitalisation, and accelerates the "Three Major Projects" of subsidised housing construction, urban village renovation, and enhancements to public infrastructure. The Company also deepens and expands infrastructure to refine the city's functional efficiency and spatial design, enhances residents' living standards, and concurrently safeguards and propels sustained healthy economic and social progress.



SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

Our philosophies

Poly Developments and Holdings persists in expediting the "Three Major Projects" construction, enhancing the city's functionality and excellence, while continually innovating in urban planning and design to broaden its capacities, rejuvenating the cityscape and enriching public life.

Objectives and progress

Objectives for 2023

- Accelerate the "Three Major Projects" of government-subsidised housing construction, urban village renovation, and urban public infrastructure construction.
- Explore innovative ways of flexible and comprehensive use of urban land and achieve intensive and diversified utilisation of land resources through rational planning and efficient management.
- Facilitate urban revitalisation and focus on the protection and inheritance of historical and cultural heritage.

Progress Review

- As of 31 December 2023, Poly Developments and Holdings had accomplished **109** subsidised housing projects spanning **4.3** million square metres and engaged in over **130** urban village renovation projects, covering more than **100** million square metres. (Refer to the Special Feature: Advancing the "Three Major Projects" and Consolidating Efforts for High-Quality Development).
- As of 31 December 2023, Poly Developments and Holdings has implemented nearly **10** TOD projects, promoting the sustainability and liveability of urban development through the in-depth integration of transportation and culture.
- In 2023, the **Up City Projects of Poly and Jing'an Tianyue Project** were selected as "2023 Outstanding Cases of Urban Revitalisation".



Conducting flexible and mixed land use to create a city life circle on the railway

Poly Developments and Holdings actively supports government plans for regional construction and environmental upgrades, by successively undertaking the construction of transportation hubs and TOD projects in Fenjin Road TOD in Huangdao District, Qingdao; Yuanjiang Road TOD in Minhang District, Shanghai; Liao Jiawan TOD in Xindu District, Chengdu; and Humen High-speed Railway Station TOD in Dongguan, etc., and has built up the capacity of integrated design of TOD "Station-Industry-City" that integrates residential construction, property service, and asset operation to form the benign cycle of mutual promotion between rail transit construction and regional development.

Case

TOD Project on Yuanjiang Road, Minhang District, Shanghai - An Innovative "People Oriented Development (POD) + TOD" Model Prioritising Both "Rental and Purchase"

The Shanghai Minhang District Yuanjiang Road TOD Project, steered by the People's Government of Minhang District and jointly executed with Shanghai Shentong Metro Group, exemplifies Poly's pioneering approach to the national housing policy that encourages both rentals and purchases and its proactive engagement in the city's sustainability blueprint. Adjacent to Yuanjiang Road Station of Metro Line 15 in Shanghai's Minhang District, the property constitutes a multipurpose urban complex, integrating residential, commercial, cultural, and educational amenities flexibly.

Spanning approximately 27 hectares, it boasts a GFA of 388 thousand square metres, comprising commercial and rental housing, office spaces, and retail zones. Embracing a "station-city-people" fusion and TOD philosophy, the project harnesses three-dimensional urban planning to address high-density development challenges. Operationally, it pioneers a multidimensional service ecosystem tailored to diverse living scenarios.

Introducing the "Park Oriented Development" (POD) notion, the project integrates nature—incorporating parks, forests, and waterfronts into the TOD blueprint. This fusion with urban fabric fosters industry-city integration and revitalises industries. Moreover, the project encompasses 110 thousand square metres of rental properties, nearly 30% of its total area, anticipating around 3,000 units to significantly alleviate housing pressures within the region, catering to a diverse range of incomes, and furnishing tech park employees with convenient, comfortable living.

In the Shanghai Yuanjiang Road TOD project, Poly transcends the role of a developer by deeply engaging in urban evolution. In alliance with the government, metro corporation, and community stakeholders, a market-driven, professional operational model was implemented, optimising land use and urban spatial planning. This endeavour sets a precedent for Shanghai's TOD landscape, infusing fresh perspectives and paradigms into urban revitalisation and sustainability.



Case

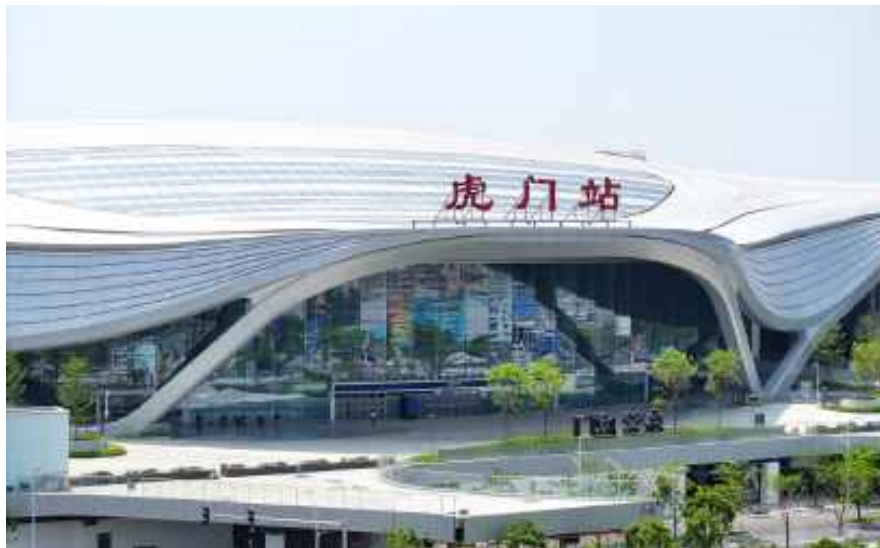
**Dongguan Humen High-speed Railway Station TOD Project - Unveiling the International TOD5.0 Model:
"High-Speed Rail + Intercity + Subway + Industry + Commerce + City + Living + People"**

Humen Station, converging the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Guangzhou-Dongguan-Shenzhen Intercity Railway, and Metro Line R2, stands as a pivotal transportation hub and Dongguan's sole high-speed railway station. Since its 2011 inauguration, challenges have arisen: Limited parking, inadequate public transit connectivity, station-front traffic congestion, and insufficient nearby amenities. These issues undermine Humen Station's operational efficiency, service quality, and potential as a strategic hub within the Guangdong-Hong Kong-Macao Greater Bay Area.

To tackle these issues, Dongguan National Railway Poly Industrial Development Co., Ltd., in collaboration with Poly Bay Investment Development Limited, embarked on a comprehensive Humen district revitalisation endeavour. This project pioneers China's first operational transformation and expansion of an active high-speed rail station amidst substantial adjustments. The project team's robust execution ensured steady progression.

In September 2023, the revamped Humen High-Speed Railway Station debuted, with its facility area expanded from 15 to nearly 26 thousand square metres and passenger capacity elevated from 1,500 to 5,000. The newly established transport interchange facilitates seamless vertical connectivity between high-speed rail, subway, and urban rail, enabling 17-minute journeys to Guangzhou and Shenzhen and a mere 38 minutes to Kowloon, Hong Kong, thereby fostering the Greater Bay Area's interconnected growth.

The revamp of Humen Station bolsters not just a convenient, pleasant commute for Dongguan residents but also catalyses regional industrial cluster enhancement and urban progression, leveraging the "three-rail integration" network's capacity and the station's immense passenger throughput. This project enhances land use efficiency and stimulates capital, technology, talent, and information flow, invigorating Dongguan's position as a pivotal node in the Greater Bay Area's sustainable development trajectory.



■ Humen Station after Reconstruction and Expansion



■ Aerial View of Humen TOD Project

Helping urban revitalisation shape the city's humanistic spirit

In shaping urban landmarks and cultural initiatives, Poly Developments and Holdings remains steadfast in its commitment to understanding each city's historical roots, emphasising the preservation and inheritance of historical and cultural heritage. In numerous old village renovation endeavours, the Company integrated pre-development studies of the village's history and cultural nuances. Renovation plans prioritised the conservation of culturally significant elements like ancestral halls and ancient trees, seamlessly weaving them into a progressive vision of contemporary community culture. Recently, the Company has embraced pivotal properties of urban revitalisation, repurposing aging structures for contemporary city growth and enriching urban landscapes with enhanced humanistic values and historical narratives.



- Ancestral halls, meticulously restored to maintain their original architecture and historical essence, have been transformed into community cultural hubs fitted with modern amenities, serving as venues for cultural events and community gatherings.



- The vicinity of ancient trees has been artfully reimagined into recreational oases, affording residents green sanctuaries where they can connect with nature and reflect on the past.



► Zheng's Ancestral Hall in Pazhou New Village has been reborn as a community epicentre where villagers gather to engage in leisure pursuits like table tennis, calligraphy, and painting

Case — Poly Jing'an Tianyue: Pioneering Urban Operations from Revitalisation, Infusing Historical Narratives into Collective City Building

The Poly Jing'an Tianyue Project in Shanghai's Jing'an District epitomises the comprehensive transformation of Shanghai Xinzhong Metallurgical Equipment Factory's heritage site. It retains the original red brick exterior while professionally restoring the 1960s' architectural charm, thereby preserving invaluable relics of China's industrial past and gifting the city a treasured historical memento.

Adhering to the principles of "preservation, rejuvenation, inheritance, and innovation", the project merged historical architecture with contemporary amenities, addressing urban infrastructural deficiencies and enriching public services, thus invigorating public spaces.

The masterplan repurposed these old factory buildings as dynamic community hubs. The revitalised factory structures housed civic activity hubs, amplifying urban vitality alongside freshly minted office spaces, petite parks, and in harmony with the adjacent Maritime Culture Centre and Jing'an Archives. In partnership with the government, the Poly Jing'an Tianyue Project not only fostered community solidarity but also imbued the city with refreshed cultural vibrancy, marking a pivotal achievement in both urban revitalisation and heritage preservation.



► Old Factory Buildings before Revitalisation



► Rendering of Jing'an Tianyue



- The Up Project and Jing'an Tianyue Project of Poly were selected as "2023 Outstanding Cases of Urban Revitalisation" at the Shanghai 2024 New E-House Forum.

Promoting Business Innovation and Serving Regional Economic Development

Topic essence: The Company facilitates enterprises' sustainable growth, ignites new economic expansion in regions, stimulates job creation, enhances residents' living standards, and propels comprehensive prosperity and sustainability within the real estate sector by innovating product and service business models and streamlining production and operational processes.



SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

SDG 17 - Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Our philosophies

Poly Developments and Holdings persists in reinforcing its position as a key driver of technological innovation, relentlessly pursuing advancements in mechanisms, management, business models, and other comprehensive innovation. By expediting the emergence of new quality productive forces, the Company fuels regional economic growth through high-quality development, leading the charge in China's comprehensive modernisation endeavour.

Objectives and progress

Objectives for 2023

- Establish a hub for technology application and implementation, lead the industry chain of low-carbon and smart living, and foster innovation across the industry chain.
- Align closely with the national strategy for coordinated regional development and the city cluster growth plan and stimulate harmonious and synergistic progress in regional economies.

Progress Review

- By 31 December 2023, the equity investment fund's portfolio encompassed **13** upstream supply chain firms, **12** downstream industrial chain projects, **9** construction technology ventures, and **13** industrial enterprise management initiatives.
- The Company intensified its commitment to regional economic growth via multifaceted partnerships, with **86%** of its investments, as of 31 December 2023, channelled into core national economic zones, notably the Greater Bay Area.



Industry chain innovation

Leveraging its real estate ecosystem platform, Poly Developments and Holdings collaboratively bridges the upstream and downstream of industrial development, fostering integration along the industry chain and propels the platform-wide advancement of new quality productive forces.

- **Poly Capital consistently backs the advancement of low-carbon, eco-conscious tech**, encompassing the full breadth of the real estate sector, deploying various low-carbon technologies; a structured data design tool in planning; straw-based, low-carbon panel production in lieu of timber in material production; high-efficiency building insulation materials; energy consumption management software for parks and commercial hubs; construction robotics to reduce manual labour; innovative scaffolding systems that can be recycled; whole-building automation for facilities management; and holistic community energy management solutions for enhanced service offerings. Poly Capital converges environmental forces, tapping into the full industrial chain's carbon reduction potential, hastening the emergence of green productivity, and urging cross-sector collaboration to illuminate a brighter, greener tomorrow.
- **The "Hexi LIFE" big data platform independently developed by Poly Health** provides solid backing for the solidification and extension of the service process. The "Hexi LIFE" platform, utilising AI monitoring, offers services such as early sign alerts, incontinence warnings, health monitoring, service requests, and emergency scenario predictions without intrusion into seniors' living spaces.
- **"Poly Hegin," our aging-focused products division**, merges furniture and assistive devices with smart hardware and software, incorporating AI-driven cognitive and finger rehabilitation devices, thereby actualising intelligent senior care.



Booth of Poly Health at the 9th SIC

Industrial finance

As of December 31, 2023,

the cumulative paid-in funds of the equity investment category amounted to RMB

8.01 billion

Invested projects:

81

Supplier enterprises that have engaged in upstream industry chain projects:

13

Downstream industry chain projects:

12

Industrial business management projects:

9

Invested construction technology projects:

13

Serving regional economic development

Poly Developments and Holdings embraces a commitment to high-quality advancement, thoughtfully aligning its project investments with the national strategy for coordinated regional development and the city cluster growth plan. Its strategy lies on a dual focus: "Central Cities + City Clusters".

Poly Capital proactively embodies the integration of central and local development, seeking cooperation opportunities with municipalities like Linyi in Shandong, Linhai of Taizhou in Zhejiang, Gongshu District in Hangzhou, Qujiang District in Quzhou, and Huishan District in Wuxi, among others, spurring growth in surrounding regions.



Data highlights



As of 31 December 2023, **86%** of the Company's investments were channelled into prime national economic hubs, notably the Greater Bay Area.

Promoting Industry Development

Topic essence: The Company engages in industry alliances, enhances collaboration, facilitates resource pooling, and collectively propels technological and product advancements to fuel industry growth and progress.



SDG 17 - Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Our philosophies

As an industry frontrunner, Poly Developments and Holdings stays abreast of era trends, fuelling innovation and reinforcing collaborations with governments, academia, and industry leaders, and jointly explores new avenues for sector growth. The Company plays a pivotal role in shaping industry policies, guiding the sector towards excellence, and contributing to the vision of improved living standards.



Leading industry development

Poly Developments and Holdings intensifies industry engagement, actively attending major forums and conferences to engage with peers on trends and tech innovations. In 2023, the Company contributed to the 14th International Forum on Healthy Housing Theory and Practice, hosted by the National Housing Technology Industry Innovation Strategy Alliance, discussing international healthy living trends, thereby significantly advancing the discourse on and implementation of healthy housing initiatives.

Poly Developments and Holdings and subsidiaries actively drove industry standardisation, participating in 2023 in drafting local and group standards, including the *Code for Design of Urban Rail Transit Engineering in Guangdong Province*, *Code for Monitoring Measurement of Urban Rail Transit Engineering*, *BIM Application Standards in Full Lifecycle Engineering Consultancy for Construction* and *Healthy & Comfortable Drinking Water Quality Standards*, bolstering the industry's sustainable growth.

- Zhonggong Architectural Design Institute contributed to the formulation of 18 standards, comprising 1 national, 1 industrial, 5 local, and 11 group standards.

- Leveraging extensive operational experience, Poly Health actively participated in drafting the group standard *Guidelines for Services in Continuing Care Retirement Communities* in 2023, enriching the evolution of eldercare standards with expert insights.

- As a founding member of the Guangdong Asset Management Association ("GDAMA"), Poly Capital actively collaborated with industrial peers and initiated the establishment of GDAMA's inaugural CVC Fund Professional Committee, hosting regular, exclusive forums to facilitate knowledge sharing on industry research, operational practices, and investment strategies, thereby fostering collaboration among CVC firms and synergies with the regional industrial ecosystem.



Case — Helping Regional High-Quality Development

In January 2023, Mr. Liu Ping, Chairman of Poly Developments and Holdings, participated in the High-quality Development Conference, hosted by the Provincial Party Committee and the People's Government, where he shared the Company's developmental model innovations during the seminar. That same month, Poly Developments and Holdings' General Manager, Mr. Zhou Dongli, was an invited guest at the Guangzhou Provincial High-quality Development Conference. As a forerunner among central state-owned enterprises, Poly Developments and Holdings pledges to thoroughly embrace the directives of the High-quality Development Conference. Guided by the Provincial Party Committee and the Provincial People's Government, as well as the Municipal Party Committee and the Municipal People's Government, the Company will harness its central leadership to spearhead the industry chain, foster integrated upstream-downstream growth, and guide sectoral progress. By adopting innovative models, the Company will drive the real estate sector's premium development, make more and more contributions to Guangdong Province and Guangzhou City to "walk in the forefront and serve as a good model".



Guangdong Provincial High-quality Development Conference

Deepening partnership

Poly Developments and Holdings upholds win-win cooperation as the cornerstone of its growth, emphasising communications and collaborations with government bodies, academia, businesses, and other partners. The Company strives to foster an interconnected, interactive, and transparent communication ecosystem, encouraging open dialogue to ensure efficient resource sharing and optimal allocation.

Case

Poly Developments and Holdings and Fotile Create Smart Kitchen Space Together

Poly Developments and Holdings teamed up with Fotile to introduce the "Happy Kitchen" solution, which is aligned with the Ministry of Housing and Urban-Rural Development's criteria for superior housing. This innovative approach revolutionises conventional kitchen design, incorporating adaptable U-shaped countertops and range hood synchronisation, addressing storage inadequacies, countertop limitations, and workflow inefficiencies. It thereby delivers a secure, eco-friendly, health-focused, and smart kitchen experience. This collaboration not only elevates the quality of Poly's residential offerings but also actively contributes to technological innovation and sustainability within China's real estate sector.



▶ "Happy Kitchen"

Case

Poly Developments and Holdings and GAC Group Launch Green Intelligent Energy Strategic Cooperation

In January 2024, Poly Developments and Holdings and GAC Group forged a strategic alliance on green intelligent energy, partnering to pioneer a vehicle-to-home interactive and vehicle-network integration project. This collaboration explores seamless integration and interaction between communities, new energy vehicles, power grids, and smart homes, forging a greener, lower-carbon, and digitally smarter ecosystem. By breaking industry silos through innovation, they jointly propelled cross-sector integration and green transformation in the automotive, energy, real estate, and smart home sectors. This strategic move embodies a robust commitment to the Central Committee of the Party and the State Council's directives on green and low-carbon growth and the establishment of a modern industrial system. It also seizes the opportunities presented by technological innovation and industrial shifts in the realm of intelligent energy and transportation.



▶ Signing Ceremony of Green Intelligent Energy Strategic Cooperation

Contributing to Rural Revitalisation

Topic essence: The Company steadfastly builds upon and amplifies the accomplishments of poverty alleviation in step with national strategies, energetically engages in rural revitalisation, and nurtures renewal and expansion in various sectors—rural education, infrastructure, industry, cultural preservation—fuelling the emergence of picturesque and prosperous rural landscapes.



SDG1 - End poverty in all its forms everywhere



SDG2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture



SDG4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG10 - Reduce inequality within and among countries

Our philosophies

Consistently fulfilling its central enterprise responsibilities, Poly Developments and Holdings is dedicated to reinforcing and expanding poverty alleviation outcomes, concentrating on initiatives such as industrial support, job creation, educational aid, and consumption boost, thereby actively participating in the rejuvenation of rural communities.

Objectives and progress

Objectives for 2023

- Industrial support: Concentrate on the "One County, One Industry, and One Highlight" strategy, and establish a cultural and tourism benchmark.
- Job creation: Prioritise employment enhancement, and innovate an "Education + Employment" model for talent rejuvenation.
- Education aid: Focus on educational revival, and support the aspirations of rural children in Wutai County.
- Consumption boost: Enhance platforms to augment consumption assistance.

Progress Review

- The Company initiated the "Bona Villa" cultural tourism venture in Wutai County, Shanxi, aimed at boosting village employment, instituting a revenue-sharing model, and stimulating collective economic growth.
- The "Poly Spark Programme" has run uninterrupted for **6** years, amassing a total enrolment of **580** eligible youths across targeted regions.
- Since 2021, focusing on rural children's development, the "Poly Spark" Twinning Charity Initiative has amassed RMB**163,000**. By December 2023, the "Poly Spark Scholarship" had supported **195** students and **50** teachers.
- In 2023, a total investment of RMB**3** million was dedicated to purchasing agricultural products, spanning regions including Hequ and Wutai in Shanxi Province, and Harqin Banner in Inner Mongolia Autonomous Region.

Poly Developments and Holdings actively answered the national call for efforts concerning agriculture, rural areas and farmers, upholding the "more than 1,000 enterprises aiding over 1,000 villages" ethos to propel countryside rejuvenation. In its rural revitalisation endeavours, the Company extensively drew on the lessons from the "High-quality Development Project for Guangdong Counties, Towns and Villages", adhering steadfastly to tailored strategies based on local conditions. A dedicated steering committee, chaired by the Board Chairman, ensures the rural revitalisation strategy's execution, thereby fostering picturesque villages with flourishing industries, abundant talent, and inclusive growth.



Data highlights



- In 2023, the investment in rural revitalisation amounted to RMB **17.71** million.

Prosperous industry

Poly Developments and Holdings actively embraces its central enterprise responsibilities, leveraging its corporate strengths to comprehensively elevate rural industrial development via twin support, resource revitalisation, talent recruitment, innovative governance, and more. From bolstering agriculture in Nanxi Township, Puning, to cultivating cultural tourism in Wutai County, the Company continually pioneers new avenues for industrial aid, infusing fresh vitality into the realisation of rural rejuvenation and universal prosperity.

Case — Paired Assistance for Puning Nanxi Town

In answer to the "High-quality Development Project for Guangdong Counties, Towns and Villages" of the People's Government of Guangdong Province, Poly Developments and Holdings, alongside the Department of Science and Technology of Guangdong Province, persistently aids Puning's Nanxi Town. Adhering to the *Work Plan of Guangdong Province for Town Stationing to Assist Village Development in Rural Revitalisation*, the Company vigorously rehabilitates deserted lands in Nanxi, Puning, Jieyang, Guangdong Province, actively engages with provincial agricultural institutes, implements phased skill training, introduces superior crop seeds, thereby enhancing the efficiency of the local agricultural sector.

Case – Concentrating on the "One County, One Industry, and One Highlight" Strategy, the Company Establishes a Cultural and Tourism Benchmark for Wutai County

To propel Wutai County's cultural tourism forward, Poly Developments and Holdings optimises Wutai's singular resources and scenery, collaborating with the China Foundation for Rural Development on the "Bona Villa" initiative. This project aims to establish a cultural tourism haven specialising in summer leisure, immersive cultural engagement, and spiritual rejuvenation, thereby functioning as a regional exemplar and catalyst for integrated agricultural, cultural, and tourism industry growth.

The initiative engages renowned designers and operational teams, set to launch at Baimei Station, Dale's Wilderness, and Muya Wushan, establishing a hostel prototype. This hub will radiate outward, stimulating surrounding village growth and tourism product diversification, encouraging villager repatriation, and facilitating local employment. A collaborative platform is thereby created to foster villagers' job skills and entrepreneurial ventures.

Talent cultivation

Poly Developments and Holdings remains committed to the the growth of underprivileged rural children, aiming to help them to foster aspirations and cultivate interests through a comprehensive education framework, thereby laying the groundwork for their future careers and promoting educational equality.

In 2023, the Company innovated an educational and cultural support mechanism anchored around the theme of "Pursuing Dreams in Childhood — Unleashing Juvenile Talent — Fostering Youth Development", to empower rural children's aspirations.



Honours and awards

The "Poly Spark Class: Training + Employment for Rural Revitalisation" initiative was honoured as a "Best Practice Case" by the China Association for Public Companies (CAPCO) in their "Best Practices in Rural Revitalisation for Listed Companies in 2023" event.



Best Practice Case

Poly Spark Class: Training + Employment for Rural Revitalisation



Project Process	Project Name	Project Introduction	Annual Progress and Highlights
Pursuing Dreams in Childhood	"Poly Spark: Charitable Educational Support"	With a focus on student aid and education, the project propels educational advancement, catering to the youth's growth and grooming them to become future pillars across all sectors of nation-building.	On Children's Day, Shanxi Subsidiary members visited elementary schools and children's welfare homes in Doucun and Chenjiazhuang, bestowing a unique Children's Day gift upon underprivileged youngsters. Since its inception in 2021, the project has amassed a total of RMB 163,000 in donations.
Unleashing Juvenile Talent	Poly Spark Education Scholarship	"Poly Spark Scholarship", "Spark Subsidies", and "Spark Outstanding Teacher Award".	As of 31 December 2023, the scholarships have benefited 195 students and 50 teachers, activating the potential for educational development.
Fostering Youth Development	Poly Spark Class	The Poly Spark Class offers a "training + employment" model to underprivileged households in designated regions, extending support to include more marginalised families. It provides gratis vocational skills training and post-placement safeguards, enhancing the occupational and technical proficiency of disadvantaged individuals, thereby invigorating talent for rural revitalisation.	The eighth instalment of the Poly Spark Class was inaugurated, admitting 69 eligible young adults from targeted regions and facilitating their placements within central enterprise roles. By the end of 2023, the "Poly Spark Programme" had run uninterruptedly for 6 years, amassing a total enrolment of 580 eligible youths across targeted regions.
	"Poly Spark Voyage"	Nurturing the "Poly Spark Voyage" initiative, centred on the objective of "Sending One Individual Abroad, Enriching One Household, Inspiring One Community", it leverages vocational training as a catalyst to establish a premium brand for labour export.	As of 31 December 2023, the project had enlisted a cumulative total of 124 participants, comprising 38 from formerly impoverished households and 72 hailing from assisted regions, successfully facilitating overseas employment for 54 individuals.

Shared development

In 2023, Poly Developments and Holdings persisted in reinforcing and expanding the accomplishments of "Two Assurances and Three Guarantees".

Regarding healthcare support, efforts were intensified to elevate medical hardware in targeted regions and enhance healthcare provisions. A dedicated fund for medical talent training and exchange was established, fostering local healthcare expertise. Additionally, deepened collaboration with Shanxi Bethune Hospital was pursued, encompassing diagnostic workshops, rural health outreach programmes, free clinics, and medicine distribution, thereby bolstering the aid partnership.

Case — "Poly - Liver Health Programme" to Safeguard Liver Health for Wutai County Residents

In 2023, the "Poly - Liver Health Programme" was effectively launched in Wutai County. The Programme included hepatitis B testing and vaccination catch-up, alongside hepatitis C screening for high school students and high-exposure professions like healthcare and public safety personnel. The Programme encompassed 8,510 screenings and administered hepatitis B vaccines to 5,980 individuals, accumulating a total of 14,490 interventions. These efforts augmented public liver health awareness and erected a sturdy defence against liver virus transmission.



In terms of consumer assistance, Poly Developments and Holdings leveraged its real estate, property management, and leasing networks to facilitate the promotion of premium agricultural and speciality goods from target regions to local labour unions, neighbourhoods, and tenants. This initiative bridged the gap between producers and consumers for aided area products.



Data highlights



- In 2023, the Company purchased around RMB **3** million worth of such agricultural products, benefiting regions including Hequ and Wutai in Shanxi Province and Harqin Banner in Inner Mongolia Autonomous Region, among other designated assistance zones.

Public Welfare and Charitable Causes

Topic essence: The Company actively participates in public welfare and charitable causes and reflects the importance of environmental sustainability, concern for the development of employees and communities, and a responsible stance on social issues through donations to various charitable programmes.



SDG 3 - Ensure healthy lives and promote well-being for all at all ages

SDG 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Our philosophies

Goodness empowers Poly Developments and Holdings' values and fuels our upward trajectory. Embracing the mission to "create societal value", the Company actively engages in and drives welfare initiatives, demonstrating social responsibility and humanitarian concern through tangible efforts.

Objectives and progress

Objectives for 2023

- Support public welfare and charitable causes, sharing Poly Developments and Holdings' progress society at large.

Progress Review

- In 2023, the Company orchestrated **524** charity events, engaging **12,270** employees, and the cumulative expenditure on charitable endeavours and donations reached RMB**17.91** million.

Public welfare activities

Since its inception 13 years ago, the Guangdong Poly Real Estate Foundation for Harmonious Culture ("AND FUNDS") has implemented welfare projects like the "RMB10 Programme", "One-to-One Sponsorship", "Nest-Building Project", and "Dream Art Classroom", extending love and support to underprivileged children. By 2023, the AND FUNDS had executed its "Illumination Programme" for three consecutive years, conducting 42 aesthetic education sessions in total. This Programme enriched nearly 1,000 youths with the allure of art education, fostering harmonious growth and exemplifying our commitment to uplifting communities.

Case – "Illumination Programme" Dream Public Welfare Classroom

In September 2023, Poly Developments and Holdings, in collaboration with China Youth Daily and China Youth Online, inaugurated the "Illumination Programme" Dream Art Classroom, a philanthropic endeavour. This Programme aimed to nurture creativity in youth, enhance students' aesthetic and humanities prowess, propel the evolution of contemporary aesthetic education, and enforce the Party's education policy of "Prioritising Moral, Intellectual, Physical, Aesthetic and Labour Education".

The Programme entailed selecting three pilot schools in Nanxi Town, Puning City, Guangdong: Hongye Middle School, Zhongtang School, and Yangmei Primary School. Seven instructors were recruited to teach music, dance, and drama, culminating in the formation of three performing arts troupes: the "Singing Dream Art Troupe", "Dancing Dream Art Troupe", and "Drama Dream Art Troupe". Concluding the year-long teaching programme, the troupes staged a grand offline performance, offering a vibrant cultural experience to students and locals, thereby enabling more youth to experience the allure of aesthetic education firsthand.



► "Illumination Programme"

Disaster relief

In response to natural calamities like floods and typhoons, Poly Developments and Holdings promptly mobilised its workforce, committing resources swiftly to relief efforts, focusing on restoring the afflicted areas' infrastructure, thereby exemplifying its corporate social responsibility in action.

Case – Poly's Flood Control & Relief Efforts in Action

In July 2023, North China experienced severe flooding and landslides due to Typhoon Doksuri's torrential downpours. Amidst unexpected deluges and inundations, Poly personnel steadfastly manned the flood defence front lines round the clock, promptly initiating diverse preventative measures, rescues, and relief endeavours. Their unwavering efforts ensured the safety of properties and residents within Poly communities, upholding a "security umbrella" through dedicated and compassionate service.

Project managers and flood emergency teams of Poly Property Services Hebei Branch maintained a 24-hour on-site presence, intensifying flood surveillance, enforcing strategies to counter extreme precipitation, and proactively alerting residents with safety advisories to prepare. Approximately 300 personnel were deployed in this preventive effort, laying nearly 3,000 sandbags, thereby erecting a robust defensive line around Poly communities, mitigating damages, and securing owners' lives and assets.



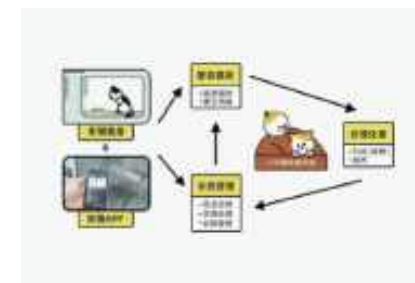
► Poly Property Services proactively clears sewage networks and constructs pre-emptive flood-barriers

Community sharing for good

Case – Programme Unleashed: The Inauguration of Poly Plaza's Caring Cat Cottage Adoption Drive

Poly Plaza, housing Poly Developments and Holdings' headquarters, introduced the "Caring Cat Cottage" Programme in partnership with the Jiemao app, enhancing care and implementing scientific oversight for stray cats within the commercial complex. Featuring two smart cat shelters, the Programme employs intelligent monitoring to enforce a "one cat, one record" system. Moreover, it encourages public engagement via QR code-enabled virtual feeding and app interaction, along with voluntary participation in maintaining the cleanliness of the shelters.

The "Caring Cat Cottage" programme transcends mere cat welfare and protection; it epitomises the fusion of technology with humane compassion. By leveraging smart technologies and apps, a broader community is mobilised to take part in stray cat care, collectively fostering an improved habitat for cats.



- In 2023, the Company mobilised for **524** public welfare events, engaging **12,270** employees.
- The cumulative expenditure on charitable endeavours and donations reached RMB **17.91** million

PRODUCT

Provision of Quality Products and Services

Supply Chain Management

Responsible Marketing

Customer Satisfaction

Customer Privacy and Information Security



Provision of Quality Products and Services

Topic essence: Throughout the entire process of project design, development, and construction, the Company fully takes into account design concepts, material quality, and construction safety to provide customers with high-quality and secure products. A customer service system has been established to cover the entire process featuring pre-sales, sales, and post-sales, and a pre-control management system for consumer risks has been set up to organise daily customer activities and improve customer services.



SDG 3 - Ensure healthy lives and promote well-being for all at all ages
SDG11 - Make cities and human settlements inclusive, safe, resilient and sustainable

Our philosophies

Poly Developments and Holdings is committed to developing a product brand service system with its characteristics and establishing clear product brand standards. Guided by the product and service strategy featuring "humanistic communities", the Company always keeps the mission of "making life even better" in mind, creates high-quality products with the spirit of the craftsman, and provides customers with living experiences exceeding their expectations.

Objectives and progress

Objectives for 2023

- Obtain more certifications of ISO 9001 quality management systems certificate continuously.
- Ensure that the timely closure rate of complaints about products and services reaches **85%** and the closure rate reaches **95%**.

Progress Review

- In 2023, a number of subsidiaries were granted ISO 9001 certifications, including Poly Property Services, Poly Events, and Poly Hepin.
- In 2023, the timely closure rate of complaints about products and services reached **86%**, and the closure rate reached **96%**.

Quality control system

It is impossible to lead a better life without quality improvement and relevant innovations. Strictly following the requirements of ISO 9001, Poly Developments and Holdings has improved and refined its quality control system, conducted quality management throughout the life cycles of products in various business areas, such as commercial housing, subsidised housing, and commercial real estate, and developed its product quality evaluation system prudently. The Company has integrated its internal quality reviews with third-party quality assessments to ensure that customers are provided with safe, healthy, and high-quality products. The Company has vigorously encouraged its subsidiaries to obtain ISO 9001 quality management system certificates and conduct relevant re-certification reviews every three years. As of 31 December 2023, many of Poly Developments and Holdings' affiliates, including Poly Property Services, Poly Events, and Poly Hepin, are granted ISO 9001 or equivalent external quality management system certifications.

In 2023, Poly Developments and Holdings formulated quality standards, such as the *Guidelines on Modular Designs for High-quality Housing*, the *Inspection Standards on High-quality Housing*, and the *Process Node Manual for High-quality Housing*, to effectively improve the quality of residential designs and relevant management capacity and to ensure the accuracy of designs. Additionally, the Company has continuously deepened the concept of a "New Humanistic Community" and summarised it with six product cores called "IENJOY", meeting customers' demands for better living quality at a new spiritual level.



To create more credible products with higher quality, the Company provides quarterly training in product quality for some employees and all high-risk suppliers. In 2023, carrying out a series of product quality and safety training in various forms, such as publicity campaigns, the Company aimed to ensure that suppliers and employees deeply understood the importance of product quality and safety, mastered relevant skills, and acquired necessary knowledge.



Data highlights



During the Reporting Period

Relevant training in product quality control for employees is held **4** times a year.

Relevant training in quality assurance for suppliers is held **4** times a year.

Product quality evaluation

Poly Developments and Holdings attaches great importance to developing its product quality evaluation system and fully implements internal quality review and third-party quality assessment, establishing a whole-process system covering quality supervision, evaluation, and assessment. To offer users high-quality products with refinement and precision, the Company has set up an internal control mechanism and emergency plan to promptly respond to unexpected product quality problems.

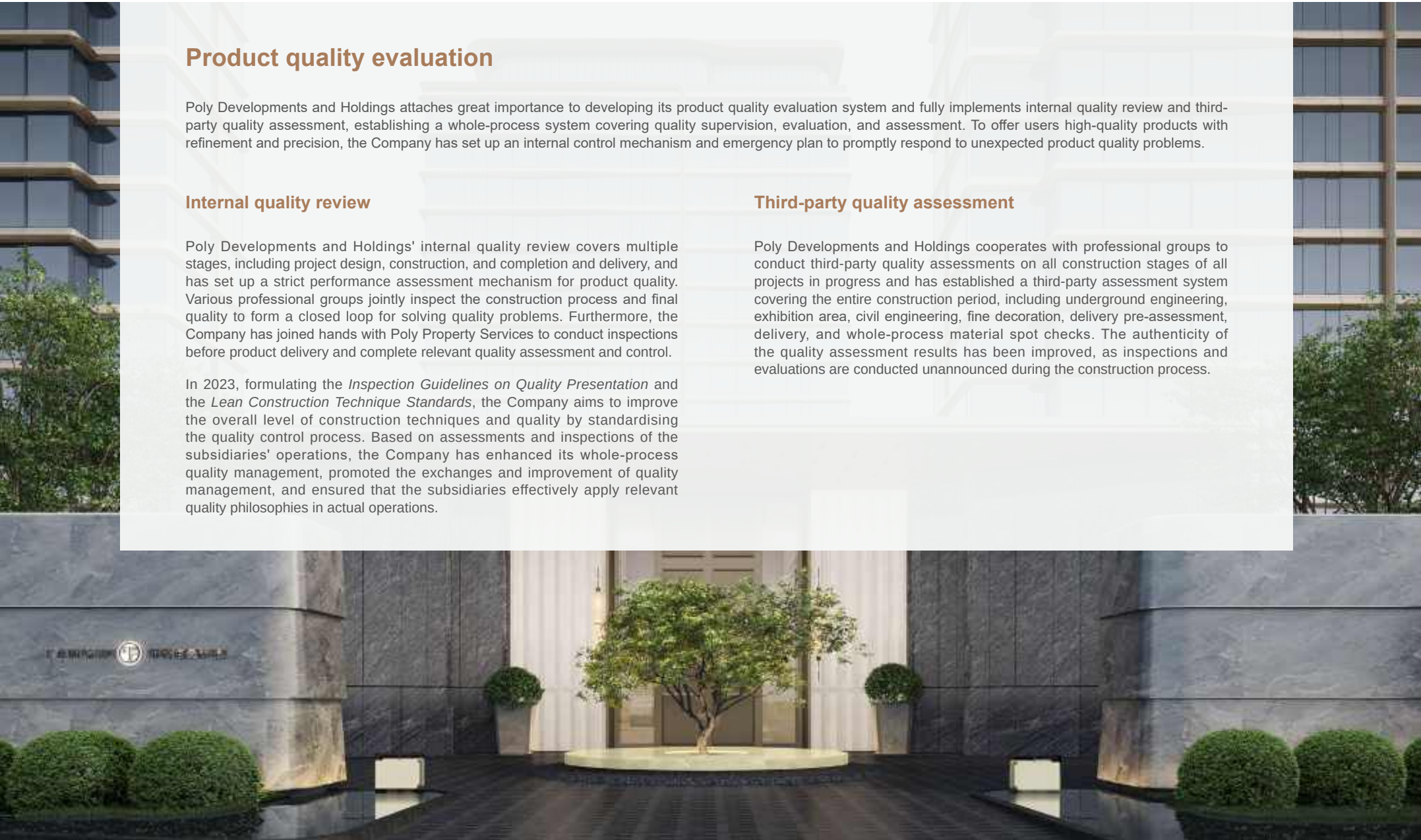
Internal quality review

Poly Developments and Holdings' internal quality review covers multiple stages, including project design, construction, and completion and delivery, and has set up a strict performance assessment mechanism for product quality. Various professional groups jointly inspect the construction process and final quality to form a closed loop for solving quality problems. Furthermore, the Company has joined hands with Poly Property Services to conduct inspections before product delivery and complete relevant quality assessment and control.

In 2023, formulating the *Inspection Guidelines on Quality Presentation* and the *Lean Construction Technique Standards*, the Company aims to improve the overall level of construction techniques and quality by standardising the quality control process. Based on assessments and inspections of the subsidiaries' operations, the Company has enhanced its whole-process quality management, promoted the exchanges and improvement of quality management, and ensured that the subsidiaries effectively apply relevant quality philosophies in actual operations.

Third-party quality assessment

Poly Developments and Holdings cooperates with professional groups to conduct third-party quality assessments on all construction stages of all projects in progress and has established a third-party assessment system covering the entire construction period, including underground engineering, exhibition area, civil engineering, fine decoration, delivery pre-assessment, delivery, and whole-process material spot checks. The authenticity of the quality assessment results has been improved, as inspections and evaluations are conducted unannounced during the construction process.



Healthy products

In response to customers' intense concern about the living environment, in 2020, Poly Developments and Holdings worked with Well Living Lab to release the *Poly Developments and Holdings White Book on Healthy Living*, which is the first of its kind in the industry. The Company published the new edition of white book in 2022, forming a standard for healthy living that covers both communities and indoor living conditions, and satisfies the three major dimensions of psychology, physiology, and socialisation.

Case

Poly Suzhou Tianhui Project: Healthy Living Conditions Jointly Developed by the Company and Its Partner

In 2023, in the Suzhou Tianhui project, the Company closely cooperated with Panasonic to carry out product research and development, fully integrated and displayed the common points of product concepts, lifestyles, and designs, and jointly proposed the product concept of "clean residence, versatile storage, and human-centric details". The Company controlled three key factors of indoor environments, air, water, and light, in particular, which makes further progress in exploring healthy living conditions.



► Healthy Living

Case

Playing a Leading Role in a New Era of Healthy and Smart Living

In 2023, the Company joined forces with leading companies in the industry to develop the "Polyhome", a smart living platform with independent intellectual property rights. The "Polyhome" platform features one-click whole-house IoT and environmental conditions monitoring, which not only greatly improves the convenience of living but also fully satisfies customers' demands for leading a healthy life.



► "Polyhome" APP and Integrated System of Indoor Smart Central Control

Supply Chain Management

Topic essence: ESG factors have been covered by the supplier management mechanism to promote supplier evaluation and review, while the Company is committed to promoting the green transformation of the supply chain by encouraging upstream and downstream business partners to include ESG factors in their supply chain management mechanisms.



SDG 17 - Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Our philosophies

Poly Developments and Holdings adheres to the purchasing principles featuring openness, equality, and equity, vigorously explores and cultivates outstanding suppliers, and makes the whole supply chain more competitive by building a long-term governance mechanism for suppliers. The Company makes efforts to establish long-term and stable collaborative relationships, keep the supply chain highly transparent, bolster the synergy between relevant links, and jointly develop in a sustainable way.

Objectives and progress

Objectives for 2023

- Continuously make progress in more fruitful training for suppliers.

Progress Review

- In 2023, **375** suppliers participated in **38** supplier conferences or training programmes held by relevant subsidiaries.

Management system

Poly Developments and Holdings has established an effective management system for the supply chain. More specifically, the Company's headquarters has set up a supplier management department to coordinate and plan the supply chain as a whole. Each subsidiary has a dedicated supplier management team responsible for the professional management of suppliers in all procurement activities to ensure the fairness of the procurement process.

The Company has formulated the *Management System for Suppliers* to stipulate the requirements on suppliers' codes of conduct and relevant management processes. A comprehensive assessment system has been set up, including instant evaluation during fulfilment, annual concentrative fulfilment evaluation, and evaluation of suppliers' objective indicators. Based on the results of the comprehensive assessment, all suppliers are managed in a tiered way, including Grade A (excellent), Grade B (good), Grade C (qualified), and Grade D (unqualified). The cooperation with a supplier will end if its assessment result is "unqualified" (less than 60 points) or it is low on the list. Based on annual assessment results, there are incentives for suppliers with Grade A to contribute to improving the Company's product quality.

Additionally, Poly Developments and Holdings has empowered the supply chain management with big data technologies. During the Reporting Period, the Company upgraded the digital platform for the supply chain, made the entire purchasing process online, and aggregated purchasing data of differing business areas, aiming to make purchasing more transparent across the board and promote the high-quality development of supply-demand relations.



Tiered management for suppliers

Tier 1 Suppliers (Direct Suppliers)

Our direct suppliers (contractors) are required to conduct self-inspection and self-correction. Additionally, Poly Developments and Holdings has established its cooperation assessment mechanism featuring "QCDS" to evaluate relevant collaborative partners from four aspects, namely quality, cost, delivery, and services. Furthermore, third-party professional institutions are engaged to systematically review a supplier's management process as well as its project quality and safety.

Tier 2 Suppliers (Indirect Suppliers)

Poly Developments and Holdings conducts penetrating management for tier 2 suppliers to strictly control the access for suppliers at all levels. Our tier 1 suppliers are requested to strictly review the comprehensive service capacity of a tier 2 supplier, including enterprise qualification, supplying stability, and construction experience. Additionally, the Company organises integrated teams for quality inspection and third-party professional institutions to check the project quality of a tier 2 supplier.

Tier 3 Suppliers (Raw Material Suppliers)

The Company commissions authoritative third-party testing institutions to carry out spot checks on materials provided by suppliers to ensure that relevant raw materials meet the national regulations as well as technology and quality standards based on signed contracts.

Implementation of responsible sourcing

The Company has taken effective measures to strengthen supplier management, fully implement relevant selecting and access processes, conduct the supply chain management featuring "selection, cooperation, empowerment, and retention" throughout the entire life cycle, and continuously raise management requirements for the supply chain in terms of health care, safety, ecological conservation, environmental protection, low-carbon materials and techniques, and product quality and safety.

Access Review

- The Company selects outstanding suppliers through market research, external benchmarking, recommendations by subsidiaries, and self-recommendation by a supplier on-site for vacancies, etc.
- To avoid suppliers with potential dishonesty problems, the Company verifies a supplier's credit status in advance.
- Based on the levels of products, the Company conducts tiered management for suppliers and has created clear access criteria, aiming to ensure both suppliers' management capacity and the quality of products they provide.
- New suppliers are selected according to environmental and social standards, and the Company gives priority to suppliers with certificates of three major management systems (ISO 9001, ISO 45001, and ISO 14001).

Contract Signing

- A special *Business Integrity Agreement* will be signed when signing the relevant contract.

Daily Supervision

- The Company regularly supervises and manages suppliers, communicates with them smoothly, requests all suppliers to take anti-corruption measures and audit plans, clearly states relevant requirements on clean management to them, and regulates collaborative projects.
- To ensure the smooth development of a project, efforts have been made to conduct early warning, identification, screening, and elimination of potential environmental and social risks.
- The Company regularly checks all suppliers' certificates of ISO 45001, a standard for occupational health and safety management systems, and ISO 14001, a standard for environmental management systems ("EMS").
- Unannounced inspections and spot checks on projects and product samples are carried out to ensure that compliance requirements on safety and environmental protection are fulfilled.

Empowered suppliers

Poly Developments and Holdings requires all suppliers to obey applicable laws and regulations in their regions and work with them to integrate the ESG principles with business management in practice, including the prohibition of child labour and forced labour, health and safety guaranteeing, environmental conservation and compliance, information security and privacy protection, and clean management.

The health and safety matters of collaborative third parties, such as suppliers, have been included in the Company's relevant policy to ensure the health and safety of suppliers. Additionally, the Company organises professional third-party institutions to inspect and assess project safety, civility, and quality risks, strictly regulates construction sites, and reduces safety hazards.

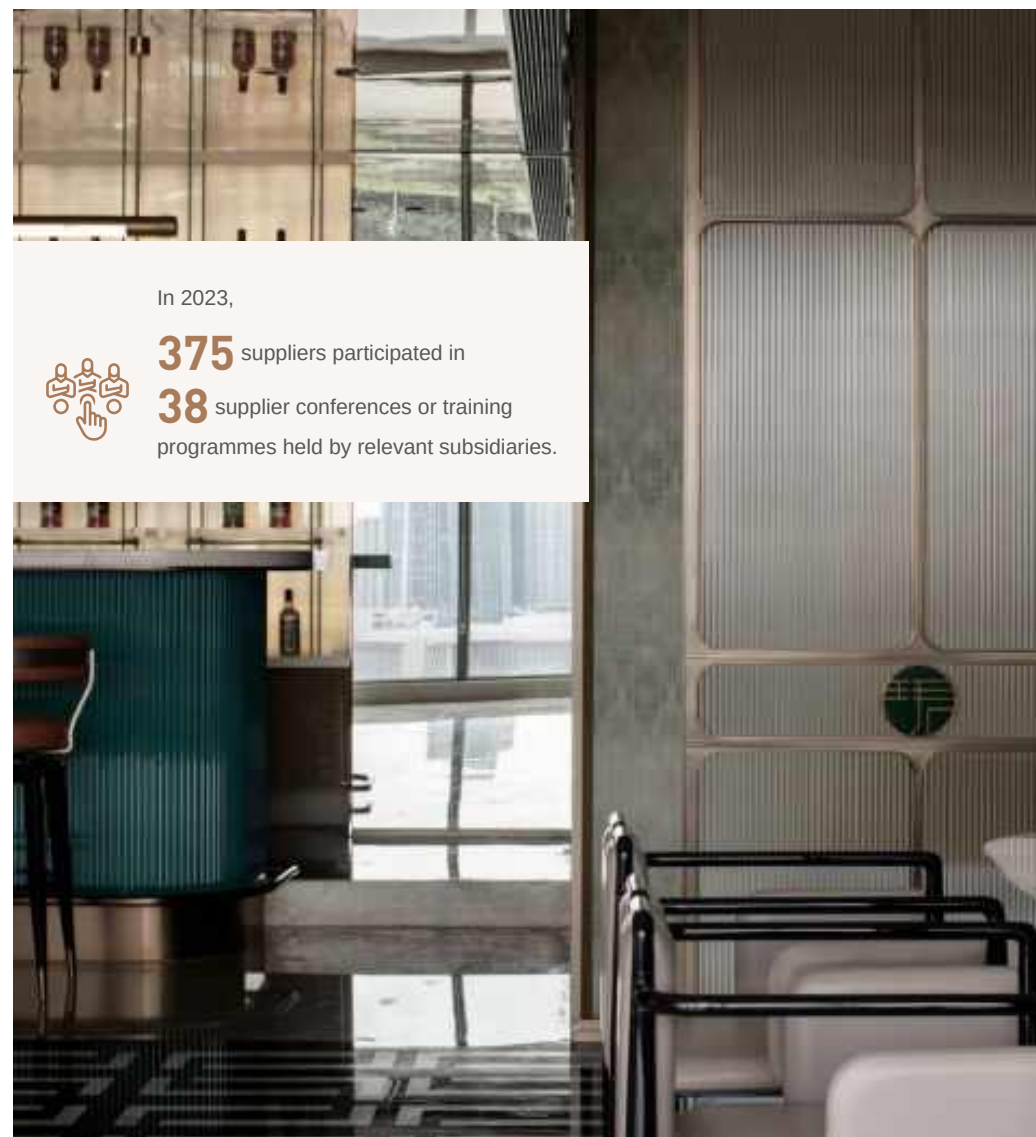
Furthermore, the Company held supplier conferences and specialist training programmes on a regular basis to continuously improve suppliers' management and technical capacity. The training courses cover key ESG issues, such as quality control and safe production, and are designed to enable suppliers to understand and implement sustainable development strategies better. In 2023, 375 suppliers participated in 38 supplier conferences or training programmes held by relevant subsidiaries.

Case

Fuli Construction Continues to Empower Suppliers' Safety Management Capacity

To improve the professional management capacity of suppliers and team leaders in the field of safe production, Fuli Construction, based on the annual safe working plan, organised relevant personnel to elaborately create eight major training courses on key areas, including climbing scaffolding, tower cranes, safety inspections, application of eight standards, ability improvement for team leaders, working at height, temporary power consumption, and large equipment. With systematic and regular training and assessment, the Fuli Construction aims to enhance the safety awareness and emergency response capacity of front-line employees and ensure the safety of construction sites.

In 2023, the Fuli Construction carried out 12 activities with the theme of "Monthly Learning and Testing for Safety" to further raise safety awareness, conducted 12 counter-example educational campaigns for safety accidents to enhance employees' awareness based on cases, and organised 12 examinations in safety knowledge. To ensure that all employees are qualified, those who fail are allowed to resit, and the pass rate of retakes is 100%. Throughout the year, the Fuli Construction provided 66,243 training opportunities for front-line workers, such as team leaders, and suppliers, empowering front-line employees with safe operation skills and management capacity.



Responsible Marketing

Topic essence: Efforts should be made to implement responsible marketing, avoid misleading communication, ambiguous product information, and unreasonable commitments, and safeguard customers' right to know. Marketing teams should be trained on responsible marketing to buttress the bottom line.



SDG 12 - Ensure sustainable consumption and production patterns

Our philosophies

Poly Developments and Holdings fully implements the concept of responsible marketing, executes transparent marketing strategies and standardised marketing methods, safeguards the legitimate rights and interests of customers, and fosters a fair and honest consumption environment.

Objectives and progress

Objectives for 2023

- Boost the coverage of training on responsible marketing for all marketing employees.

Progress Review

- 100%** of the Company's sales and marketing employees were trained on responsible marketing.

Management system

Responsible marketing is a core component of customer relationship management. The Company has formulated the *Management Measures of Poly Developments and Holdings on Organization of Customer Relationship System and Business* to specify implementation details and regulations of marketing management across various aspects, such as information disclosure, regular inspections, and training. All on-site sales teams are requested to implement the policy of information disclosure, faithfully take standardised management measures, including joint risk inspections, project progress briefing, and open days of construction sites, and ensure that the results of responsible marketing for all projects are reported promptly. Having established a top-down governance system covering the entire process of responsible marketing, the Company adopts a two-tier management model featuring headquarters and subsidiaries to ensure that all business departments engage in the process covering residential selection, contract signing, delivery, and occupancy.

Headquarters

Subsidiaries

Responsibilities: The headquarters' leadership and its real estate management centre formulate and issue relevant systems, methods, and detailed rules for responsible marketing and ensure the implementation of relevant measures by making efforts to guide, track, execute, and inspect.

Tracking Management: The real estate management centre corrects deviations concerning the marketing conducted by subsidiaries, ensures that the marketing process features integrity and compliance, and safeguards market order and the Company's image.

Close Collaboration: A subsidiary's professional lines, such as marketing, customer relationship management, development, technology, engineering, and cost control, jointly assume responsibilities for responsible marketing and ensure that the responsible marketing systems and measures created by the headquarters are effectively implemented through close collaboration.

Routine Management: To ensure the efficiency and compliance of marketing, the subsidiaries integrate the concept of responsible marketing into their daily work and regularly report the progress and achievements of relevant work to the headquarters.

Integration into Performance Assessment: The evaluation requirements on responsible marketing have been included in the performance assessment system for subsidiaries and related departments to boost the implementation and influence of responsible marketing.

Practice of responsible marketing

Strictly abiding by laws and regulations, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Advertisement Law of the People's Republic of China*, the Company formulates the *Sales Management Measures* to promote an all-dimensional management mode covering the entire responsible marketing process.

Safeguarding consumers' right to know by making information transparent

 Sales	Information disclosure walls are installed in places, such as entrances of sales offices, exhibition areas for housing models, and sample rooms, for the public to have access to detailed information, including project key points, unfavourable factors inside and outside the red line, and environmental factors.
 Contract Signing	- The <i>Consumer Notice</i> covers comprehensive housing information. - During the Reporting Period, the payment risks part of the <i>Housing Purchasing Tips</i> was updated and clarified. Sales personnel are required to provide customers with risk warnings during the subscription stage, guide customers to sign with their real names, and ensure that every customer is informed of housing purchasing risks.
 Delivery	The delivery process of some projects became transparent due to open days of construction sites and real-time transmission of construction processes.

Regular supervision and regulation with independent assessment

To ensure that subsidiaries implement the relevant requirements for responsible marketing in a standardised manner, the Company has set up a special inspection mechanism, pays third parties to conduct unannounced inspections and surveys every two months, and independently assesses the marketing quality and risk control of front-line marketing teams. To avoid unsuitable publicity, unannounced customers will record a salesperson's expressions in detail, such as commitments on supporting matters and brand project advantages, and then score them.

Poly Developments and Holdings requires all employees of front-line marketing teams to sign the *Integrity Commitment Letters*, and the signing rate was 100% in 2023.

Additionally, the Company has continuously enhanced the honest marketing management for cooperated sales agencies. To further implement the management of responsible marketing, integrity selling provisions are specified and included in contracts with collaborative sales agencies specifying that inspection results provided by unannounced consumers serve as evidence for rewards and punishments.

Reinforcing responsible philosophies via training and publicity

Poly Developments and Holdings furthers the application of relevant systems and responsible marketing philosophies through the implementation of detailed rules and regulations and ensures that relevant subsidiaries conduct responsible marketing voluntarily via feedback mechanisms. The Company pays attention to the business training and philosophy publicity for marketing personnel, and offers diversified training to employees, such as the marketing personnel assessment system, special courses provided through the Poly Business School, irregular performance assessment for marketing personnel and the publicity of excellent practices. After training, sales staff are requested to protect customers' privacy and safeguard their right to know during the sales process, to avoid falsehoods and excessive publicity, to truly deliver relevant project information, and to foster a credible and pleasant customer experience.

Case

Responsible Marketing Training by Poly Consultancy

To improve the management capacity for responsible marketing and improve consciousness of risks, Poly Consultancy conducted top-down targeted training on responsible marketing to buttress the bottom line by making its employees more conscious of risks and compliance.

Themed risk control conference: A themed risk control conference was held nationwide for subsidiary leaders, sales directors, planning directors, and the Sales Supervision Department to clarify relevant management requirements and red lines.

Nationwide publicity for cases: At monthly meetings for sales directors, cases violating regulations were discussed for warning, and potential compliance risks of subsidiaries were inspected through tours. One-on-one publicity for risk management requirements was carried out for subsidiaries with weak risk awareness.

Oath of anti-corruption on projects: All new employees for relevant projects participated in meetings to take the oath of anti-corruption before entering sites, and sales teams of subsequent sales projects take the oath every six months.



Data highlights

In 2023,



100%

of the Company's sales and marketing employees were trained on responsible marketing.

Customer Satisfaction

Topic essence: Efforts should be made to establish and refine a customer service system featuring mechanisms for customer communications, handling complaints, making improvements, and customer satisfaction surveys to safeguard customers' rights and interests and to improve customer service experiences.



SDG 12 - Ensure sustainable consumption and production patterns

Our philosophies

Poly Developments and Holdings adheres to the "customer-centred" management philosophy and regards customer satisfaction enhancement as the core driving force for its development. The Company is committed to refining channels for customer communications to satisfy customers' demands promptly and efficiently.

Objectives and progress

Objectives for 2023

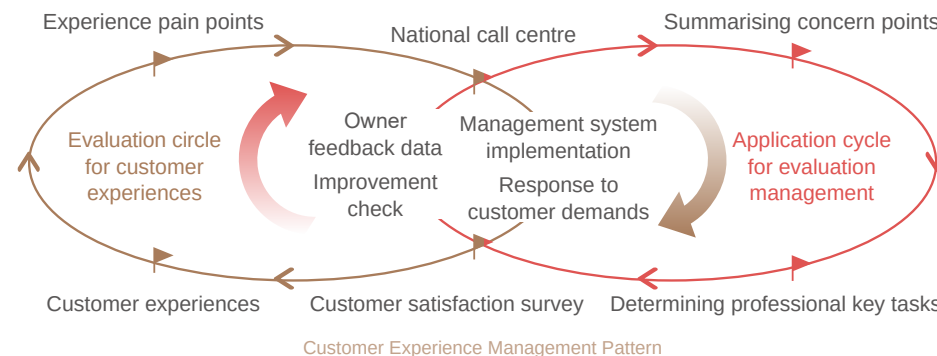
- Regularly conduct customer satisfaction surveys.
- Maintain overall customer satisfaction at a high level in the industry.

Progress Review

- The Company has commissioned third parties to carry out customer satisfaction surveys for **12** consecutive years.
- In 2023, the overall customer satisfaction rate was **84%**.
- In 2023, the property service satisfaction rate was **86%**.

Improved customer service system

Striving to build a standardised customer service system, Poly Developments and Holdings provides valuable suggestions on management for its business lines to improve service quality based on satisfaction surveys on all fronts, efficient services of the call centre, and closed-loop management and analysis of customer complaints. In addition, the Company has summarised customers' concern points after analysing their experiences concerning touchpoints, such as sales, contract signing, delivery, maintenance, and property services. As a result, its internal management and the capacity for continuously refining customer experience management have been refined.



The Company has established a management system for customer services covering the headquarters and subsidiaries to stipulate relevant duties.

Headquarters

The Quality Management Department affiliated to the headquarters' real estate management centre is responsible for improving customer experiences during the whole development cycle, including on-site services in sales offices, contract signing and post-signing services, maintenance services, and property services.

Subsidiaries

A specialist team for customer relationship management has been created by each subsidiary, providing customer services covering the entire cycle, ranging from contract signing and delivery to maintenance.

Improved customer satisfaction

Conducting customer satisfaction surveys on a regular basis, the Company has commissioned professional third parties to carry out customer satisfaction surveys for 12 consecutive years. In 2023, the customer satisfaction surveys covered the sales process, contract signing, delivery, and occupation. Customers' suggestions on products and services have been precisely conveyed to each process of the work.

Multiple Surveying Approaches

Given the current evaluation habits of customers, the Company has developed a research pattern that is "online-based and telephone-assisted", and the response rate is leading the industry.

Various Survey Respondents

The respondents include four groups of people, namely owners-to-be, new owners, owners in the stable period, and long-time owners. Their evaluations of nine key links have been collected across the board to ensure that the assessment is complete and accurate.

Closed-loop Surveying Management

To improve the quality of products and services and meet customers' expectations, the Company has included the results of customer satisfaction surveys in its performance assessment system to ensure that every suggestion from owners can be integrated into the management of each process.

Comprehensive Survey Indicators

Based on the owners' unique experiences at different stages, the Company has elaborately designed questionnaire indicators from various perspectives, such as product quality, design concept, and service capacity, to hear the most authentic voice.

Case

The Subsidiary in Hubei Improves the Quality and Efficiency of Maintenance Services with "Prescriptions"

The subsidiary in Hubei pioneered services featuring "maintenance with prescriptions" to improve service quality and efficiency. The two major strategies were adopted, namely "reduced base" and "improved services".

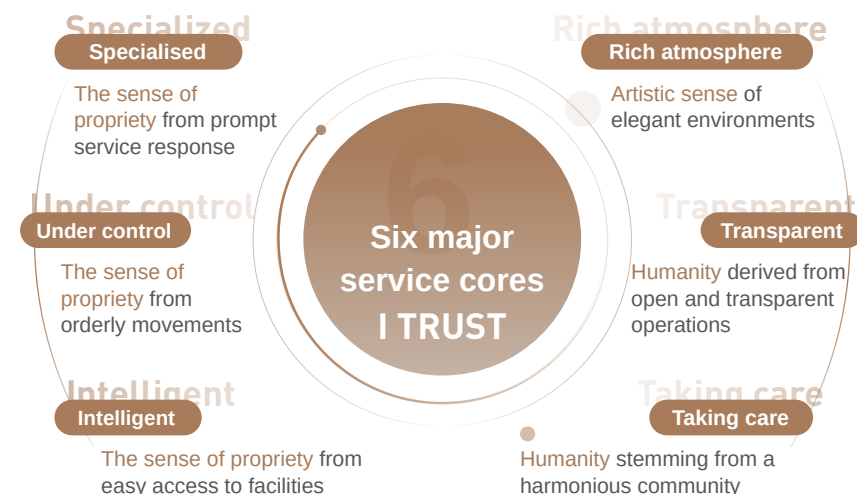
"Reduced base": The number of work orders has been reduced effectively by enhancing supplier management and quality control throughout the process.

"Improved services": Before maintaining, an engineer will give the owner a maintenance plan detailing the tasks, schedule, and operation procedures for each stage, ensuring that the owner has clearly understood the entire maintenance process.

Case

Creating Six Major Service Cores of "ITRUST"

Based on the "evaluation system for customer experiences and perception", Poly Property Services has created the six major service cores "ITRUST" during the process of developing its residential service brand. In 2023, Poly Property Services made intensified efforts to further the service cores, apply them in major service scenarios, put customer experiences at the forefront, and strive to deliver better life experiences to customers.



► Six Major Service Cores of "ITRUST"

Customer complaint management

The Company has formulated several regulations, such as the *Measures on Customer Relationship Management* and the *Business Management Rules for the National Call Centre*, to standardise the relevant management and to respond to customer complaints better.

- **Smooth complaint channels:** Customers can provide feedback, require maintenance, and consult via various channels, such as calling, letters, e-mails, the official WeChat account, and the WeChat mini programme. In 2023, the Company continued to refine the management of the national call centre. Customers across the country can make maintenance requests, complaints, and suggestions through the service hotline, 400 606 0048, or the WeChat cloud service account.
- **Standardised complaint management:** Efforts have been made to ensure that the national call centre provides services featuring "immediate arrangements", "contacting customers within 8 hours", and "100% follow-ups" and provide customers with more considerate, convenient, and intelligent services.
- **Key indicator management:** To effectively improve customer complaint management, the Company monitors in real time the timeliness of reporting information, customer response efficiency, timely closure rate of maintenance requests/complaints, satisfaction rate of maintenance requests/follow-ups, and early warnings of complaints.

In 2023, the Company established a closed-loop management mechanism for major complaints with the two-tier management model featuring headquarters and subsidiaries at the core, specifying the requirements for further reviewing and analysing projects with major complaints.



Case – High-quality Services of the National Call Centre

To guarantee that customer complaints are tackled promptly, the national call centre has set teamwork goals of "the connection rate of at least 94%, the work order pass rate of at least 98%, and the complaint response satisfaction rate of at least 95%", and has taken the following measures to achieve the goals:

Team building

A service team of 68 people has been established to cope with daily reception needs, and an emergency scheduling plan has been formulated for peak hours of business.

Training support

The training programmes have been integrated into quality inspections. On-the-job training programmes are conducted immediately, and the service team regularly participates in immersive training programmes (such as delivery and open days of construction sites).



Efficient interaction

An efficient interaction mode featuring "0315" has been developed to deal with major complaints. The service team is required to reply overall handling opinions to a customer on the day when the complaint is received, provide detailed information within three days, and complete a review report on dealing with the complaint within 15 days after supervision.

Customer Privacy and Information Security

Topic essence: Efforts should be made to set up a management system for information security, formulate systems and policies to safeguard information security and customer privacy, take relevant measures, manage information, and lay a solid foundation for confirming rights relating to data.



SDG 12 - Ensure sustainable consumption and production patterns

Our philosophies

Poly Developments and Holdings attaches great importance to customer privacy and information security and ensures the safe transmission and storage of information by adopting advanced technologies and enhancing employee training. The Company strictly follows relevant laws and regulations, works closely with government agencies to jointly improve information security protection capacity, and provides strong support for customer privacy protection and information security.

Objectives and progress

Objectives for 2023

- **No** customer privacy breaches.

Progress Review

- In 2023, there were **no** customer privacy breaches.

Safeguarding consumer information security

Poly Developments and Holdings is deeply aware of the importance of boosting information security. Based on laws and regulations, such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Cryptography Law of the People's Republic of China*, and the *Implementation Measures on the Responsibility for the Network Security Work of the Party Committees (Party Leadership Groups)* issued by the General Office of the CPC Central Committee, the Company has formulated the *Confidentiality Management Measures* and revised the *Information-based Management Measures* in 2023.

The Company has established a Confidentiality Committee and a Confidentiality Committee Office. They are responsible for leading and coordinating the implementation of information confidentiality work, regularly identifying and analysing risks relating to information security, and ensuring that business secrets, including customer information, are effectively protected.

Standardised Usage of Internal Communication Tools

Relevant personnel are required to use the Company's internal communication system to exchange work and transfer files, and it is prohibited to transmit any sensitive information via social media.

Improved Requirements for Data Security Management

Efforts have been made to monitor and audit the entire life cycle of information, such as data collection, storage, usage, and destruction, and protect data in different ways according to their grades.

Enhanced Publicity and Education on Information Security

The Company continues to launch publicity and educational programmes on information security for all employees to ensure that they understand and acquire the necessary knowledge concerning information security, effectively preventing information security risks.

In 2023, to ensure the safety of the information system, the Company based on the latest national protection standards of network security grades and ISO 27001 Information Security Management Systems, conducted filing and assessment for network security grades of its core systems in a concentrated manner. After scientific grading, rigorous rectification and verification, and expert evaluation, the Company finally passed the assessment and received a receipt from the Ministry of Public Security for passing the assessment. Additionally, by organising internal attack and defence drills, the Company based on simulated real-world scenarios of cyber attacks, has noticed potential information security risks in advance, promptly taken measures for repair and closed-loop management, improved the capacity for information security protection and responding to emergencies, and further strengthened its defence line of information security.



Data highlights



In 2023,

- there were **no** customer privacy leakages.





EMPLOYEE

Health and Safety

Job Creation and Equal Employment

Employee Rights, Remuneration and Benefits

Employee Training and Development

Health and Safety

Topic essence: In compliance with laws and regulations on occupational health and safety, the Company endeavours to establish and improve the management system for occupational health and safety, as well as assess and effectively manage risks in occupational health and safety, to safeguard the occupational health and safety of employees.



SDG 3 - Ensure healthy lives and promote well-being for all at all ages

Our philosophies

Poly Developments and Holdings adopts the policy of "safety first, prevention first and integrated governance" on production safety management and the guiding principle of "awareness-based and scientific management-oriented persistence" for safety management. The Company attaches great importance to the occupational health and safety of its employees, takes diverse measures to safeguard their physical and mental health, and channels its efforts into offering them a safer and healthier working environment.

Objectives and progress

Objectives for 2023

- Continue to consolidate the foundation of safe production and ensure that **no** fatal production safety accidents will occur.
- Continue to implement stringent measures for safety management by only cooperating with qualified suppliers and resolutely ceasing cooperation with unqualified suppliers.
- Continue to foster the safety culture of employees and suppliers, heighten their awareness of production safety, and improve their relevant professional capabilities.

Progress Review

- In 2023, there were **no** production safety incidents resulting in fatalities throughout the year, maintaining an overall stable situation in terms of production safety.
- In 2023, the Company's headquarters completed **6** rounds of comprehensive production safety inspections, covering all suppliers. Moreover, the Company launched specialised campaigns for problem inspection and remediation against the Company's outsourcers and tenants, and strictly implemented safety management measures for suppliers.
- In 2023, the Company provided more than **32,000** training sessions in production safety for over **690,700** participants.

Ensuring production safety

Poly Developments and Holdings has strictly abode by the *Law of the People's Republic of China on Work Safety* and other laws and regulations on production safety in the formulation and implementation of relevant internal policies such as the *Production Safety Accountability Policy for All Staff*, the *Safety Management Policy*, the *Comprehensive Emergency Plan for Production Safety Accidents* and the *Eight Standards for Production Safety* to enhance the institutional support for production safety. Moreover, the Company launched campaigns for the identification and mitigation of hidden risks, took actions to build up its capabilities of emergency response, and promoted publicity and education regarding production safety to keep the production environment safe and stable.

Targets for production safety

The Company adopts the policy of "safety first, prevention first and integrated governance" in the formulation of long-term targets for production safety.

Production safety incidents resulting in fatalities shall be prevented.

Production safety incidents deemed material or more severe shall be prevented.

Production safety incidents resulting in serious injuries shall be prevented as far as possible.

Production safety incidents resulting in minor injuries inflicted on ten persons or more shall be prevented.

Production safety incidents resulting in a direct economic loss of more than RMB1 million shall be prevented.

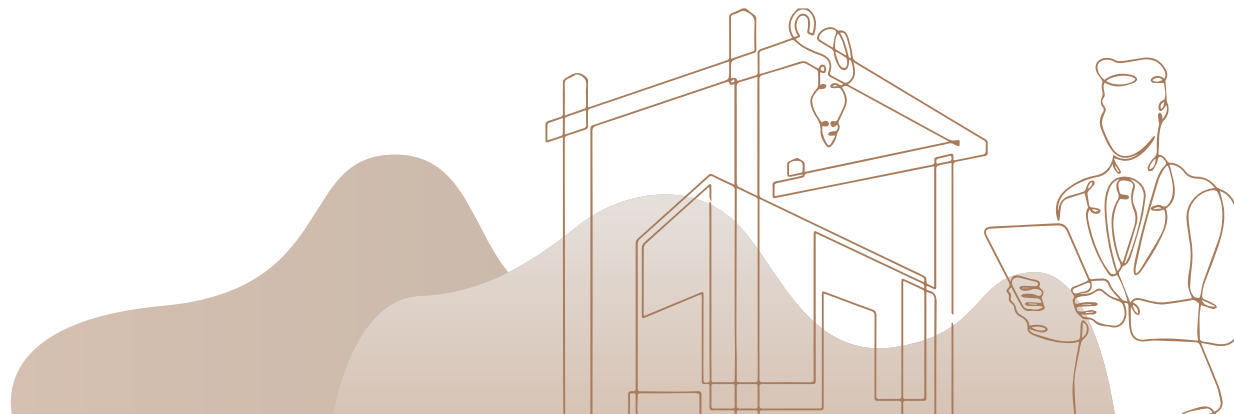


The Company's headquarters comprehensively tracks production safety incidents in subsidiaries by incident type, fatalities, serious injuries, minor injuries, and direct economic loss. Meanwhile, each subsidiary is required to conduct safety supervision and management against contractors involved in projects under its management so that relevant safety measures can be effectively implemented.

Improving safety management mechanisms

Structure of production safety management

The Company has established a Work Safety Committee ("WSC") to achieve the centralised performance management for production safety. While the committee is directed by both the Chairman of the Board and the CEO, the Chairman of the Board and the CEO of each subsidiary and the head of each functional centre are its members. In 2023, the Company required that vacant posts in the structure of production safety management should be automatically filled to ensure uninterrupted assumption of responsibilities for production safety.



Committee Directors

Chairman of the Board	CEO
i. Assuming the overall responsibility for the Company's production safety. ii. Implementing policies, laws, regulations and other requirements from the state and the superiors regarding production safety. iii. Listening to reports on production safety and studying and arranging for key tasks in production safety. iv. Supervising and urging for the establishment of institutions as well as the appointment of personnel in charge of the supervision and management of production safety. v. Taking the performance of cadres on production safety as a key part of consideration for their appraisal, selection, and appointment. vi. Supervising and urging for the assumption of responsibility for production safety by other heads of Poly Developments and Holdings Group Co., Ltd. vii. Supervising and guiding the fulfilment of tasks in production safety by functional departments and subsidiaries under his/her management and institutions with which he/she serves as the liaison.	i. Assuming the overall responsibility for the Company's production safety. ii. Implementing policies, laws, regulations and other requirements from the state and the superiors regarding production safety. iii. Establishing, improving and implementing the production safety accountability system for all staff, organising the formulation, revision, and implementation of policies on production safety, and reviewing and approving documents regarding safety management at the Company level. iv. Organising the formulation and implementation of education and training plans for production safety. v. Organising the establishment and implementation of the dual prevention and control mechanism that integrates the hierarchical control of safety risk and the identification and mitigation of hidden risks, supervising and inspecting tasks in production safety, and timely eliminating hidden safety risks. vi. Ensuring that the investments in production safety will play an effective role. vii. Organising the formulation and implementation of the emergency plan for production safety incidents. viii. Timely and authentically reporting on production safety incidents and reviewing and approving the Company's opinions on handling production safety incidents. ix. Supervising the fulfilment of tasks in production safety by functional departments and subsidiaries under his/her management and institutions with which he/she serves as the liaison.

The WSC convenes production safety meetings on a quarterly basis to deliver the latest national policies and guiding principles regarding production safety, and discuss the progress in the completion of key tasks in production safety, the results of production safety inspections and the progress in indicators for production safety. Furthermore, each subsidiary regularly convenes working meetings on production safety at all levels according to the requirements of relevant policies and their own business features to deliver every requirement for production safety to their departments and projects for faithful implementation.



Quarterly Meeting of the WSC of Poly Developments and Holdings



Working Meeting of One of the Subsidiaries over Production Safety

Production safety management system

By formulating internal policies and standards regarding production safety, such as the *Safety Management Policy*, the *Comprehensive Emergency Plan for Production Safety Accidents* and the *Eight Standards for Production Safety*, the Company has established and is improving the production safety management system that covers the Group's headquarters, subsidiaries in the real estate and the industrial sectors, and projects, and has specified the duties and responsibilities of the WSC, each functional department of the Group's headquarters and each subsidiary for production safety management to ensure the effective implementation of production safety management at the headquarters, the subsidiary and the project levels.

Departments of the Group's headquarters in charge of the supervision and management of production safety	- Organising the formulation of strategies, objectives and standards related to production safety. - Participating in and organising the investigation, analysis, and handling of production safety accidents. - Organising production safety inspections, supervising and implementing the mitigation of hidden risks and proposing improvement suggestions. - Organising the formulation of the emergency plan for production safety accidents, the regular implementation of drills, and appraising the drill effectiveness.
Regional and platform subsidiaries	- Assuming the responsibility for supervising and managing the production safety of their affiliated enterprises⁴ and project departments. - Implementing the national and the Group's policies on production safety and establishing, improving, and implementing their own policies on production safety. - Formulating and implementing their own plans and annual targets for production safety in combination with the headquarters' targets for production safety management. - Establishing, improving and implementing the production safety accountability system for all staff and supervising the establishment and improvement of the production safety accountability system for all staff by their affiliated enterprises. - Formulating their own safety training plans and supervising the implementation of safety training plans by their headquarters and affiliated enterprises.

⁴ Affiliated enterprises refer to other types of subsidiaries, including project companies and others that are subordinate to regional and platform subsidiaries.

Additionally, the Company is committed to providing health and safety management standards and working environments for all its staff, including the general contractors of construction projects. By 2023, part of the Company's subsidiaries in the sectors of property development, property services, and commerce & tourism had been certified by the occupational health and safety management system. In the future, the Company will duly and systematically promote the acquisition of the ISO 45001 occupational health and safety management system certificates as necessary and improve the capabilities of standardised production safety management.



Data highlights



Property development: Fuli Construction has acquired the GB/T 45001-2020 / ISO 45001:2018 occupational health and safety management system certificates for undertaking construction projects as a general contractor, undertaking building decoration and renovation projects as a professional contractor and engaging in relevant management activities within the scope of its qualifications.



Property services: Poly Property Services has acquired the GB/T45001-2020 occupational health and safety management system certificate.



Commerce & Tourism: Poly Commerce & Tourism has acquired the ISO 45001:2018 occupational health and safety management system certificate.

Production safety accountability system

The Company adopts the production safety accountability system for all employees, formulating a *Production Safety Accountability Policy* that applies to all its employees and related parties, including the contractors. The policy not only specifies the duties and responsibilities of the WSC, major leaders, major functional departments, employees holding major functional posts and subsidiaries carrying out major functions for safety management but also requires subsidiaries to sign special agreements on production safety management with contractors or specify their respective duties and responsibilities for production safety management in the agreements for the purpose of ensuring accountability.

The Company organises subsidiaries to sign annual responsibility statements for production safety and require all levels, from the directors of the WSC to project implementation teams, to clarify the annual targets and appraisal requirements for production safety. The performance of production safety is a factor of compensation-related performance appraisal of the executive members through the factor of organisational performance.

Ensuring contractor accountability for production safety

The Company specifies the work requirements related to production safety in the general contracting and subcontracting contracts for each construction project and the outsourcing contracts for each property or commercial management project. Moreover, the Company includes contract fulfilment in the appraisal of contractors, among which it cooperates with qualified ones and ceases cooperation with unqualified ones.

Additionally, the Company includes "ensuring contractor accountability for safety management" in routine supervision and management and appraisal. The *Eight Standards for Production Safety* not only lays down detailed requirements for contractors in such aspects as safety meetings, hidden risk inspections and training and education, but also stipulates that each subsidiary shall establish a "veto" mechanism in production safety appraisal and for production safety events, and conduct production safety appraisal for relevant responsible personnel and institutions at least once a year according to relevant policies.

In the quarterly meetings of the WSC in 2023, the Company reported on the problems of contractors with safety management and emphasised the requirements for the appraisal of contract fulfilment in terms of production safety and the criteria for contractor qualification. In the comprehensive production safety inspection in the second half of 2023, the Company specifically examined the implementation by the general contractor and subcontractor of each construction project and the outsourcers of each property or commercial management project regarding the stipulated safety management measures and provided them with training in the inspection for the purpose of implementing the requirements of relevant policies. Stringent appraisals were implemented on institutions that failed to effectively mitigate material hidden risks and institutions that were responsible for any safety accident to facilitate cooperation with qualified suppliers and cease cooperation with unqualified suppliers. In 2023, the Company's headquarters completed six rounds of comprehensive production safety inspections, in which contractors were included. Moreover, the Company launched special campaigns for problem inspection and remediation against its outsourcers and tenants and strictly implemented safety management measures for contractors.



Poly Developments and Holdings was signing a responsibility statement for production safety



Subsidiary Signing a Responsibility Statement for Production Safety



Data highlights



In 2023, the Company's headquarters completed the signing of responsibility statements for production safety with all subsidiaries, and Fuli Construction **100%** completed the signing of responsibility statements for production safety with the general contractor and subcontractors of each project under construction.

Safety risk prevention

In 2023, the Company appointed the commissioners in charge of safety and quality supervision to conduct regular supervision and inspection of safety and quality throughout the year. In doing so, the Company organically combined "safety guarantee" with the "guarantee for product delivery" and safety supervision with quality supervision, as well as improved the awareness of safety and quality at all levels and the effectiveness of the supervision and inspection.

Planning for hidden risk identification and mitigation based on the strategy of "focusing on the three points"

In 2023, the Company systematically facilitated hidden risk identification and mitigation and enhanced production safety management based on the strategy of "focusing on the three points". It not only organised subsidiaries to conduct the in-depth analysis of weak processes regarding production safety on a quarterly basis but also updated the quarterly task lists based on the analysis results and integrated the lists into the annual plan for the enhancement of safety management. For each "key point", "weak point" or "problematic point", the Company provided targeted safety guarantee measures and remediation measures. The Company also specified the schedules for the implementation of these measures and included all the schedules in the safety supervision and inspection system to ensure the strict implementation of the strategy of "focusing on the three points" and effectively improve the capabilities of the Company's safety management system.

Enhancing front-line supervision and inspection

The Company performs unannounced inspections on safety and quality based on four "without" and two "direct".

Joint supervision and inspection that combine internal expert inspections and third-party unannounced checks

The Company appoints internal experts to check the compliance of subsidiaries and project departments with corresponding safety policies and material risks in each of them while engaging third parties to comprehensively identify and quantitatively assess hidden safety risks on the site of each project. This innovative inspection method ensures complementing each other's advantages. Specifically, the supervision and inspection of subsidiaries in the real estate sector covers all processes of real estate development, including civil engineering, decoration and delivery, and the supervision and inspection of subsidiaries in the industrial sector covers seven comprehensive service forms, namely malls, hotels, office buildings, residential compounds, elderly care institutions, gymnasiums and exhibition halls.

Specialised inspection of hidden safety risks

In 2023, the Company organised relevant parties to complete the annual special production safety inspection of elevators, in which all types of elevators (including elevators and escalators) and all processes of use (including installation, use and maintenance) were subject to a range of check items (including compliance management and equipment safety). Additionally, the Company engaged third parties to examine large lifting equipment, and conducted a special inspection of hidden risks in product delivery and a year-end special inspection of hidden safety risks.

In 2023, the Company prepared a list of construction projects and property and commercial management projects that were subject to comprehensive production safety inspections based on the results of the annual identification and mitigation of hidden safety risks. Moreover, the Company included the requirements of relevant policies and standards in the inspections, updated and improved the list of key hidden risks and problems regarding production safety, facilitated the implementation of these policies and standards through inspection at the levels of the headquarters, subsidiaries and project departments, and implemented the identification and mitigation of the hidden risk of material accidents.

Building emergency response capabilities

The Company continuously improves relevant emergency plans and actively conducts emergency drills. In 2023, the Company formulated the *Implementation Plan for the 2023 Special Campaign for the Identification and Mitigation of the Hidden Risk of Material Accidents*, in which tasks were arranged in seven dimensions and special measures were taken to mitigate hidden risks in two key areas.

In 2023, the Company organised a diversity of emergency drills based on the business forms of different projects and the emergency prevention focuses of different regions. Moreover, the Company checked if all required emergency supplies were equipped, timely summarised the drill performance, analysed problems identified in the drills, revised and improved relevant emergency plans, and improved the emergency response capabilities of personnel at all levels.

The Company requires suppliers of projects under construction to report their support and emergency plans for production safety during each major holiday before the holiday, specifies the plan for safety inspection and remediation in the face of production cessation and production recovery and the arrangements of duties on holiday for projects, and comprehensively makes arrangements to support safe production on holiday.

Construction Projects

Emergency drills for the control of fire disasters, fall accidents, electric shocks and flood disasters were conducted to make front-line managers and operators become more familiar with relevant emergency plans and improve their capabilities of handling emergencies.

Property and Commercial Management Projects

Emergency drills for the control of typhoon and flood disasters, drowning in the pool, social security risk, gas accidents and fire disasters, as well as for evacuation, were conducted to enhance the publicity of the knowledge of emergency response for the Company's commercial tenants, property owners and other related parties, the coordination between emergency response departments and the emergency response personnel, and the emergency response capabilities in the face of emergencies.



Data highlights



The Company's institutions organised approximately **12,000** emergency drills in total in 2023, which were attended by approximately **280,000** participants.

Fostering safety culture

The Company ensures that its employees are fully aware of the importance of production safety and the requirements for production safety through a diversity of publicity and implementation channels for safety awareness, including special training, counter-example education, and the regular sharing of information about production safety. In 2023, it organised two rounds of serial intensive training in production safety. Specifically, the training content was designed based on the business forms of different projects, and experts were invited to give lectures about laws and regulations on production safety and the key points of the control of hidden material risks. A total of 14 serial online video courses were developed, with the focus placed on achievement consolidation and continuing education.

To improve the overall performance of safety management and ensure safety during project implementation, the Company included contractors, suppliers and other stakeholders in its training sessions in production safety. Moreover, the Company provided personnel at all levels with counter-example education based on videos of typical accidents to enhance their awareness of safety and responsibility.



Eight Lectures on the Basics of Production Safety

Case – The Ninth Safety Knowledge Competition Was Held

In June 2023, the Company held the Ninth Safety Knowledge Competition for the chairman, general manager, and competent leaders and personnel in charge of safety management for each subsidiary. While questions about laws and regulations on production safety were set in the competition, the competition participants' performance on answering these questions was circulated every day in the Company's WeChat work groups to publicise the knowledge of laws and regulations on production safety, production safety management and production safety techniques among the Company's employees. This competition attracted a number of participants from 41 subsidiaries, which aroused the enthusiasm of all the staff about learning the knowledge of production safety.

Case

The Publicity and Education Activities for the "Month of Production Safety"

In response to the call of Poly Group, the Company actively carried out a series of themed activities for the "Month of Production Safety" by such means as video learning, material circulation, intensive discussion, and training-integrated inspection, which effectively improved the safety awareness and knowledge of all staff, created a good environment for fostering the safety culture, and laid a solid foundation for the Company's production safety.

Meanwhile, the Company not only organised the publicity activities for the "five major responsibilities to be assumed by major responsible persons" and the activities of the "Day of Safety Publicity and Consulting" but also took measures such as posting safety-related slogans and broadcasting safety-related videos in property and commercial management projects to enhance safety publicity and education for the public.



Watching the Documentary about the Important Statement of General Secretary Xi Jinping on Production Safety



Themed Morning Meeting of Personnel in a Construction Project for the "Month of Production Safety"



Displaying a Safety-related Slogan in a Large Ad Display outside a Mall



Posting Safety-related Slogans and Banners in Residential Compounds and Enterprise Parks



Data highlights



The Company provided more than **32,000** training sessions in production safety for more than **690,700** participants.



In the construction, property services and commercial management sectors, the Company received **3** national, **72** provincial, and **65** municipal honours in production safety.

Occupational health and safety

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Occupational and Health Safety Management System Certificate* and other relevant laws and regulations, and endeavours to prevent, control and eliminate the risk of occupational diseases to its employees, guide them on actively caring about their physical and mental health, and enhance their health awareness throughout each business process. The Company has established occupational health profiles for its employees based on the actual needs of their posts and provided them with diverse occupational health care activities. The Company attaches great importance to its employees' mental health. Therefore, it provides them with the Employee Assistance Programme ("EAP") that cares for their mental health, organises exchange activities and training sessions on mental health, and provides them with channels for relieving mental stress.

During the Reporting Period, the Company continued to optimise the supplementary medical insurance programme for its employees by providing support regarding routine medical expenses and the expenses for serious diseases and unexpected accidents. As of 31 December 2023, the medical insurance programme has paid out nearly RMB100 million, benefiting approximately 30,000 employees.



Data highlights



The rate of the Company's employees having occupational safety and health profiles has reached

100%

The rate of the Company's employees having accepted medical examinations has reached

100%



Job Creation and Equal Employment

Topic essence: The Company endeavours to promote employment and create more jobs. In the process of recruitment and when employees are on duty, the Company is opposed to any form of discrimination, be it gender, age, nationality or religious discrimination. The Company provides its employees with equal opportunities for employment and career development, creates diverse employee teams by taking their genders, cultural backgrounds and experience into account and advocates for a corporate culture that is diverse, equal and inclusive.



SDG 5 - Achieve gender equality and empower all women and girls

SDG 10 - Reduce inequality within and among countries

Our philosophies

Poly Developments and Holdings adheres to the principles of "legality and fairness, equality and self-willingness, consensus, and integrity" and strives to establish harmonious labour relations. In terms of recruitment, the Company actively responds to the national policy on employment promotion and adheres to the philosophy of "Grow with Talent" while building its employer brand image on the theme of "recruitment of talents with whom Poly can take concerted actions with for profitability", creating its talent attraction platform and improving its organisational efficiency.

Objectives and progress

Objectives for 2023

- Continue to recruit talent, actively take on the Company's social responsibility, improve the measures to stabilise and promote employment, and lead high-quality employment practices.

Progress Review

- The Company has made efforts to build an employer brand and attract high-quality talent through various channels to build a talent pipeline. Over the past three years, the Company has averagely attracted more than **1,000** talents every year through campus recruitment.

Legal and compliant employment

The Company strictly abides by relevant laws and regulations such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Provisions on the Prohibition of Child Labour* in the formulation of relevant internal management policies such as the *Measures for Labour Relation Management* and the *Measures for Recruitment Management*. The Company treats all employees' personal information or privacy as strictly confidential in recruitment and offer making processes and clearly specifies the requirements for the materials of new employees' identity verification to avoid child labour and forced labour.



Data highlights



In 2023, the Company recorded a labour contract conclusion rate of **100%** and a social insurance and housing provident fund coverage of **100%**

Building the employer brand

Poly Developments and Holdings attaches great importance to team building and talent pooling and taps into all potential positions to create more jobs. Specifically, the "Poly Partner" campus recruitment programme is adopted by the Company as one of its means of talent attraction.



Data highlights



In the past three years, the Company has averagely attracted more than **1,000** talents every year through campus recruitment.

Since 2022, Poly Developments and Holdings has established a special summer recruitment mechanism besides the routine campus recruitment according to the uniform arrangements of SASAC and Poly Group. In 2023, the Company conducted intensive recruitment by launching the "Grow and Advance with You" special summer recruitment campaign, aiming to provide more job opportunities for college graduates. The Company provided jobs for nearly 1,000 college graduates and promoted their employment through multiple means.

The employees joining Poly Developments and Holdings through campus recruitment are competitive talents with career potential who never cease providing new momentum to the Company's long-term development. In adherence to the philosophy of "Grow with Talent", the Company has cultivated college graduates into competitive talents on whose careers Poly Developments and Holdings has left a permanent mark. As the major heads of nearly 50% of the Company's subsidiaries have participated in the "Poly Partner" campus recruitment programme, these talents have become the pillars that supports the Company's continuous development.

In the future, the Company will continue to closely follow the guidance of relevant national policies, promote talent recruitment, actively take on its social responsibility, improve the measures to stabilise and promote employment, and lead high-quality employment.

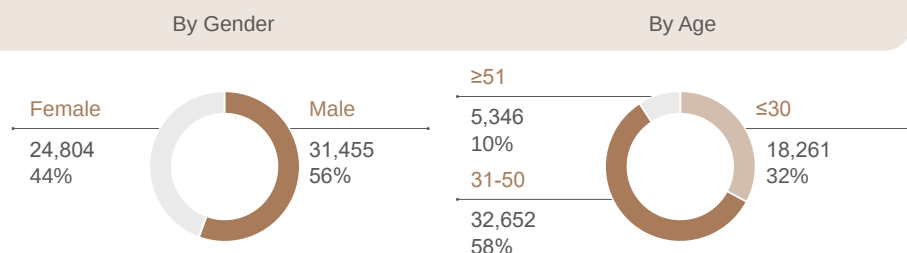


Diversity, equity, and inclusion

In strict compliance with the requirements of relevant laws and regulations such as the *Labour Law of the People's Republic of China*, the UN's *Universal Declaration of Human Rights* and international covenants on human rights, and the internationally recognised human rights policies set forth in the International Labour Organization's fundamental conventions, Poly Developments and Holdings equally treats employees regardless of nationality, race, gender, religious affiliation and cultural background, and prohibits any form of discrimination in employment processes such as recruitment, onboarding, promotion and separation.

The Company values the unique perspectives of every employee and is dedicated to making the workplace diverse, equal and inclusive. In employment processes such as recruitment and talent selection, the Company gives the diversity in professional skills, cultural backgrounds and work experience full consideration to build a diverse and inclusive team and invigorate the institution.

As of 31 December 2023, the Company had a total of 56,259 employees and an employee structure as follows.



Poly Developments and Holdings adopts approaches such as organising training on labour employment risks, improving plans for labour employment management, diagnosing procedures for onboarding, separation, and transfer, and enhancing labour contract management in standardising employee management, preventing the litigation risk and making the workplace equal, open, diverse and inclusive.

Poly Developments and Holdings attaches importance to the protection of women's rights and interests, actively helps women deal with workplace dilemmas, and continuously tries to improve female employees' sense of gain, happiness and security. The Company offers its employees child care services by establishing holiday child care centres to ease the worries of working couples about child care during summer holidays.



Poly Developments and Holdings and its subsidiaries celebrate International Women's Day by various means closely based on female employees' needs to show the charms of female employees in the new era.

The subsidiary in Hubei has launched the "summer holiday child care centre" for six consecutive years, easing employees' worries about child care.



Data highlights



As of 31 December 2023, **22%** of the members of the Company's management were female.

Employee Rights, Remuneration and Benefits

Topic essence: In compliance with relevant laws and regulations, the Company is dedicated to being a legal and compliant employer. While abiding by covenants on human rights and labour standards, it endeavours to ensure equal employment and fully respect all rights and interests of employees. Moreover, the Company provides competitive remuneration and benefits for its employees, with the improvement of remuneration management mechanisms and the optimisation of performance-based remuneration management.



SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Our philosophies

Adhering to the people-centred development philosophy, Poly Developments and Holdings promotes employee development through scientific incentive mechanisms for talent. Moreover, it endeavours to deepen democratic management and implements the employee representative conference system to solidly protect the fundamental rights of employees and promote sharing and co-governance among employees. Additionally, it is dedicated to improving employees' welfare, protecting their physical and mental health by multiple means and creating harmonious labour relations.

Objectives and progress

Objectives for 2023

- Continue to improve the insurance system for employee health to provide employees with long-term and stable health and financial protection, and enhance their satisfaction and sense of belonging.

Progress Review

- For **15** consecutive years, the Company has offered its employees supplementary medical insurance and kept upgrading and optimising the insurance scheme, providing support for routine medical expenses and the expenses for serious diseases and accidents. As of 31 December 2023, the medical insurance programme has paid out nearly RMB100 million, benefiting approximately **30,000** employees.

Improving talent incentives

Poly Developments and Holdings ensures that the fundamental rights and interests of its employees will be fully safeguarded. The Company pays for their social insurances and housing funds and provides them with full-scale support in terms of childbirth, job stability, occupational injuries, trans-regional social insurance transfer, and retirement & post-retirement care services. By building and improving the system for remuneration incentives and performance management, the Company is dedicated to making the workplace equal, motivating, and likely to facilitate career development, as well as to attracting and retaining talent.

In terms of remuneration management, Poly Developments and Holdings adopts a core strategy that "is consistent with the duty performance, compatible with market competition and linked to the business performance" and formulates differentiated strategies of remuneration incentives to ensure that employee contributions will be fairly appraised and reasonably rewarded and effectively improve employees' workplace initiative and efficiency. Meanwhile, the Company advocates for a performance-based culture and adopts the business-oriented principle, the principle of equality and fairness, and the principle of effective incentives in performance management. In doing so, the Company has effectively improved the short-term performance of its employees, and provided strong support for their continuous career development, thereby having strengthened the long-term team building.

Deepening democratic management

Poly Developments and Holdings actively promotes democratic management, as it abides by relevant regulations such as the *Constitution of the All-China Federation of Trade Unions*, the *Trade Union Law of the People's Republic of China* and the *Provisions on the Work of Enterprise Trade Unions (for Trial Implementation)* to continuously innovate democratic management mechanisms and improve the trade union system and the employee representative conference system. In 2023, the Company further revised multiple policies, including the *Implementation Rules on Business Disclosure of Poly Developments and Holdings*, the *Implementation Measures for the Employee Representative Conferences of Poly Developments and Holdings*, and the *Implementation Measures for the Work of the Trade Union of Poly Developments and Holdings*, formulated the *Basic Work Manual of the Trade Union* and used it as a handbook for the practice of grassroots trade unions, and endeavoured to standardise democratic management.

Poly Developments and Holdings has established a hierarchical system for the management of trade unions and employee representative conferences, and all its 43 subsidiaries (only including those with more than 100 employees) have established their own employee representative conference. In 2023, it had 17 trade unions and 13 employee representative conferences that completed the election procedures on schedule.

Poly Developments and Holdings continuously unblocks and diversifies the channels for its employees to engage in democratic management, and keeps building up employee trust in democratic management and increasing its transparency through channels and activities such as business situation analysis meetings, staff symposiums, information disclosure bulletins, suggestion boxes, and the General Manager Reception Day. Additionally, the Company extensively seeks its employees' constructive advice. In 2023, it carried out 158 employee surveys and 251 discussion sessions with employees.

Improving employee welfare

Poly Developments and Holdings advocates for the ideas of maintaining physical and mental health, working happily and living positively. The Company provides its employees with tender care and diverse cultural and sports activities based on their actual needs so that they can have the most positive attitude towards and the fullest enthusiasm about work and life.

To ease its employees' worries about their future, the Company provides a triple support system for them.

Upgraded Insurance

For 15 consecutive years, the Company has offered its employees with supplementary medical insurance and kept upgrading and optimising the insurance scheme, fully covering routine medical expenses and the expenses for serious diseases and accidents. As of 31 December 2023, the medical insurance programme has paid out nearly RMB100 million, benefiting approximately 30,000 employees.

Loving Care

The Company allocates special support funds to employees' families in dilemma and the families of ill employees through Poly Love Fund so that they can feel that they are cared about by the Company. In 2023, it allocated more than RMB220,000 to nine families through Poly Love Fund.

Emergency Relief

Poly Developments and Holdings has established the Compassion Fund with the structure of "providing intensive support at the Group Company level for employees in dilemma and providing timely support at the employer level for employees facing inconvenience". As of 31 December 2023, the Company provided RMB1.73 million as emergency reliefs for 237 employees, which effectively addressed their urgent needs.

Additionally, Poly Developments and Holdings provides genuine care for front-line employees and makes their workplace harmonious, healthy and comfortable. Based on the actual conditions, the Company provides them with daily life support in appropriate forms such as work clothes, canteens, dormitories and shuttle buses and benefit portfolios that include paid leaves, free workday meals, holiday benefits and birthday treats.

To promote the work-life balance of employees, Poly Developments and Holdings actively provides diverse and rich cultural and sports activities for them to relieve their stress, promote their mutual communication and mutual solidarity, facilitate their career development, and comprehensively improve their sense of participation, sense of gain, sense of belonging and happiness.



Poly Developments and Holdings organised employees to participate in the 7th Table Tennis Match of Poly Group



The Subsidiary in Jiangxi held the special jogging activity on the theme of "Rescuing Yuanmingyuan's Bronze Animal Heads"

Employee Training and Development

Topic essence: The Company endeavours to improve the employee promotion mechanisms and the employee training system to provide employees with both open, equal and equitable promotion channels and all-round career development training and resources.



SDG 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Our philosophies

Poly Developments and Holdings values the career development of each employee, and always considers it a necessary factor in corporate development. It adopts the improvement of both organisational capabilities and employee competence as an unswerving objective, and is dedicated to building a robust talent pipeline, ensuring the preservation of excellent corporate cultures and management ideas that have been practicable for years to provide talent, cultural and insight support for corporate development. The Company never ceases to deepen the application of the standard system for talent appraisal that is based on "politics, performance, competence, and driving force", to attach great importance to cadre pooling, to enhance the practical results of talent cultivation and training, and to strengthen talent selection based on performance and in good time.

Objectives and progress

Objectives for 2023

- Continue to improve employee competence and ensure a coverage rate of employee training of **100%** every year.
- Continue talent cultivation, with the focus placed on young talent cultivation, while building a talent pipeline that is in line with its future trend in corporate development.

Progress Review

- In 2023, the Company held a total of **8,623** training sessions at all levels, while the annual average learning time on the online learning platform per employee approached **38** hours and the coverage rate of employee training reached **100%**.
- In 2023, the Company organised **4** series of training sessions to cultivate cadres with a sense of business and competence in problem-solving for professional business lines through multiple learning approaches, such as action-based learning, dry runs, visit-based learning, seminars, and practices.

Talent cultivation system

Poly Developments and Holdings has established a talent development and cultivation system based on the interaction between two levels (namely the headquarters and the subsidiaries) according to employees' needs for career development and its needs for corporate development. The Company continuously updates the methods for talent cultivation, and conducts targeted training based on the needs of different levels for career development.



Data highlights



In 2023, Poly Developments and Holdings continued to provide online and offline training. A total of **8,623** training sessions were held for all levels, and the coverage rate of employee training reached **100%**.

Online learning platform

Poly Developments and Holdings has completed the development of its online learning platform and put it into operation since 2018. Moreover, it is gradually establishing a two-level ("headquarters-subsidiary") operation mechanism. As of 31 December 2023, the number of courses that had once been launched on the online learning platform of Poly Business School exceeded 10,000, the number of the platform users had recorded 6.71 million, and the annual average learning time on the platform per employee had approached 38 hours.

In 2023, Poly Business School developed systematic courses with the focus placed on "professional basic skills", including the serial courses on the professional basic skills of asset management, marketing, and being a product manager.

As of 31 December 2023, within the scope of the online learning platform of Poly Business School

The number of launched courses exceeded

10,000

The number of platform users recorded

6.71 million

The annual average learning time per employee approached

38 hours

Talent cultivation programmes

Poly Developments and Holdings adopts a hierarchical and categorised course management system based on a mode that integrates online and offline cultivation.

➤ New Employee Cultivation - "Poly Partner" Talent Cultivation Programme

A series of sub-programmes for new employee training and role rotation are offered to help them quickly adapt to the workplace, understand the corporate culture and grasp the necessary business knowledge and job skills.

➤ Key Talent Cultivation - Talent Pipeline Building System Based on the Training of Cadres in Four Levels

The Company relies on the Poly Business School to gradually improve the talent pipeline building system based on the training of cadres in four levels, with the focus placed on talent pooling and the cultivation of talent in the pool.



In 2023, the Company organised four training sessions under the "Specialist Training" programme to cultivate cadres with a sense of business and competence in problem-solving for professional business lines through multiple learning approaches, such as action-based learning, dry runs, visit-based learning, seminars, and practices.

Subsidiaries at all levels prioritise the enhancement of professional capabilities and leadership and elevate the overall quality of their workforce through the implementation of specialised talent training programme according to the characteristics of the talent team and the industry and based on the customised talent training system.

Poly Consultancy

"Special Training Camp for Marketing Executives Nationwide"

Poly Commerce & Tourism Development

"GM100 Talent Pipeline Programme"

Case

Upgraded "Specialist Training" Programme: Improving Professional Collaboration Capability and Expanding Lean Talent Teams

Since the real estate industry entered the "Era of Quality" that prioritises high-quality development, the Poly Business School has upgraded the "Specialist Training" programme by replacing practice with competition and promoting learning through tests. While professional talent training in the four key areas (technology, cost, marketing and quality) was enhanced, efforts were made to integrate the eight lean management systems with routine business management. With these measures, internal invigoration was sparked and the capabilities of "building brands with quality" were further improved.

Practice-oriented: Through dry runs and front-line practices, employees in different professional fields can use their professional knowledge to consider and solve real-world problems in both simulated and real-world business scenarios;

Exchange & interaction: Through themed lectures and seminars, employees are offered chances to directly talk to members of the Management and industry experts, which conduces to their comprehension of relevant knowledge and experience sharing;

Customer-demand-first: The customer-demand-first service philosophy is emphasised to ensure that the employees at each professional line can better understand and satisfy the diverse demands of customers while improving their professional skills.



▶ A Day of a Property Consultant



▶ A Seminar of the Technical Professional Line



▶ 400 Customer Service Experiencing

Professional learning result certifications

Poly Developments and Holdings develops certification-incorporated courses and appraisal systems according to the needs of employees in professional business lines for the improvement of fundamental capabilities, so as to consolidate their professional basic skills. In 2023, nearly 5,000 employees in the lines of engineering, cost, technical, marketing and human resources attended corresponding professional certification tests organised by the Poly Business School.

Talent development system

Poly Developments and Holdings continuously deepens talent pipeline building, with the focus placed on young talent cultivation and the building of a talent pipeline that is in line with its future trend in corporate development. In order to expand the room for employees' career development and encourage them to achieve better self-demonstration on the job, the Company endeavours to establish scientific standards for talent appraisal, improve experience-based cultivation mechanisms, and enhance open selection.

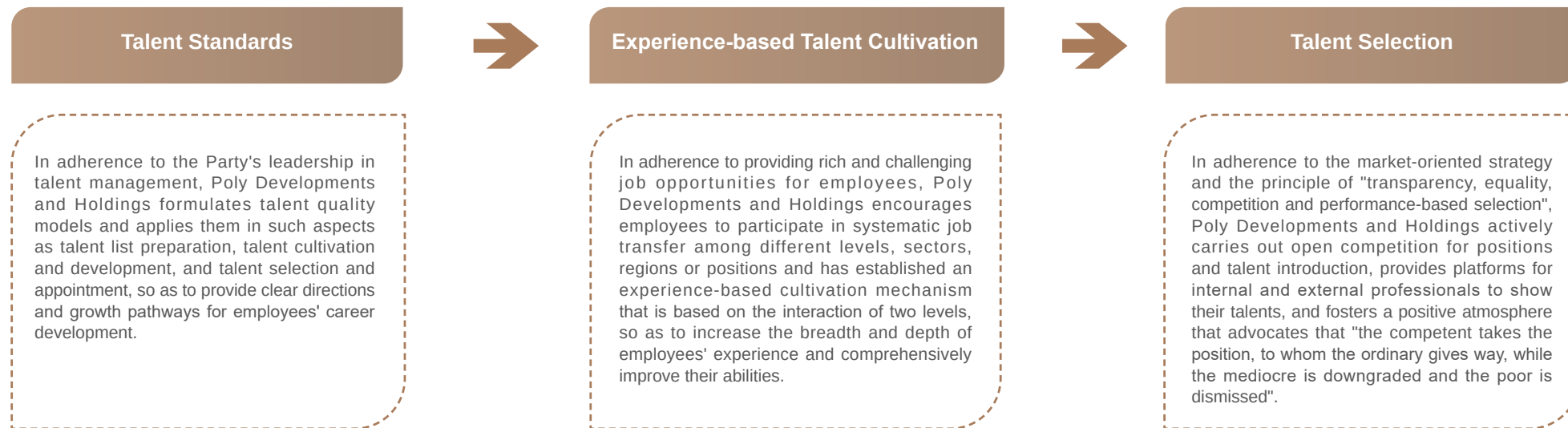


Table of Sustainable Development Performance

Indicators	Unit	2023	2022	2021
Environmental indicators ^a				
Total GHG emissions	tCO ₂ e	495,231	13,475	11,994
Scope 1: GHG emissions ^b	tCO ₂ e	7,983	1,195	1,203
Scope 2: GHG emissions ^c	tCO ₂ e	487,248	12,280	10,791
GHG emission intensity^d	tCO ₂ e/RMB million	1.43	/	/
Total energy consumption	Tonne standard coal	110,741	2,392	2,093
Total direct energy consumption^e	Tonne standard coal	4,352	631	631
Gasoline consumption	Tonne	793	318	328
Diesel consumption	Tonne	793	/	/
Kerosene consumption	Tonne	0	0	4.3
Coal gas consumption	Cubic metre	1,421	/	/
Natural gas consumption	'0,000 cubic metres	135	12	11
Liquefied petroleum gas consumption	Tonne	141	/	/
Indirect energy consumption^f	Tonne standard coal	106,389	1,761	1,462
Total electricity consumption	'0,000 kWh	82,869	1,380	1,137
Heat power	GJ	133,155	1,897	1,897
Energy consumption intensity	tce/RMB million	0.32	/	/
Hazardous waste generated	Tonne	38	/	/
Waste lighting tube	Pc	12,949	2,871	2,145
Printer toner cartridge	Pc	10,334	2,891	1,889
Waste cartridge	Pc	39,731	2,849	2,316
Electronic waste	Pc	1,461	/	/
Hazardous waste intensity	kg/RMB million	0.11	/	/
Non-hazardous waste generated	Tonne	3,491	/	/
Office paper	Tonne	249	285	173
Office and domestic waste	Tonne	688	/	/
Building waste	Tonne	1,285	/	/
Canteen and kitchen waste	Tonne	1,269	/	/
Non-hazardous waste intensity	kg/RMB million	10.06	/	/
Total water consumption	'0,000 tonnes	1,472	12	22
Circulating water consumption	Tonne	194	/	/
Water consumption intensity	Tonne/RMB million	42.44	/	/

Indicators		Unit	2023	2022	2021
Social performance					
Total number of employees		Person	56,259	67,260	61,854
Gender	Male	Person	31,455	38,451	36,927
	Female	Person	24,804	28,809	24,927
Employment type	Employees engaged in real estate business	Person	6,536	7,439	7,541
	Employees engaged in property management business	Person	33,902	43,433	44,415
	Other employees	Person	15,821	16,388	9,898
Age	Aged 30 or below	Person	18,261	25,821	25,793
	Aged 31 to 50	Person	32,652	36,672	31,175
	Aged 51 or above	Person	5,346	4,767	4,886
Welfare and protection	Labour contract conclusion rate	%	100	100	100
	Social insurance and housing provident fund coverage	%	100	100	100
	Physical examination coverage	%	100	100	100
	Occupational safety and health profile coverage	%	100	100	100
	Number of material health or safety incidents	Incident	0	0	0
Career development	Total number of employees trained	Person	2,570,000	2,064,000	1,360,000
	Employee training coverage	%	100	100	100
	Per capita training hours of employees	Hour	38	40	24
Product technology R&D input		RMB100 million	8.59	12.38	14.36
Number of intellectual property patents acquired		Patent	98	70	53

Indicators		Unit	2023	2022	2021
Business performance	Total assets	RMB100 million	14,369	14,705	13,999
	Total revenue	RMB100 million	3,469	2,811	2,850
	Total profits	RMB100 million	246	353	500
	Asset-liability ratio	%	76.55	78.09	78.36
	Total taxes paid	RMB100 million	407	408	528
Number of suppliers	Northeast China	Supplier	3,645	4,211	5,512
	North China	Supplier	6,341	10,352	8,315
	East China	Supplier	12,967	15,669	11,305
	South China	Supplier	15,981	20,955	21,124
	Northwest China	Supplier	5,607	5,368	4,399
	Southwest China	Supplier	3,529	6,284	6,631
	Central China	Supplier	5,026	5,741	4,882
	Poly City Limited	Supplier	/	648	/
	Beyond China	Supplier	157	157	190
Number of suppliers applying the policy	Number of suppliers applying the supplier management policy	Supplier	53,253	69,385	62,358
	Supplier coverage of the supplier management policy	%	100	100	100
	Strategic procurement supplier under observation	Supplier	96	86	170
	Strategic procurement supplier in reserve	Supplier	62	65	146

Indicators		Unit	2023	2022	2021
Customer complaint service	Residential repair reporting & complaint feedback rate	%	100	100	100
	General customer satisfaction	%	84	85	84
	Satisfaction with property management service	%	86	86	85
Anti-corruption	Number of employees that have attended anti-corruption training	Person	56,259	67,260	61,854
	Coverage of integrity training for employees	%	100	100	100
Dedication	Total input in public donations	RMB 10 thousand	1,791	1,803	1,700
	Total input in rural revitalisation	RMB 10 thousand	1,771	1,677	1,695

Notes to the statistical scope

- a) In 2023, the Company further enhanced data management, expanded the statistical scope of environmental data, and continued to intensify data management capacity, in order to monitor environmental data more accurately and optimise environmental management with constant efforts. The statistics of the environmental data in the Report cover the following aspects:
- i) Real estate development: Environmental data of the generation or consumption of the headquarters of Poly Developments and Holdings and administrative offices of all regional branches;
 - ii) Property management: Environmental data of the generation or consumption of the headquarters of Poly Property Services, the administrative offices of its affiliated companies, and the office and non-shared public areas of subordinate projects;
 - iii) Subsidiaries in other industries: Environmental data of the generation or consumption of the administrative offices of all subsidiaries;
- b) The data of Scope 1 GHG cover the direct emissions from the combustion of fuels such as gasoline, diesel, coal gas, natural gas, and liquefied petroleum gas;
- c) The data of Scope 2 GHG cover the indirect emissions from outsourced electric power and outsourced heat power;
- d) The intensity of an environmental indicator is calculated based on the total revenue;
- e) Direct energy consumption covers the consumption of fuels such as gasoline, diesel, coal gas, natural gas, and liquefied petroleum gas;
- f) Indirect energy consumption covers the consumption of energy such as outsourced electric power and outsourced heat power.

Reference standards for data calculation

- 1) For the calculation of direct CO₂ emissions from gasoline, diesel, coal gas, natural gas, and liquefied petroleum gas, the *Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Public Buildings Operators (Enterprises) (Trial)* issued by the General Office of the National Development and Reform Commission is referred to;
- 2) For the calculation of indirect CO₂ emissions from outsourced electric power and outsourced heat power, the *Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Public Buildings Operators (Enterprises) (Trial)* issued by the General Office of the National Development and Reform Commission is referred to. For the power emission factor, the average emission factor of the national power grids in 2022 provided in the *Notice on the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises for 2023-2025* issued by the Ministry of Ecology and Environment of the People's Republic of China is referenced;
- 3) For the calculation of outsourced heat power, the *Design Standards for Urban Heating Network (CJJ/T34-2022)* issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China is referenced;
- 4) The total energy consumption is converted to standard coal equivalent according to China's *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.

Indexes of Sustainability Reporting Indicators

GRI Standards

General Disclosures			Section of this Report
GRI 2: General Disclosures 2021	2-1	Organisation details	Company profile
	2-2	Entities included in the organisation's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	About This Report
	2-5	External assurance	N/A
	2-6	Activities, value chain and other business relationships	Business layout
	2-7	Employees	Job Creation and Equal Employment
	2-8	Workers who are not employees	Job Creation and Equal Employment
	2-9	Governance structure and composition	Compliant Operation
	2-10	Nomination and selection of the highest governance body	Compliant Operation
	2-11	Chair of the highest governance body	Compliant Operation
	2-12	Role of the highest governance body in overseeing the management of impacts	Compliant Operation
	2-13	Delegation of responsibility for managing impacts	Compliant Operation
	2-14	Role of the highest governance body in sustainability reporting	Sustainability management system
	2-15	Conflicts of interest	Business Ethics
	2-16	Communication of critical concerns	Stakeholder Communication
	2-17	Collective knowledge of the highest governance body	Compliant Operation
	2-18	Evaluation of the performance of the highest governance body	Compliant Operation
	2-19	Remuneration policies	The Company's annual report ¹
	2-20	Process to determine remuneration	The Company's annual report
	2-21	Annual total compensation ratio	The Company's annual report

¹ Please refer to the 2023 Annual Report of Poly Developments and Holdings

General Disclosures			Section of this Report
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Sustainable development concept
	2-23	Policy commitments	Sustainable development concept
	2-24	Embedding policy commitments	Sustainable development concept
	2-25	Processes to remediate negative impacts	Compliant Operation
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Communication
	2-27	Compliance with laws and regulations	Compliant Operation
	2-28	Membership associations	/
	2-29	Approach to stakeholder engagements	Stakeholder Communication
	2-30	Collective bargaining agreements	Job Creation and Equal Employment
GRI 3: Material Topics 2021	3-1	Process to determine the material topics	Stakeholder Communication
	3-2	List of material topics	Stakeholder Communication
	3-3	Management of material topics	Stakeholder Communication
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Promoting Business Innovation and Serving Regional Economic Development
	201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Employee Rights, Remuneration and Benefits
	201-4	Financial assistance received from government	The Company's annual report
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Rights, Remuneration and Benefits
	202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Serving National Infrastructure Construction and Urban Revitalisation
	203-2	Significant indirect economic impacts	Serving National Infrastructure Construction and Urban Revitalisation
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1	Operation points that have been evaluated by corruption risk	Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A

General Disclosures			Section of this Report
GRI 207: Tax 2019	207-1	Approach to tax	/
	207-2	Tax governance, control and risk management	/
	207-3	Stakeholder engagement and management of concerns related to tax	/
	207-4	Country-by-country reporting	/
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Resource Management Appendix: Table of Sustainable Development Performance
	301-2	Recycled input materials used	Resource Management
	301-3	Reclaimed products and their packaging materials	Resource Management
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Efficiency and Renewable Energy Use Appendix: Table of Sustainable Development Performance
	302-2	Energy consumption outside of the organisation	Energy Efficiency and Renewable Energy Appendix: Table of Sustainable Development Performance
	302-3	Energy intensity	Energy Efficiency and Renewable Energy Appendix: Table of Sustainable Development Performance
	302-4	Reduction of energy consumption	Energy Efficiency and Renewable Energy Appendix: Table of Sustainable Development Performance
	302-5	Reductions in energy requirements of products and services	Energy Efficiency and Renewable Energy Use
	302-5	Reductions in energy requirements of products and services	Energy Efficiency and Renewable Energy Use
GRI 303: Water and Wastewater 2018	303-1	Interactions with water as a shared resource	Resource Management
	303-2	Management of water discharge-related impacts	Resource Management
	303-3	Water withdrawal	/
	303-4	Water discharge	/
	303-5	Water consumption	Appendix: Table of Sustainable Development Performance
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection
	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Protection
	304-3	Habitats protected or restored	Biodiversity Protection
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

General Disclosures			Section of this Report
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change Appendix: Table of Sustainable Development Performance
	305-2	Energy direct (Scope 2) GHG emissions	Responding to Climate Change Appendix: Table of Sustainable Development Performance
	305-3	Other indirect (Scope 3) GHG emissions	/
	305-4	GHG emissions intensity	Responding to Climate Change Appendix: Table of Sustainable Development Performance
	305-5	Reduction of GHG emissions	Responding to Climate Change Appendix: Table of Sustainable Development Performance
	305-6	Emissions of ozone-depleting substances (ODS)	N/A
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Emissions and Waste Management Appendix: Table of Sustainable Development Performance
	306-2	Management of significant waste-related impacts	Emissions and Waste Management Appendix: Table of Sustainable Development Performance
	306-3	Waste generated	Emissions and Waste Management Appendix: Table of Sustainable Development Performance
	306-4	Waste diverted from disposal	Emissions and Waste Management Appendix: Table of Sustainable Development Performance
	306-5	Waste directed to disposal	Emissions and Waste Management Appendix: Table of Sustainable Development Performance
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix: Table of Sustainable Development Performance
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights, Remuneration and Benefits
	401-3	Parental leave	Employee Rights, Remuneration and Benefits
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	/

General Disclosures			Section of this Report
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3	Occupational health services	Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5	Worker training on occupational health and safety	Health and Safety
	403-6	Promotion of worker health	Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Health and Safety
	403-9	Work-related injuries	Appendix: Table of Sustainable Development Performance
	403-10	Work-related ill health	Health and Safety Appendix: Table of Sustainable Development Performance
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Training and Development Appendix: Table of Sustainable Development Performance
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee Training and Development Appendix: Table of Sustainable Development Performance
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Job Creation and Equal Employment Appendix: Table of Sustainable Development Performance
	405-2	Ratio of basic salary and remuneration of women to men	Employee Rights, Remuneration and Benefits
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Job Creation and Equal Employment
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Job Creation and Equal Employment
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Job Creation and Equal Employment
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	N/A

General Disclosures			Section of this Report
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Special Feature: Advancing the "Three Major Projects" and Consolidating Efforts for High-Quality Development Serving National Infrastructure Construction and Urban Revitalisation
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
GRI 415: Public Policy 2016	415-1	Political contributions	N/A
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Provision of Quality Products and Services
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Responsible Marketing
	417-2	Incidents of non-compliance concerning product and service information and labelling	N/A
	417-3	Incidents of non-compliance concerning marketing communications	Responsible Marketing
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Information Security

SASB Index

Topic	Indicators	No.	Corresponding Section
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	Appendix: Table of Sustainable Development Performance
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property subsector	IF-RE-130a.2	Appendix: Table of Sustainable Development Performance
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	Appendix: Table of Sustainable Development Performance
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	Prefabricated and Green Buildings
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Energy Efficiency and Renewable Energy Use
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	N/A
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	Appendix: Table of Sustainable Development Performance
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	Appendix: Table of Sustainable Development Performance
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Resource Management
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	IF-RE-410a.1	Energy Efficiency and Renewable Energy Use
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	N/A
	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	IF-RE-410a.3	Energy Efficiency and Renewable Energy Use
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	N/A
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Responding to Climate Change

CASS CSR 5.0 Index

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
P1	Reporting specifications	P1.1 Quality assurance	N/A
		P1.2 Information interpretation	About This Report
		P1.3 Reporting system	Appendix: Indexes of Sustainability Reporting Indicators
P2	Message from the Senior Management	P2.1 Situation analysis and strategic considerations on ESG work	Sustainable development concept
		P2.2 Annual progress in ESG work	Annual results in 2023
P3	Responsibility focus	P3.1 Major ESG events	Annual executive summary
P4	Company profile	P4.1 Basic information	Company profile
		P4.2 Strategy and culture	Company profile
		P4.3 Business profile	Business layout
		P4.4 Major changes in organisational size, structure, ownership or supply chain during the Reporting Period	N/A
G1	Corporate governance	G1.1 Diversified composition of the Board of Directors	Compliant Operation
		G1.2 Board of Directors independence	Compliant Operation
		G1.3 Legality and compliance system	Compliant Operation
		G1.4 Legality and compliance training performances	Compliant Operation
		G1.5 Anti-unfair competition	Business Ethics
		G1.6 Complaint and reporting mechanism	Business Ethics
		G1.7 Anti-commercial bribery and anti-corruption systems	Business Ethics
		G1.8 Anti-corruption training performance	Business Ethics
		G1.9 Corruption incidents and responses	Business Ethics

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
G1	Corporate governance	G1.10 Information transparency	Compliant Operation
		G1.11 Punishment incidents due to violation of information disclosure requirements	N/A
G2	ESG governance by the Board of Directors	G2.1 Managerial policies of the Board of Directors on ESG	Sustainability management system
		G2.2 Leadership mechanism of the Board of Directors on ESG work	Sustainability management system
		G2.3 Identification of ESG risks and opportunities by the Board of Directors	Sustainability management system
		G2.4 Board of Directors reviews of ESG objectives	Sustainability management system
		G2.5 Executive compensation linked to ESG	/
G3	ESG management	G3.1 Departments responsible for ESG work	Sustainability management system
		G3.2 ESG strategies	Sustainable development concept
		G3.3 ESG work system	Sustainability management system
		G3.4 Involvement in ESG research or industrial ESG standards	/
		G3.5 Identification of ESG materiality issues	Stakeholder Communication
		G3.6 Communications with stakeholders	Stakeholder Communication
		G3.7 ESG information disclosure channels	About This Report
		G3.8 ESG assessment system	Emissions and Waste Management
		G3.9 ESG training	Emissions and Waste Management
		G3.10 ESG training performances	Emissions and Waste Management
		G3.11 ESG honours	Sustainability Practice of the Year
E1	Environmental management	E1.1 Environmental management system	Emissions and Waste Management
		E1.2 Environmental management objectives	Sustainability Practice of the Year
		E1.3 Input in environmental protection	Emissions and Waste Management

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
E1	Environmental management	E1.4 Mechanism for early warning and emergency response of environmental protection	Emissions and Waste Management
		E1.5 Policies on environmental assessment of new projects	Emissions and Waste Management
		E1.6 Environmental management system certificate obtained	Emissions and Waste Management
		E1.7 Environmental protection training and education	Emissions and Waste Management
		E1.8 Research and development and applications of environment-friendly products or technologies	Prefabricated and Green Buildings
		E1.9 Violations of laws and regulations on environmental protection and punishments	Emissions and Waste Management
E2	Resource utilisation	E2.1 Energy management system	Energy Efficiency and Renewable Energy Use
		E2.2 Energy consumption	Appendix: Table of Sustainable Development Performance
		E2.3 Energy consumption intensity	Appendix: Table of Sustainable Development Performance
		E2.4 Policies on clean energy use	Energy Efficiency and Renewable Energy Use
		E2.5 Clean energy consumption	Appendix: Table of Sustainable Development Performance
		E2.6 Policies on reducing the use of packaging materials for finished products	N/A
		E2.7 Total amount of packaging materials used for finished products	N/A
		E2.8 Proportion of recycled packaging materials from finished products	N/A
		E2.9 Policies on water resource use	Resource Management
		E2.10 Fresh water consumption	Resource Management
		E2.11 Water consumption intensity	Resource Management
		E2.12 Water saving amount	Resource Management
		E2.13 Volume of water recycled	Resource Management
		E2.14 Measures for green office	Resource Management
		E2.15 Green office performance	Resource Management

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
E3	Emissions	E3.1 Policies on reducing wastewater discharge	Emissions and Waste Management
		E3.2 Wastewater discharge	Appendix: Table of Sustainable Development Performance
		E3.3 Policies on reduction of exhaust gas emissions	Emissions and Waste Management
		E3.4 Exhaust gas emissions	Appendix: Table of Sustainable Development Performance
		E3.5 Management policies on exhaust gas emissions	Emissions and Waste Management
		E3.6 General waste discharge	Emissions and Waste Management
		E3.7 General waste discharge intensity	Emissions and Waste Management
		E3.8 Hazardous waste discharge	Emissions and Waste Management
		E3.9 Hazardous waste discharge intensity	Emissions and Waste Management
		E3.10 Waste recycling performance	Emissions and Waste Management
E4	Ecological safety protection	E4.1 Impact of business operations on biodiversity and ecology	Biodiversity Protection
		E4.2 Biodiversity protection actions	Biodiversity Protection
		E4.3 Ecological remediation governance	Biodiversity Protection
E5	Responding to climate change	E5.1 Governance mechanism for responding to climate-related risks and opportunities	Responding to Climate Change
		E5.2 Impact of climate-related risks and opportunities on the operation	Responding to Climate Change
		E5.3 Management of climate-related risks	Responding to Climate Change
		E5.4 Objectives and performance regarding climate-related risks and opportunities	Responding to Climate Change
		E5.5 Direct GHG emissions	Appendix: Table of Sustainable Development Performance
		E5.6 Indirect GHG emissions	Appendix: Table of Sustainable Development Performance
		E5.7 GHG emission intensity	Appendix: Table of Sustainable Development Performance

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
S1	Employment	S1.1 Compliance with labour standards	Job Creation and Equal Employment
		S1.2 Diversity and equality of opportunities	Job Creation and Equal Employment
		S1.3 Staff composition	Appendix: Table of Sustainable Development Performance
		S1.4 Labour contract conclusion rate	Job Creation and Equal Employment
		S1.5 Employee turnover rate	Appendix: Table of Sustainable Development Performance
		S1.6 Democratic management	Employee Rights, Remuneration and Benefits
		S1.7 Remuneration and welfare system	Employee Rights, Remuneration and Benefits
		S1.8 Social insurance coverage rate	Employee Rights, Remuneration and Benefits
		S1.9 Number of per capita days of paid annual leave	/
		S1.10 Employee care	Employee Rights, Remuneration and Benefits
		S1.11 Employee satisfaction	Appendix: Table of Sustainable Development Performance
S2	Development and training	S2.1 Career development channels	Employee Training and Development
		S2.2 Job training system	Employee Training and Development
		S2.3 Input in job training	Employee Training and Development
		S2.4 Job training performance	Employee Training and Development
S3	Occupational health and production safety	S3.1 Occupational health management	Health and Safety
		S3.2 Occupational health and safety management system certification obtained	Health and Safety
		S3.3 Number of new occupational diseases	/
		S3.4 Production safety management system	Health and Safety
		S3.5 Safety publicity implementation and training	Health and Safety
		S3.6 Inspection and mitigation of hidden risks	Health and Safety

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
S3	Occupational health and production safety	S3.7 Emergency management system	Health and Safety
		S3.8 Input in production safety	Health and Safety
		S3.9 Performance in training sessions in production safety	Health and Safety
		S3.10 Number of production safety accidents	Health and Safety
		S3.11 Number of work-related injuries/fatalities	Health and Safety
		S3.12 Lost days due to work-related injury	Health and Safety
S4	Responsibilities to customers	S4.1 Product/service quality management	Provision of Quality Products and Services
		S4.2 Product pass rate	Provision of Quality Products and Services
		S4.3 Responsible marketing	Responsible Marketing
		S4.4 Loss stoppage and compensation mechanism	Customer Satisfaction
		S4.5 Active response to customer complaints	Customer Satisfaction
		S4.6 Information security and privacy protection	Customer Privacy and Information Security
		S4.7 Customer satisfaction	Customer Satisfaction
		S4.8 Resolution rate of complaints	Provision of Quality Products and Services
		S4.9 Negative customer health and safety incidents during the Reporting Period	Provision of Quality Products and Services
S5	Responsible supply chain management	S5.1 ESG management system for the supply chain	Supply Chain Management
		S5.2 ESG review and assessment for suppliers	Supply Chain Management
		S5.3 Number of suppliers reviewed	Supply Chain Management
		S5.4 Number of suppliers involved in the termination of cooperation due to non-compliance	Supply Chain Management
		S5.5 Number of potential suppliers denied due to non-compliance	Supply Chain Management
		S5.6 ESG training system for suppliers	Supply Chain Management
		S5.7 Performance of ESG training system for suppliers	Supply Chain Management

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
V1	Value for the country	V1.1 Idea of and policy on serving major national strategies	Serving National Infrastructure Construction and Urban Revitalisation
		V1.2 Fields of contributions to major national strategies	Serving National Infrastructure Construction and Urban Revitalisation
		V1.3 Actions and measures for serving major national strategies	Serving National Infrastructure Construction and Urban Revitalisation
		V1.4 Effect of serving major national strategies	Serving National Infrastructure Construction and Urban Revitalisation
V2	Value for the industry	V2.1 Technical innovation system and mechanism	Promoting Business Innovation and Serving Regional Economic Development
		V2.2 Actions and measures for technical innovation	Promoting Business Innovation and Serving Regional Economic Development
		V2.3 Input in R&D	Promoting Business Innovation and Serving Regional Economic Development
		V2.4 Major technical innovation achievements	Promoting Business Innovation and Serving Regional Economic Development
		V2.5 Drive for coordinated development of the upstream and downstream industrial chain	Promoting Business Innovation and Serving Regional Economic Development
		V2.6 Guarantee for safety and stability of the industrial chain and the supply chain	Promoting Business Innovation and Serving Regional Economic Development
		V2.7 Involvement in the establishment of industrial standards	Promoting Industry Development
		V2.8 Strategic cooperation mechanism and platform	Promoting Industry Development
V3	Value for people's well-being	V3.1 Actions and measures for driving the employment	Job Creation and Equal Employment
		V3.2 Number of newly employed people	Job Creation and Equal Employment
		V3.3 Involvement in the infrastructure construction	Serving National Infrastructure Construction and Urban Revitalisation
		V3.4 Fields of charity actions	Public Welfare and Charitable Causes
		V3.5 Creation of branded charity programmes	Public Welfare and Charitable Causes
		V3.6 Total amount of charitable donations	Public Welfare and Charitable Causes
		V3.7 Volunteer service performance	Public Welfare and Charitable Causes
V4	Value for the environment	V4.1 Strategies for and objectives of carbon peaking and carbon neutrality	"Dual-Carbon" Strategy
		V4.2 Action plans and paths of carbon peaking and carbon neutrality	"Dual-Carbon" Strategy

No.	Scope of Responsibility	CASS-ESG 5.0 Index	Section of this Report
V4	Value for the environment	V4.3 Effect of reduction of carbon	"Dual-Carbon" Strategy
		V4.4 Actions and measures for green ecology protection	Biodiversity Protection
		V4.5 Progress and effect of green ecology protection	Biodiversity Protection
A1	Future plan	The company's planning for social responsibility work	Message from the Senior Management
A2	Key performance table	Centralised presentation of key data of the company's annual social responsibility performance	Appendix: Table of Sustainable Development Performance
A3	Report evaluation	Evaluation on the report by social responsibility experts or industrial experts, stakeholders or professional institutions	/
A4	Reference index	Adoption of the disclosure indicators as required in the Guideline	Appendix: Indexes of Sustainability Reporting Indicators
A5	Feedback	Reader questionnaire or reader feedback channel	Appendix: Feedback

Index of ESG Special Report Reference Indicator System for Listed Companies Controlled by Central State-owned Enterprises

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
E.1 Resource consumption	E.1.1 Water resource	E.1.1.1 Fresh water consumption	Appendix: Table of Sustainable Development Performance
		E.1.1.2 Recycled water consumption	Appendix: Table of Sustainable Development Performance
		E.1.1.3 Proportion of recycled water used	Appendix: Table of Sustainable Development Performance
		E.1.1.4 Water resource consumption intensity	Appendix: Table of Sustainable Development Performance
	E.1.2 Materials	E.1.2.1 Non-renewable material consumption	Appendix: Table of Sustainable Development Performance
		E.1.2.2 Toxic and hazardous material consumption	Appendix: Table of Sustainable Development Performance
		E.1.2.3 Material consumption intensity	Appendix: Table of Sustainable Development Performance
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	Appendix: Table of Sustainable Development Performance
		E.1.3.2 Non-fossil energy consumption	Appendix: Table of Sustainable Development Performance
		E.1.3.3 Proportion of non-fossil energy used	Appendix: Table of Sustainable Development Performance
		E.1.3.4 Total energy consumption	Appendix: Table of Sustainable Development Performance
		E.1.3.5 Energy consumption intensity	Appendix: Table of Sustainable Development Performance
	E.1.4 Packaging materials	E.1.4.1 Packaging material consumption	N/A
		E.1.4.2 Lightweight and reduction of packaging materials	N/A
E.2 Pollution prevention and control	E.2.1 Wastewater	E.2.1.1 Wastewater discharge compliance	Emissions and Waste Management
		E.2.1.2 Wastewater management and discharge reduction measures	Emissions and Waste Management
		E.2.1.3 Wastewater discharge	/
		E.2.1.4 Pollutant discharge in wastewater	/
		E.2.1.5 Pollutant discharge concentration in wastewater	/

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
E.2 Pollution prevention and control	E.2.2 Exhaust gas	E.2.2.1 Exhaust gas compliance	Emissions and Waste Management
		E.2.2.2 Pollutant discharge in exhaust gas	Appendix: Table of Sustainable Development Performance
		E.2.2.3 Pollutant discharge concentration in exhaust gas	Appendix: Table of Sustainable Development Performance
	E.2.3 Solid waste	E.2.3.1 Solid waste disposal compliance	Emissions and Waste Management
		E.2.3.2 Non-hazardous industrial solid waste management	Emissions and Waste Management
		E.2.3.3 Volume of non-hazardous industrial solid waste disposed of	Appendix: Table of Sustainable Development Performance
		E.2.3.4 Hazardous waste management	Emissions and Waste Management
		E.2.3.5 Volume of hazardous waste disposed of	Appendix: Table of Sustainable Development Performance
E.3 Climate change	E.3.1 GHG emissions	E.3.1.1 Sources and types of GHG	Appendix: Table of Sustainable Development Performance
		E.3.1.2 GHG emission management	Appendix: Table of Sustainable Development Performance
		E.3.1.3 Scope 1 emissions	Appendix: Table of Sustainable Development Performance
		E.3.1.4 Scope 2 emissions	Appendix: Table of Sustainable Development Performance
		E.3.1.5 Scope 3 emissions	/
		E.3.1.6 GHG emission intensity	Appendix: Table of Sustainable Development Performance
	E.3.2 Emission reduction management	E.3.2.1 GHG emission reduction management	"Dual-Carbon" Strategy
		E.3.2.2 Volume of GHG emissions reduced	Appendix: Table of Sustainable Development Performance
	E.3.3 Environmental rights trading	E.3.3.1 Participation in carbon emission trading markets	N/A
		E.3.3.2 Engagement in energy use, water use and pollution discharge permit trading	N/A
		E.3.3.3 Engagement in green power trading	N/A
	E.3.4 Climate risk management	E.3.4.1 Climate risk management	Responding to Climate Change
E.4 Biodiversity	E.4.1 Impacts of production, services and products on biodiversity	E.4.1.1 Impacts of production, services and products on biodiversity	Biodiversity Protection

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
E.5 Resource and environmental management systems and measures	E.5.1 Low-carbon development objectives setting and strategic measures	E.5.1.1 Low-carbon development objectives setting and strategic measures	"Dual-Carbon" Strategy
		E.5.2.1 Water resource use management	Resource Management
	E.5.2 Resource management measures	E.5.2.2 Material use management	Resource Management
		E.5.2.3 Energy use and conservation management	Energy Efficiency and Renewable Energy Use
	E.5.3 Statistical monitoring, assessment, and rewarding and punishment system for energy conservation and carbon reduction	E.5.3.1 Monitoring, statistical report, assessment system for energy conservation and carbon reduction	/
		E.5.4.1 Clean production	Emissions and Waste Management
	E.5.4 Green actions and measures for environmental protection	E.5.4.2 Green technological upgrading and cyclic utilisation	Prefabricated and Green Buildings Resource Management
		E.5.4.3 Green building renovation	Prefabricated and Green Buildings
		E.5.4.4 Green office and operation	Emissions and Waste Management Resource Management
		E.5.4.5 Green procurement and green supply chain management	Supply Chain Management
		E.5.4.6 Public benefit activities for environmental protection	Contributing to Rural Revitalisation
	E.5.5 Green and low-carbon certification	E.5.5.1 Environmental management system certificate	Emissions and Waste Management
		E.5.5.2 Green and low-carbon enterprise certification	"Dual-Carbon" Strategy
		E.5.5.3 Green and low-carbon product and service certification	"Dual-Carbon" Strategy
	E.5.6 Environmental legitimacy and compliance	E.5.6.1 Emergency plan for unexpected environmental incidents	Emissions and Waste Management
		E.5.6.2 Environmental crimes and violations	Emissions and Waste Management
S1.1 Employee recruitment and employment		S1.1.1 Employment policies and implementation of the policies	Job Creation and Equal Employment
		S1.1.2 Employee composition	Appendix: Table of Sustainable Development Performance
		S1.1.3 Avoidance of child labour or compulsory labour	Job Creation and Equal Employment

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
S1 Employee rights and interests	S1.2 Employee remuneration and welfare	S1.2.1 Remuneration concept and policies	Employee Rights, Remuneration and Benefits
		S1.2.2 Working hours, rest and vacation	Employee Rights, Remuneration and Benefits
		S1.2.3 Remuneration and welfare protection	Employee Rights, Remuneration and Benefits
		S1.2.4 Democratic employee management	Employee Rights, Remuneration and Benefits
	S1.3 Employee health and safety	S1.3.1 Occupational health and safety management	Health and Safety
		S1.3.2 Employee safety risk control	Health and Safety
		S1.3.3 Response to safety incidents and work-related injuries	Health and Safety
		S1.3.4 Employee care and support	Employee Rights, Remuneration and Benefits
	S1.4 Employee development and training	S1.4.1 Employee incentive and promotion policies	Employee Training and Development
		S1.4.2 Employee education and training	Employee Training and Development
		S1.4.3 Career planning and position change support	Employee Training and Development
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction investigation	Appendix: Table of Sustainable Development Performance
		S1.5.2 Labour disputes	N/A
		S1.5.3 Employee turnover	Appendix: Table of Sustainable Development Performance
S2 Product and service management	S2.1 Product safety and quality	S2.1.1 Standard production management policies and measures	Provision of Quality Products and Services
		S2.1.2 Quality management	Provision of Quality Products and Services
		S2.1.3 Product recall and withdrawal	N/A
		S2.1.4 Negative product or service incidents	Provision of Quality Products and Services
	S2.2 Customer service and customers' rights and interests	S2.2.1 Customer satisfaction	Customer Satisfaction
		S2.2.2 Customer complaint and settling	Customer Satisfaction
		S2.2.3 Customer information and privacy protection	Customer Privacy and Information Security

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
S2 Product and service management	S2.3 Innovative development	S2.3.1 R&D and innovation management system	Promoting Business Innovation and Serving Regional Economic Development
		S2.3.2 R&D input	Appendix: Table of Sustainable Development Performance
		S2.3.3 Innovation achievements	Promoting Business Innovation and Serving Regional Economic Development
		S2.3.4 Intellectual property protection	Intellectual property protection
S3 Supply chain security and management	S3.1 Supplier management	S3.1.1 Supplier selection and management	Supply Chain Management
		S3.1.2 Supplier quantity and distribution	Appendix: Table of Sustainable Development Performance
	S3.2 Supply chain process management	S3.2.1 Supply chain management policies and measures	Supply Chain Management
		S3.2.2 Supply chain safety assurance and emergency plan	Supply Chain Management
		S3.2.3 Significant risks and impacts (supply chain)	Supply Chain Management
S4 Social contribution	S4.1 Tax payment	S4.1.1 Tax payment	Appendix: Table of Sustainable Development Performance
	S4.2 Community co-construction	S4.2.1 Policies and measures for engagement in local community construction	Promoting Business Innovation and Serving Regional Economic Development
		S4.2.2 Contribution and impacts on local community	Promoting Business Innovation and Serving Regional Economic Development
	S4.3 Social public benefit activities	S4.3.1 Policies and measures for engagement in social public benefit activities	Public Charity
		S4.3.2 Investment in social public benefit activities and effects	Appendix: Table of Sustainable Development Performance
		S4.3.3 Barrier-free environment building	/
	S4.4 Response to national strategies	S4.4.1 Industrial transformation	"Dual-Carbon" Strategy Serving National Infrastructure Construction and Urban Revitalisation Prefabricated and Green Buildings
		S4.4.2 Rural revitalisation and coordinated regional development	Contributing to Rural Revitalisation Promoting Business Innovation and Serving Regional Economic Development
		S4.4.3 Belt and Road initiative and overseas duty performance	/
		S4.4.4 Industry features and other social responsibility performance	Biodiversity Protection Public Charity

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
G1 Governance strategy and organisational structure	G1.1 Governance policies and processes	G1.1.1 Governance policy formulation	Sustainability management system Compliance in Operations
		G1.1.2 Governance policy supervision process	Sustainability management system Compliance in Operations
		G1.1.3 Governance policy approval and review process	Sustainability management system Compliance in Operations
		G1.1.4 Party building leadership	Risk Management and Internal Control Business Ethics
	G1.2 Organisational composition and functions	G1.2.1 Ownership responsibility	Compliance in Operations
		G1.2.2 Organisational structure and functions of the Board of Directors, Board of Supervisors and the Management	Compliance in Operations
		G1.2.3 Appointment procedure and composition of the Board of Directors, Board of Supervisors and the Management	Compliance in Operations
	G1.3 Remuneration management	G1.3.1 Remuneration plans for directors and supervisors	The Company's annual report
		G1.3.2 Transparent remuneration for the Board of Directors	The Company's annual report
		G1.3.3 Reasonable remuneration for the Management	The Company's annual report
G2 Standard governance	G2.1 Internal control	G2.1.1 Internal audit	Risk Management and Internal Control
		G2.1.2 Internal control structure, mechanism and procedure	Risk Management and Internal Control
	G2.2 Integrity building	G2.2.1 Integrity building policies and regulations	Business Ethics
		G2.2.2 Effect of integrity building measures	Business Ethics
	G2.3 Fair competition	G2.3.1 Fair competition policies and regulations	Business Ethics
		G2.3.2 Effect of fair competition measures	Business Ethics
G3 Investor relation management and shareholders' rights and interests	G3.1 Investor relation management	G3.1.1 Investor relation management strategy	Compliance in Operations
		G3.1.2 Investor communication	Compliance in Operations
		G3.1.3 Investor relation management department building	Compliance in Operations
	G3.2 Shareholders' rights and interests	G3.2.1 Shareholders' general meeting	Corporate governance
		G3.2.2 Shareholder communication	Corporate governance

Primary Index	Secondary Index	Tertiary Index	Corresponding Section
G3 Investor relation management and shareholders' rights and interests	G3.2 Shareholders' rights and interests	G3.2.3 Shareholders' right to know and participate in decision-making	The Company's annual report
		G3.3.1 Credit standing	The Company's annual report
	G3.3 Creditors' rights and interests	G3.3.2 Contract fulfilment in the bond market	The Company's annual report
G4 Transparency of information disclosure	G4.1 Information disclosure policies	G4.1.1 Financial information disclosure	The Company's annual report
		G4.1.2 Non-financial information disclosure	The Company's annual report
	G4.2 Information disclosure quality	G4.2.1 Regular monitoring, audit and assessment of all disclosures	The Company's annual report
G5 Compliant operation and risk management	G5.1 Compliant operation	G5.1.1 Compliant operation policies	Compliance in Operations
		G5.1.2 Compliance system building	Compliance in Operations
		G5.1.3 Compliance review process	Compliance in Operations
	G5.2 Risk management	G5.2.1 Risk identification and early warning	Risk Management and Internal Control
		G5.2.2 Risk control and tracking	Risk Management and Internal Control
		G5.2.3 Risk reporting and management	Risk Management and Internal Control

Feedback

Dear readers,

Thank you for reading this Report. In order to keep enhancing its sustainability management, the Company highly appreciates your evaluation and advice on this Report, which will serve as a basis for future continuous improvement of the reports.



Please scan the QR code to provide your feedback (available in Chinese only)

Feedback Form for Sustainability Report 2023 of Poly Developments and Holdings Group Co., Ltd.

Name:

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Your evaluation of this Report: (please check "√" accordingly)

Question	Excellent	Good	Fair	Poor	Terrible
What do you think about this Report on the whole?	☐	☐	☐	☐	☐
Do you think this Report has highlighted the Company's important information on environmental, social and governance?	☐	☐	☐	☐	☐
Do you think this Report has clearly, accurately and completely disclosed information and data?	☐	☐	☐	☐	☐
Do you think the content arrangement and style design of this Report make reading easier?	☐	☐	☐	☐	☐

Which part of this Report interests you the most?

What additional information do you feel is missing from this Report that you would like to see included?

What suggestions do you have for our future release of sustainable development reports?