



祈福生活服務

CLIFFORD MODERN LIVING

祈福生活服務控股有限公司
CLIFFORD MODERN LIVING HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 3686



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* English translation for reference only. Should there be any inconsistency between the Chinese and English version, the Chinese version should prevail.

ABOUT THIS REPORT

REPORT INTRODUCTION

Clifford Modern Living Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is delighted to release its 2023 Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”), aiming to present to stakeholders and the public the Group’s system establishment and performance in environmental, social and governance aspects in 2023.

REPORT SCOPE

The Report covers the period from January 1, 2023, to December 31, 2023 (the “**Reporting Period**” or “**this year**”).

Unless otherwise specified, the business scope covered by the Report is consistent with the annual report, including six main businesses, namely property management services, renovation and fitting-out services, retail services, off-campus training services, information technology services and ancillary living services.

DEFINITIONS OF TERMS

For the convenience of expression and reading, in this Report, Clifford Modern Living Holdings Limited is referred to as “Clifford Modern Living” or the “Company”, depending on the context, and Clifford Modern Living Holdings Limited and its subsidiaries are collectively described as “the Group” or “we”. As the Report involves a number of subsidiaries under Clifford Modern Living, for easier expression, unless otherwise stated, the following terms are defined as:

Property management services	Refers to	Guangzhou Panyu Clifford Property Management Limited (“ Panyu Property Management Company ”), Foshan Clifford Property Management Limited (“ Foshan Property Management Company ”)
Retail services	Refers to	Guangzhou Clifford Trading Limited
Information technology services	Refers to	Guangzhou Clifford Communications Limited, and Guangzhou Kejian Computer Technology Limited
Catering services	Refers to	Guangzhou Shankang Catering Management Limited
Employment placement services	Refers to	Guangzhou Welcome Employment Limited (“ Welcome Employment Company ”)
Laundry services	Refers to	Guangzhou Goodwash Laundry Limited

REPORT PREPARATION STANDARD

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on the Stock Exchange of Hong Kong Limited (“**HKEX**”). The Report strictly follows the four reporting principles of “materiality”, “quantitative”, “consistency” and “balance” specified in the ESG Guide, in an attempt to fully reflect the Group’s management and performance in ESG aspects. The following methods are adopted in this Report to address the aforementioned four principles, i.e., we respond to the principle of “materiality” by analyzing and assessing material issues; respond to the principle of “quantitative” by preparing a list of quantitative data; respond to the principle of “consistency” by ensuring that the disclosure scope and reporting methods of the Report are consistently applied each year and that historical data are well comparable; and respond to the principle of “balance” by reviewing negative issues and poor performance.

DATA SOURCE AND RELIABILITY STATEMENT

The information and data in this Report are derived from official documents and statistical data within the Group or public data, and have been reviewed and approved by the internal supervision mechanism. The Board of Directors is responsible for the authenticity, accuracy and completeness of the Report.

PREFACE

In 2023, Clifford Modern Living successfully navigated through various challenges and steadfastly pushed forward. Alongside our pursuit of business growth, we are committed to promoting sustainable development. In the face of various risks and challenges, Clifford Modern Living has been upholding its corporate mission of “leading industry development and creating a better lifestyle”. To this end, Clifford Modern Living takes seriously its responsibility for governance, services, employees, suppliers, the environment, society and other aspects to promote the sustainable and high-quality development of the Group.

CONSOLIDATING GOVERNANCE AND PRACTICING THE CONCEPT OF SUSTAINABILITY

We practice the concept of sustainability and emphasize coordinated development in the economic, social, and environmental spheres. For instance, we have improved ESG governance and ESG risk control, kept implementing the “four-in-one” social responsibility system, and incorporated the concept of sustainability into our business decision-making and daily operations. Besides, in strict adherence to business ethics, we promote compliance and honest operations to create a culture of integrity. We also refine the anti-corruption and reporting mechanism, in an endeavor to foster a clean and honest working environment.

DELIVERING QUALITY SERVICE AND CREATING A COMFORTABLE LIVING ENVIRONMENT

Having “your best life partner” as our core philosophy, we are committed to providing our customers with professional and high-standard living services. This year, we consistently controlled the quality of services in all segments. We have refined management and upgraded service quality by optimizing the service system, enhancing customer cares, transforming to smart businesses, among others. Meanwhile, in line with the customer-oriented principle, we got insights into customer needs, and placed a high priority on customer health, safety and privacy to create a better living environment for them.

JOINING HANDS WITH EMPLOYEES TO CREATE A BETTER FUTURE

Talent is the cornerstone for the Group’s steady development. Adhering to the “people-oriented” idea, we emphasize talent cultivation and are committed to building an equal and inclusive workplace. We practice compliance employment and continue to optimize the talent pool and talent cultivation mechanism, in an effort to provide a broad platform for employees to unleash their potential. Safety management and life care of employees are also our focuses. We set up smooth communication channels to listen to feedback, aiming to achieve common progress with employees. Meanwhile, we proactively strengthen supplier management and communication and effectively manage environmental and social risks within the supply chain. We also actively promote the development of the industry, striving to create sustained value for society.

PROMOTING LOW-CARBON OPERATIONS FOR A GREEN ECOLOGY

We practice low-carbon operations and green office to protect the environment and ecosystem. This year, we took a number of measures to reduce energy consumption and protect the environment. Our efforts focused on optimizing water efficiency, strengthening the management of energy-consuming devices, reducing exhaust emissions and disposing of waste properly. At the same time, we organized publicity campaigns, such as garbage sorting and electricity saving, to promote healthy and environmental-friendly lifestyles among employees and residents. We were also highly concerned about climate change and the management of climate-related risks. We made constant efforts to improve our contingency plans for extreme weather events and enhance our capability to address such events, thereby supporting the national goals of “carbon peaking and carbon neutrality”.

PREFACE

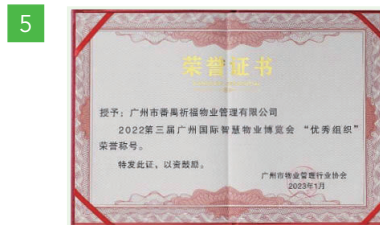
STAYING COMMITTED TO PUBLIC WELFARE FOR A HARMONIOUS SOCIETY

In addition to pursuing economic benefits, we also proactively engage in public welfare undertakings relying on our own resources, contributing to the development of a harmonious society. This year, we continued our efforts in community building and charitable donations to bring our warmth and care to the public. In terms of community building, we organized various activities for owners to create a harmonious community. These activities included free clinical programs, the community service day, cultural and sporting events and festival celebrations. We also continued the Group's tradition of making charitable donations by donating books and clothes to children in mountain areas, thus actively giving back to society.

ANNUAL AWARDS AND RECOGNITIONS

This year, the Group received a number of industry awards for its outstanding performance in product responsibility, employment management and environmental protection, including the "Caring Company Award", "Good MPF Employer Award" and "2023 Quality Property Management Award of Quality Chinese Real Estate Enterprises".

No.	Unit	Award/Recognition	Awarding Organization
1		Caring Company Award	Hong Kong Council of Social Service
2		Good MPF Employer	Mandatory Provident Fund Schemes Authority
3	Clifford Modern Living	2023 Quality Property Management Award of Quality Chinese Real Estate Enterprises	Organizing Committee of Quality Chinese Real Estate Enterprises and Quality Property Management Awards
4		2022 Excellent Vice President Unit (Awarded in 2023)	Guangzhou Property Management Association
5		"Excellent Organization" of the 2022 Guangzhou Smart Property Management Expo (Awarded in 2023)	Guangzhou Property Management Association
6	Panyu Property Management Company	2022 Trustworthy Property Services Enterprise in Panyu District (Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Panyu District of Guangzhou Municipality; Guangzhou Panyu Property Management Institute



ANNUAL AWARDS AND RECOGNITIONS

No.	Unit	Award/Recognition	Awarding Organization
7		2022 Excellent Member Unit (Awarded in 2023)	Guangzhou Panyu Property Management Institute
8		2022 Five Star Community in Guangzhou Panyu District (Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Panyu District of Guangzhou Municipality; Guangzhou Public Security Bureau (Panyu Branch); Guangzhou Panyu Property Management Institute
9	Panyu Property Management Company	2022-2023 Excellent Enterprise of Guangdong Property Management Industry	Guangdong Property Management Industry Institute
10		2023 Guangdong-Hong Kong-Macao Greater Bay Area Property Service Brand Enterprise	Guangdong Property Management Industry Institute
11		2023 Guangdong Province Property Service Comprehensive Development Strength Enterprise	Guangdong Property Management Industry Institute
12		2023 "Member with Annual Contribution"	Guangzhou Property Management Association



No.	Unit	Award/Recognition	Awarding Organization
13		2022 Five Star Community in Guangzhou Panyu District (Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Panyu District of Guangzhou Municipality; Guangzhou Public Security Bureau (Panyu Branch); Guangzhou Panyu Property Management Institute
14	Foshan Property Management Company	2022 Trustworthy Property Services Enterprise in Panyu District (Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Panyu District of Guangzhou Municipality; Guangzhou Panyu Property Management Institute
15		2022 Excellent Member Unit (Awarded in 2023)	Guangzhou Panyu Property Management Institute
16		2022 Excellent Property Services Enterprise in Huadu District (Huashan Property Management) (Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Huadu District of Guangzhou Municipality; Guangzhou Huadu Property Management Association



ANNUAL AWARDS AND RECOGNITIONS

No.	Unit	Award/Recognition	Awarding Organization
17	Foshan Property Management Company	2022 Excellent Property Services Enterprise in Huadu District (Xinhua Property Management)(Awarded in 2023)	Housing & Urban-Rural Construction Bureau of Huadu District of Guangzhou Municipality; Guangzhou Huadu Property Management Association
18		The 3rd Vice President of the Council	
19	Welcome Employment Company	2022 Excellent Member Unit (Awarded in 2023)	Guangzhou Family Service Association
20		5A Enterprise for Home Services	Guangzhou Home Service Comprehensive Platform
21		Excellent enterprise of the "Assured Service Certificates" Project in 2022 (Awarded in 2023)	Guangzhou Home Service Comprehensive Platform
22		2023 "Outstanding Contribution Award" for Labor Service Cooperation between East and West China	Guangzhou Family Service Federation

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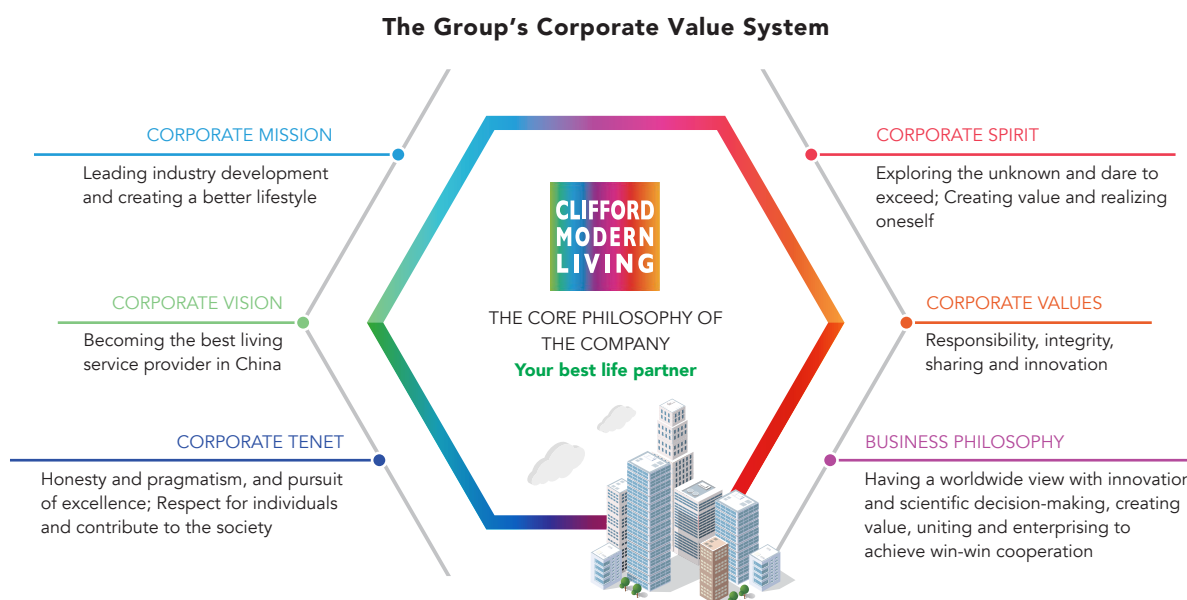
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1 SUSTAINABILITY MANAGEMENT

Upholding the corporate mission of “leading industry development and creating a better lifestyle”, the Group has established an effective and scientific ESG governance structure and social responsibility system. We maintain high ethical standards in daily management, and seek to operate in a way that is consistent with environmental and social benefits. By doing this, we commit ourselves to creating an influential and sustainable brand of responsibility.

Under the core philosophy of being “your best life partner”, the Group has developed a comprehensive corporate value system. Focusing on the general pursuit for a better life, we optimize resource allocation and business layout to expand our scope of service. In addition, we persistently provide inclusive and butler-type living services for customers to progressively realize our corporate vision of “becoming the best living service provider in China”.



1 SUSTAINABILITY MANAGEMENT

1.1 BOARD STATEMENT

Having incorporated the concept of sustainability into its daily operations and decision-making, the Group has established a sound and effective ESG management system, and made constant efforts to refine the multi-level ESG management structure to push the Board of Directors to play a leading role in ESG affairs. The Board of the Group takes part in managing and monitoring the potential social and environmental impacts of businesses and daily operations, developing ESG management policies, strategies and objectives, evaluating ESG-related risks, opportunities and material issues, regularly reviewing the implementation progress towards ESG objectives, and assessing the relevance of ESG objectives to the Group’s business, so as to continuously promote the long-term steady development of the Company.

1.2 ESG STRATEGY

As a company’s sustainability management is dependent on its ESG strategy, the Group has created a unique “Four-in-One” social responsibility system that incorporates environmental, social and governance considerations into every facet of daily management. With the aid of this system, we could direct the Group to constantly improve its services, build a better life for our residents and boost their qualities, and contribute to the public well-being, thus firmly advancing on the path to sustainability.

“Four-in-One” Social Responsibility System



1.3 ESG GOVERNANCE SYSTEM

The Group attaches great importance to ESG management and has established a three-tier ESG governance structure consisting of the Board of Directors, ESG Committee and ESG Execution Management based on the development and ESG management needs, to clarify the responsibilities and obligations at each level.

ESG Governance Structure

ESG Working Level	Personnel Composition	Main Responsibilities
Highest Governance Body	Board of Directors	<ul style="list-style-type: none"> ➤ Assume full responsibility for the group's ESG management policies, strategies and reporting; ➤ Responsible for formulating ESG management policies, strategies and objectives, evaluate the risks, opportunities and material issues associated with ESG; ➤ Ensure an appropriate and effective ESG management and internal monitoring system is in place; ➤ Receive reports from ESG committee on major ESG issues and review ESG performance and accomplishments of the goals; and ➤ Approve and sign off on the annual ESG report.
ESG Committee	Coordinated by the CEO	<ul style="list-style-type: none"> ➤ Develop and review the responsibilities, visions, strategies, structures, principles and policies regarding ESG issues of the Group;
	Composed of relevant senior management	<ul style="list-style-type: none"> ➤ Monitor the communication channels and methods between the Group and its stakeholders; ➤ Analyze the major trends and identify related risks and opportunities regarding ESG, and assess the adequacy and effectiveness of ESG structure and business model of the Group; ➤ Monitor the ESG performance of the Group; ➤ Supervise the expenditure on corporate social responsibility of the Group; and ➤ Review the annual ESG report of the Group, and submit it for the approval of Board of Directors.
ESG Execution Management	Composed of principal responsible persons and execution staff of each functional department and affiliated companies	<ul style="list-style-type: none"> ➤ Implement the resolutions of the Board of Directors and the ESG Committee; ➤ Implement daily ESG management and report regularly to the ESG Committee on the work progress; and ➤ Collect ESG-related information and data, and assist in the preparation of annual ESG report.

1 SUSTAINABILITY MANAGEMENT

1.4 ESG RISK MANAGEMENT

Clifford Modern Living attaches great importance to the impact that ESG risks may have on the Group, and is proactive in identifying, assessing and responding to ESG risks. The Board of Directors is responsible for identifying potential ESG risks and opportunities, and makes timely recommendations to enhance ESG performance. To mitigate ESG risks and guide the direction of ESG management, the Group conducts materiality assessments on ESG issues and relevant analysis via expert assessments and board discussions. The Board is very concerned about the potential significant impacts of various ESG issues on the Group. Therefore, the Board reviews and updates ESG database every year, and approves and confirms the analysis results of this year's material issues.

In addition, the Group carries out regular risk assessments to ensure the adequacy and effectiveness of risk management (including ESG risk management) and internal control, and to provide solid grounds for the Group's development and the long-term benefits of our stakeholders. Further information about the Group's risk management and internal control can be found in the Corporate Governance Report section of this annual report.

1.5 CULTIVATION A CULTURE OF HONESTY AND INTEGRITY

The Group prohibits all forms of corruption and fraud, and resolutely eliminates all kinds of bribery, extortion, fraud, money laundering and unfair competition. The Group strictly complies with the Anti-money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery and other relevant laws and regulations, and makes continuous efforts to improve the anti-corruption supervision and management system. Specifically, we facilitate internal reporting channels and conduct anti-corruption education to create a positive atmosphere of honesty, self-discipline and integrity.



During the Reporting Period, there were no corruption cases filed and concluded against the Group and our employees.

1.5.1 Anti-corruption Mechanism

The Group resolutely puts an end to any form of corruption and fraud. To minimize fraudulent behavior, the Group requires all subsidiaries to sign the Integrity Statement with all partners and suppliers. In addition, the Board of Directors requires all subsidiaries to set up integrity clauses when signing contracts with external parties to prevent fraud and ensure the integrity of departments during the performance of contracts.

1.5.2 Reporting Mechanism and Processing Procedures

The Group sets up a variety of internal reporting channels, including on-site reporting, telephone reporting, email reporting, WeChat reporting, and website reporting. We also place complaint mailboxes at canteens, office spaces, bus stops, hotel lobbies, major project sites and other places of subsidiaries, to encourage employees and the public to report any disciplinary violations and illegal acts. All of these efforts aim to create a powerful synergy for a comprehensive, regular and long-lasting supervisory framework.

For any reports received, the Group has formulated the following procedures:

- The Group will first sort out the information and initiate the procedures of initial review, retrieval, and approval once the reporting is received.
- Once the reported information is reviewed and the case is confirmed as improper, it will undergo formal investigation, following which an investigation report will be submitted to the Board and relevant departments.
- A case file management system will be established, and cases will be filed in detail following the principle of "one case, one file". We will then draw on past experiences to strengthen honesty and self-discipline management to avert future problems.

The Group is committed to achieving and maintaining the highest standards of confidentiality. We place great importance on managing privacy protection for whistle-blowers and strengthens the confidentiality mechanism. In addition, the Group has formulated and strictly implemented whistle-blower protection initiatives to prevent retaliation against whistle-blowers and to effectively protect their rights. Personnel involved in the case investigation is not allowed to disclose any case information without proper authorization, and investigators should withdraw if the case is related to their own interests or those of their close relatives.

"Principle of Confidentiality" in Whistle-blower Protection

- It is strictly prohibited to disclose the name, department, address or other information of the whistle-blower;
 - It is not allowed to present materials involving the personal information of whistle-blowers, such as whistle-blower letters, to the department or person under investigation; and
 - In the publication of reports and rewards to those who have successfully reported a case, unless with the consent from the whistle-blower, the whistle-blower's name and department shall not be disclosed explicitly or implicitly.
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1.5.3 Integrity Promotion and Education

Employees' behaviors in their daily work are subject to the Employee Handbook, where the scope and ways of reporting anti-corruption incidents, the obligations of employees to cooperate, and the corresponding rewards and penalties are clearly stipulated to deepen employees' awareness of anti-corruption.

To strengthen anti-corruption publicity and promote integrity, the Group has put up anti-corruption posters at important places and opened a "discipline inspection column" on the internal OA (Office Automation) website. This serves as a platform to report violations of laws and regulations within the Group, demonstrating our commitment to zero-tolerance against disciplinary violations and corruption.

To implement the concept of integrity and compliance, the Group actively organizes specialized integrity training for employees at different levels and positions and all Board members. Diversified approaches are adopted, such as employee training and self-study, to publicize the latest legal norms and internal standards of conduct relating to anti-corruption, thus fostering a strong sense of integrity and honesty among all employees.

Case **Online integrity training for new employees focusing on "strictly abiding by the professional ethics and integrity practices"**

This year, the Group recorded video courseware for integrity training and provided online and offline integrity training for new employees. The training, lecturing on "strictly abiding by the professional ethics and integrity practices", shared the requirements of integrity laws and regulations and real corruption cases. Besides, it introduced responsibilities of the Discipline Inspection Department and the contact information and channels for receiving reports and complaints. The aim was to help employees enhance their work attitude of "self-discipline, self-respect and self-awareness" and the practice awareness of "righteousness, honesty, and integrity".





Integrity training for new employees

2 STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF ESG ISSUES


The Group places a high value on communication and exchange with stakeholders and has created multi-level and highly flexible communication channels to listen to their demands and timely respond to their expectations. We have also concluded an ESG materiality matrix and a list of issues to serve as important references for the Group's future sustainability management.

2.1 STAKEHOLDER ENGAGEMENT MECHANISM


The Group recognizes that the support from stakeholders is the cornerstone for the Group's steady development and their opinions can help identify potential risks and opportunities facing the business. Therefore, we have set up a variety of communication channels, including reporting, opinion survey and platform building, to ensure a thorough and effective understanding of the needs of stakeholders and actively respond to them with practical actions.

Stakeholders	Major Communication Channels	Main Demands	Communication and Response
 Customers/ Owners	<ul style="list-style-type: none"> Property service center Customer service Official website Customer satisfaction survey Official WeChat Customer interview Regular patrol 	<ul style="list-style-type: none"> High-quality products and services Customer information protection Business integrity Compliance operations 	<ul style="list-style-type: none"> Improve product and service quality Apply information technology Optimize internal control and risk management Improve customer communication mechanism
 Employees	<ul style="list-style-type: none"> Intranet Employee meeting Employee email Employee interview Employee activity and training Online survey 	<ul style="list-style-type: none"> Legitimate rights Clear career pathway Salary and benefits Healthy and safe working environment 	<ul style="list-style-type: none"> Establish barrier-free communication channels for employees Improve career promotion mechanism Provide competitive salary Strengthen safety management system

2 STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF ESG ISSUES

Stakeholders	Major Communication Channels	Main Demands	Communication and Response
 Governments and regulators	<ul style="list-style-type: none"> Regular visit Policy communication Hosting of or attendance at meetings Public event Tax information submission 	<ul style="list-style-type: none"> Response to national policies Compliance with laws and regulations Lawful operations and tax payments Employment promotion 	<ul style="list-style-type: none"> Adjust development strategy Receive investigation and supervision Strengthen anti-corruption and integrity practices Actively participate in regional development
 Investors/ Shareholders	<ul style="list-style-type: none"> Shareholder meetings Financial report Official website Public reporting 	<ul style="list-style-type: none"> Financial performance Sustainable profitability of the Group Protection of rights and interests Transparency of the Group 	<ul style="list-style-type: none"> Improve profitability Enhance corporate value Convene shareholders meetings Disclose daily information
 Suppliers and partners	<ul style="list-style-type: none"> Direct communication and interview Online survey Supplier meeting Annual review and evaluation Bidding activity 	<ul style="list-style-type: none"> Win-win cooperation Openness and fairness Achievement of common growth 	<ul style="list-style-type: none"> Optimize project management Improve supplier selection mechanism Build a supplier communication platform
 Community	<ul style="list-style-type: none"> Activity cooperation Interviews and surveys Public reporting 	<ul style="list-style-type: none"> Community environment protection Engagement in social welfare Creation of a harmonious community Promotion of community development 	<ul style="list-style-type: none"> Fully practice green operations Carry out public welfare projects Actively participate in community building Provide high-quality cultural resources

2 STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF ESG ISSUES

Stakeholders	Major Communication Channels	Main Demands	Communication and Response
 Industry associations	<ul style="list-style-type: none"> Regular visit Activity cooperation Hosting of or attendance at meetings 	<ul style="list-style-type: none"> Promotion of industrial development Fair competition 	<ul style="list-style-type: none"> Exchange industry experience Participate in industry events

2.2 MATERIALITY ASSESSMENT OF ESG ISSUES

The Group actively undertakes materiality assessment of ESG issues to get a timely and thorough understanding of the significance of each material ESG issue to the Group's businesses, associated risks and opportunities, and the concerns of stakeholders. Based on the assessment results, we take proactive steps to support ongoing improvement in the Group's ESG disclosure and the management of related issues.

Process of materiality assessment of ESG issues for the year:

STEP 1

Identification

- A list of 2023 material issues was updated with reference to the requirements of the ESG Guide issued by HKEX, relevant policies, industry trends, the Group's development strategy as well as ESG management-related issues from the previous year.

STEP 2

Stakeholder Communication

- We communicated with stakeholders through various channels such as interviews and industry research to learn about the expectations and requirements of stakeholders on the Group's ESG performance in 2023.

STEP 3

Assessment

- Based on the communication results with our stakeholders, we assessed the material issues in two dimensions, namely "Materiality to the Group's business development" and "Materiality to stakeholders". The results are shown in the materiality matrix and the list.

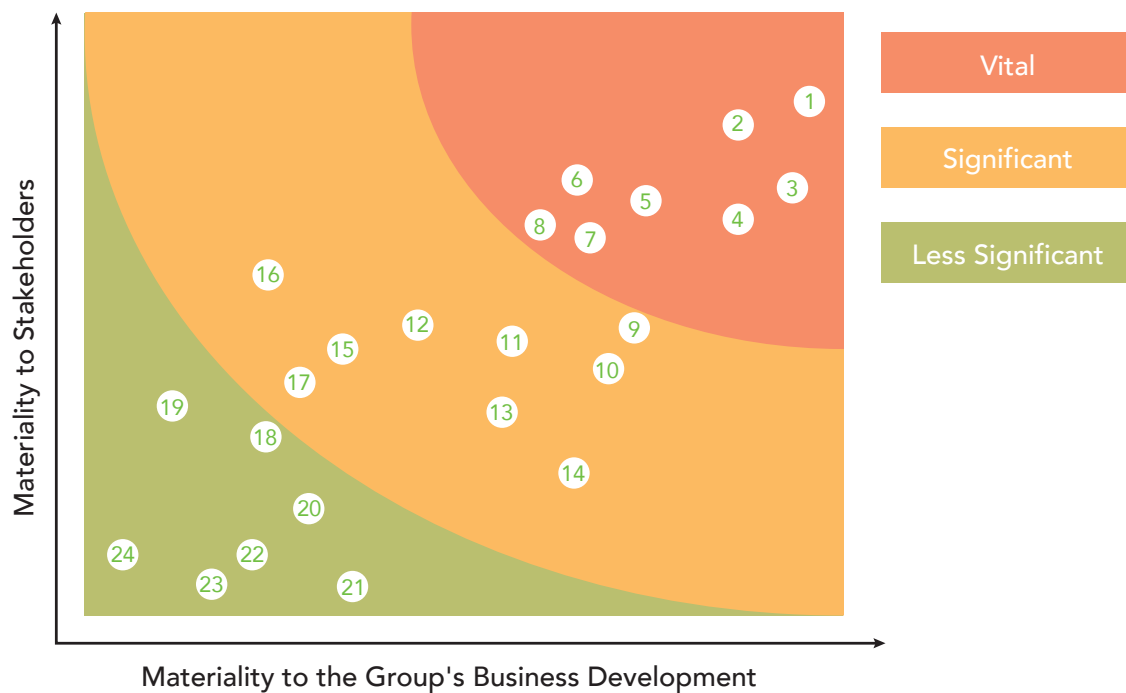
STEP 4

Response

- The Group's management discussed the materiality matrix and analysis results in the 2023 annual report and determined key ESG areas to improve with reference to stakeholder opinions and materiality assessment results.

2 STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF ESG ISSUES

Materiality matrix and list of material ESG issues for the year



Vital	Significant	Less Significant
1 Service and product quality	9 Sustainability management of supply	18 Community development
2 Customer health and safety	10 Enhancement of corporate internal governance	19 Sewage and waste disposal
3 Customer satisfaction and complaint handling	11 Green operations	20 Participation in social welfare activities
4 Compliance operation and anti-corruption	12 Promotion of smart services	21 Maintenance and protection of intellectual property rights
5 Customer privacy and information security	13 Energy management	22 Conservation of water resources
6 Employee health and safety	14 Awareness of addressing climate change	23 Responsible marketing and promotion
7 Food safety	15 Employee training and promotion	24 Exhaust gas and greenhouse gas emissions
8 Employee salary and benefits	16 Diversified recruitment and team building	
	17 Labor rights protection	

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Adhering to the core philosophy of being “your best living partner”, the Group treats the customers with sincerity and satisfies their needs with action. This year, the Group constantly improved various service quality systems, and focused on customer care. The Group also consistently promoted the transformation to smart and digital services, and facilitated service upgrades using technologies, so as to provide customers with a more efficient and more convenient experience. Meanwhile, the Group has always been customer-centered. The Group listens to customers, and gains insights into their real needs. The Group also responds positively to customers’ feedback and suggestions, and endeavors to provide customers with better and more attentive services.

3.1 IMPROVEMENT OF PRODUCT AND SERVICE QUALITY

With the goal of “providing customers with more convenient services and creating a better living environment”, the Group strictly complies with the Urban Real Estate Administration Law of the People’s Republic of China, the Product Quality Law of the People’s Republic of China and the Regulation on Property Management and relevant laws and regulations. We focus on enhancing product quality and service quality, and create a great living scenario with innovative products and excellent services, thereby shaping an ideal new lifestyle.

3.1.1 Quality Assurance of Property Management Services

Guided by the philosophy of “providing customer-oriented services and striving for excellence”, the Group consistently improves property management service mechanism, beautifies community environment and offer more attentive customer care. Our goal is to provide customers with an excellent, comfortable and warm service experience.

Sound service mechanism

- Rigorous quality standards:
 - ✓ Continue to improve the property management service quality mechanism, and establish high-level and practical property management standards by formulating internal management systems such as the Management Policy of Customer Service Department, specifying the working procedures of property business.
 - ✓ Formulate operation guidelines and system documents for the frontline departments such as customer service, security, cleaning, and engineering, and improve the corresponding operation specifications based on the actual situation; and
 - ✓ Establish a Quality Performance Indicators system to assess the service competence and professional proficiency of employees on a monthly basis, provide management tools for managers at all levels to inspect on-site operations, thus promoting the continuous improvement of on-site management quality and service quality.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

This year, Panyu Property Management Company has obtained ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification and ISO 45001 Occupational Health and Safety Management System Certification.



Quality Management System Certification

Environmental Management System Certification

Occupational Health and Safety Management System Certification

- Quality supervision mechanism:
 - ✓ Implement the “weekly improvement” campaign and conduct self-inspection and self-correction, requiring each department to make improvement on a weekly basis; and
 - ✓ Continue to strengthen the inspection and supervision to enhance our service image, and carry out monthly inspection and evaluation at the manager level to maintain the etiquette and image of our employee service, providing a warm service to the owners.
- Professional training program: Carry out training in various professional skills (customer service, security, cleaning, engineering) and general classes (etiquette, code of conduct, communication, complaint handling skills). In doing so, we have improved the overall quality of frontline employees, standardized the internal service standards, and enhanced the service quality.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Community environment beautifying

The Group strives to create a clean and tidy, green and livable community environment. We take measures such as optimizing cleaning services, strengthening environmental inspections and renewing green vegetation to continuously improve the community's environmental quality and landscaping effect.

- ✓ Renew the cleaning equipment and regularly evaluate and optimize the cleaning process. More reasonable shift arrangements and more scientific cleaning sequences are adopted to ensure more efficient and safer cleaning services, thus improving cleaning efficiency and customer satisfaction;
- ✓ Carry out employee self-inspections, cleaning foreman inspections and director random inspections to ensure a clean and tidy community environment; and
- ✓ Replace the worn-out, unkempt, undergrown and vacant greenery with suitable plant varieties, with appropriate colors and layering added to enrich the landscaping.

This year, Panyu Property Management Company obtained Class A Pest Control Enterprise Service Capability Assessment Certificate and Class I Sanitation and Cleaning Service Enterprise Capability Certificate.



Class A Pest Control Enterprise Service Capability Assessment Certificate



Class I Sanitation and Cleaning Service Enterprise Capability Certificate

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Attentive customer care

The Group is fully aware of the importance of customer care in property quality assurance. We are committed to providing diversified and considerate services to owners, such as providing umbrellas, wet tissues, charging cables, hair ties and other daily necessities in lobbies to enrich the living quality. In our daily operations, we attach great importance to communication and exchange with owners. Through routine home visits and other means, we gain an in-depth understanding of our customers' needs to ensure that the services we provide accurately meet their expectations.

In addition, the Group focuses on the needs of the elderly, and actively provides them with various assistance such as home visits, voluntary care, home return escorts, free medical and barber services, and maintenance of small household appliances. We strive to create a warm community environment with strong humanistic sentiments, enabling every owner to feel the warmth and care of home.

Caring for the elderly



Home visits



Free medical and barber services



3.1.2 Quality Assurance of Retail Services

While strictly complying with applicable laws and regulations such as the Work Safety Law of the People's Republic of China, the retail services of the Group has formulated and implemented internal management systems such as the Management Policy of Commodity Access and the Operation Manual of Clifford Supermarket, which clearly define the requirements on commodity supply chain management, commodity quality, service modes, and returns and exchanges, striving to provide customers with high-quality shopping experience.

Commodity supply chain management

The retail services of the Group has formed a dedicated team in charge of commodity supply chain management, and impose strict quality requirements on supplier access, commodity acceptance, supplier evaluation and appraisal, etc. striving to provide our customers with high quality healthy and safe retail goods.

In addition, the Group has developed a source traceability system for fresh food by introducing "Lengkutong" app (the quality and safety traceability system for refrigerated and frozen food) to systematically manage and register the origin of goods, supplier information, and stock-in and stock-out records. We also carry out ledger management, inventory card management, and stock-out information management after the stock-in, to realize the closed-loop traceability of goods, so that customers would have more trust in goods quality.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Quality guarantee of the commodities on sale

To guarantee the quality of the commodities on sale, the Group has formulated the Management Code for Near-Expired Goods with effective expiration date management mechanism, which requires to remove the near-expired goods, check all commodities every day before the opening time, clean up abnormal goods, such as broken-packaged, deteriorated and near-expired commodities, in order to welcome customers with a fresh, clean and hygienic profile. In addition, the Safety & Quality Department of the Group conducts inspections twice a month on the sanitation and goods quality of the store. Any problems identified need to be rectified within 24 hours to safeguard the goods quality and safety.

Expiration date management mechanism

- All retail stores check the expiration date of the fresh, low-temperature preserved goods and other commodities with short shelf life every day.
- Check the expiration date of goods with long shelf life of more than half a year every month.
- Goods found near the expiration date, spoiled or damaged shall be immediately removed from the shelves.

In addition, strictly abiding by the Law on the Protection of Consumer Rights and Interests and other provisions, the Group has formulated relevant processing procedures for refunds or exchanges. In case of a customer's claim due to quality issues, we will first examine its quality. Once the quality fault is confirmed, we will arrange for replacement or reimbursement and destroy the returned products. During the Reporting Period, we did not recall any products for safety and health reasons.



During the Reporting Period, we did not recall any products for safety and health reasons.

3.1.3 Quality Assurance of Information Technology Services Project

The information technology services of the Group strictly abides by the Product Quality Law of the People's Republic of China, the Regulations on the Quality Management of Construction Projects and other applicable laws and regulations, and have developed a series of internal systems such as the Project Quality Control Mechanism and the Project Management Center Work Specifications, to standardize the management of the entire process from design scheme transfer through equipment purchase, equipment issue/receipt, construction management to after-sales handover. We strictly control the quality of products in all aspects, attempting to provide customers with high-standard and efficient products and services. In addition, the Group has also formulated various project construction specifications, covering burglar alarm systems, building visual intercom systems, access control systems, and IC gates. This aims to provide reasonable and standardized operational guidance for the construction process, so as to ensure a stable and controllable construction quality.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

The Engineering Project Inspection Team of the Group's information technology services is responsible for overseeing the project quality, project progress and equipment procurement through monthly inspection and irregular spot checks, and reporting the inspection results to management. Should any issues occur, employees involved will be punished according to the severity of the case to guarantee project quality. The quality supervision mechanism of the information technology services is as follows:

Pre-construction	→	The inspector shall check the construction site and qualifications & business scope of construction units. Should any non-conformance items identified, the project will not be allowed to be commenced. In addition, the inspector shall review the engineering design to ensure it is reasonable and in compliance with related standards.
Under construction	→	The inspector must check the engineering quality based on the supervision plan, with focuses on concealed works and the consistency with original drawings, and monitor the quality of engineering equipment by checking the equipment certificates, testing reports and material quality.
Post-construction	→	The inspector shall re-check the engineering quality upon acceptance by the owner or the Supervision Unit, and assess the engineering quality to ensure qualified construction project.

3.1.4 Quality Assurance of Catering Services

The catering services of the Group pays close attention to food hygiene and safety. It strictly abides by the *Food Safety Law of the People's Republic of China*, and keeps improving management requirements of food safety by developing and implementing a series of internal management policies, such as Daily Management Policy of Food and Beverage and Operation and Management Manual of Food Safety. Besides, the catering services adopts a quantitative and hierarchical management mechanism on food hygiene and strictly manage raw materials procurement, food processing, environment and equipment, in an effort to provide healthy and safe catering services to customers.

Meanwhile, we require that all employees for catering services are supported by food safety certificates. Canteen employees are required to hold health certificate, food safety worker certificate and food safety training certificate and pass the qualification check, centralized physical examinations and written examinations to ensure food safety. The Group also provides support for its employees to obtain vocational skill level certificates, such as health manager, to improve the professionalism of employees and the standard of catering services.

We have also established a top-down normalized inspection system at all levels, comprising monthly inspection by the Safety & Quality Department, and daily control, weekly inspections and monthly scheduling by the Catering Services Safety Team, to minimize potential risks and ensure food safety. In addition, we actively cooperate for the on-site inspections by government authorities, such as sub-district fire brigade, sub-district catering department and market regulation administration. We also invite parents to visit the canteen and try out the meals, fully accepting the supervision from the government regulators and the society.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE



Catering services inspection mechanism

Case Parents are invited to visit the canteen

In December 2023, the Group organized a visit for parents to the canteen. During the visit, we shared the operation process and kitchen hygiene details in the canteen with parents, and led them to inspect the warehouse, cold storage and ingredients delivered on that day. In addition, the parents were invited to try the food, which aims to show parents the freshness and safety of the food as well as the balanced nutrition.



Kitchen visit and inspection



Meal trial by parents

As of December 31, 2022, the catering services of the Group has obtained multiple ISO certifications such as environmental management, occupational health and safety management, quality management and food safety management.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE



ISO certifications



Environmental Management System Certification



Occupational Health and Safety Management System Certification



Quality Management System Certification



Food Safety Management System Certification



Hazard Analysis and Critical Control Point (HACCP) Certification

3.1.5 Quality Assurance of Employment Placement Services

The employment placement services of the Group has formulated clear employee responsibilities, work specifications and processes. It also conducts regular quality supervision and inspection to examine the professional skills, labor discipline and appearance of employees, thereby continuously urging employees to maintain their service professionalism and service image at work at all times. In addition, the Group has taken the following measures to continuously improve the employees' service capabilities and motivation:

- Formulate an annual training plan to provide staff with various special training on a regular basis, thus enhancing the employees' service quality with professional knowledge and skills;
- Dispatch employees to participate in service skills competitions and organize employees to learn from external excellent experience; and
- Conduct "Service Star" competitions for general employees on a monthly basis to stimulate employees' sense of honor and motivation, and improve their working enthusiasm.



Dispatching employees to participate in the home service competition



Organizing employees to participate in external stewardship training




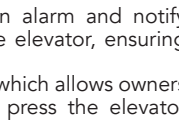


Case First-aid knowledge and skills training for escort employees

In December 2023, the employment placement services of the Group conducted first-aid knowledge and skills training for all employees. This training introduced the theoretical knowledge and practical skill of cardiopulmonary resuscitation (CPR) and the Heimlich Maneuver to the employees to enhance the emergency treatment capability and professional service level of the escort employees.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

3.2 PROMOTION OF SMART SERVICES

Under the background of continuous innovation and development of artificial intelligence (“AI”) and Internet of Things (“IoT”) technologies, the Group firmly believes that the power of science and technology can drive business innovations. Therefore, the Group keeps abreast of the latest technological trends and leverage the latest scientific and technological achievements to enhance our products and services and achieve an efficient and intelligent business process. By doing so, we aim to create greater value for the enterprise and provide better services to customers. This year, we mainly applied the following smart property systems or technologies:

IoT monitoring system	Install the system in the domestic water pump room and fire pump room, enabling sending of real-time alarms to the mobile APP of property management personnel, to shorten the service response time and ensure water supply safety.	
Smart parking lot	Apply automatic license plate recognition technology and unconscious payment to realize unmanned guarding at entrances and exits, visualized smart parking guidance and reverse searching, and visualized smart operation and management. It not only improves the parking experience, but also saves the maintenance and management costs.	
Smart access control	Be equipped with face recognition and visual intercom function, and implement data link with elevator control system. Once the resident opens the door, the elevator will automatically reach the visitor's floor and transport the visitor to the designated floor.	
Online visitor system	Owners can register the visitor's vehicle on the mobile App in advance. Visiting vehicles with the same registration information will be released directly, thus improving the convenience for residents, external visitors and taxi drivers to enter and exit the community.	
Smart fire protection system	The system is equipped with wireless smoke detectors for remote monitoring of fire facilities and automatic fire alarms. Meanwhile, the smart fire platform collects real-time warning and alarm information and then handles the issue at the earliest possible time.	
Smart elevator	Install the elevator AI blocking system which will sound an alarm and notify property security personnel if any electric scooter enters the elevator, ensuring safety in the community. The elevator is equipped with the bluetooth control function, which allows owners to take the elevator via mobile APP, without the need to press the elevator buttons.	
SkyEye video surveillance system	The system is equipped with wireless smoke detectors for remote monitoring of fire facilities and automatic fire alarms. Meanwhile, the smart fire platform collects real-time warning and alarm information and then handles the issue at the earliest possible time.	
Security patrolling system	Set up multiple patrol lines and distribute tasks automatically based on characteristics of the community and actual work of the Security Department. Security personnel on duty can use the mobile APP of the system to take and complete the patrolling task, enhancing safety control in the community by scientific means.	
Robot cleaner	Purchase automatic robot cleaners for floor cleaning and connect the robots to the elevator controllers to automate the movement of cleaners up and down the stairs, saving manpower while improving environmental cleanliness.	

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

We have also launched a mobile home service assistant program to offer one-stop online home services such as babysitting, nannying, elderly care, home tidying/storage, home maintenance, and home appliance repair/cleaning, bringing a convenient experience to owners.

In addition to promotion of smart property management services, our information technology services has also formulated diversified business strategies. These strategies help us expand the scope of smart business, in an effort to provide all-round smart services to customers through technological innovation.



Home service assistant program

- Smart processes: We have built a smart security integrated management platform and a smart building equipment monitoring and management platform. These platforms can help us monitor the high-rise littering, and reduce energy consumption of commercial and residential buildings.
- Smart water services: We integrate video surveillance and face recognition technologies to connect the data in the domestic water pump room to the water company's smart water service platform. In this way, we have achieved 24-hour monitoring of water quality and safety, ensuring operation safety of water facilities and efficiency of water services.
- Smart home services: We apply the "Welcome Life Service" mini program to provide customers with convenient and high-quality home services.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

3.3 PROTECTION OF CUSTOMER RIGHTS AND INTERESTS

The Group always regards the interests of customers as a top priority. Specifically, we strive to protect the health and safety of our customers, maintain harmonious relationships with customers, and implement a responsible marketing policy based on integrity and compliance. Additionally, we make every effort to protect customer information security as well as privacy and other rights.

3.3.1 Customer Health and Safety

Adhering to the policy of “Safety First, Prevention as a Priority, Integrated Management”, the Group strictly follows the relevant laws and regulations such as the *Work Safety Law of the People’s Republic of China*, the *Fire Protection Law of the People’s Republic of China* and the *Regulations of the People’s Republic of China on Property Management*. Besides, we have formulated a sound work safety management system, in which safety goals, work safety responsibilities, safety education and training, safety inspections and other safety requirements are specified, to guard the health and safety of customers.

Work safety management system

The Group has set up a work safety leading group, with a safety office under it. Through regular work safety and fire safety meetings, we analyze, study, and coordinate safety management issues. The Group has also formulated detailed and sound work safety management policies as follows:

Policy	Main contents
<i>Policy on Safety Target Management</i>	Break down work safety targets and indicators and assign them to all departments in the form of letter of safety target responsibility, and assess the implementation results every half year.
<i>Policy on Management of Work Safety Responsibility</i>	Carry out work safety responsibility system in each department with the general manager working as the principal responsible person. Leaders at all levels, employees and functional departments shall all be responsible for the safety within their work scope.
<i>Policy on Management of Safety Education and Training</i>	Specify contents such as onboarding safety education for new employees, safety training for general manager and production vice manager, specialized training for safety personnel, pre-work resumption safety education, job-transfer training and training for special operation workers.
<i>Safety Inspection Policy</i>	Organize two comprehensive safety inspections, two seasonal inspections and at least one professional inspection every year, and conduct daily inspections on work sites.
<i>Emergency Management Policy</i>	Establish an emergency plan system including comprehensive emergency plans, special emergency plans (such as fire-fighting and disaster relief, special operation accident rescue, and flood prevention), on-site disposal plans, and organize an emergency rescue drill every six months.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Policy	Main contents
<i>Policy on Management of Safety Performance Evaluation</i>	Set up a leading group and task force on safety performance evaluation, organize safety standardization performance evaluation at least once a year, and rectify unqualified items in a timely manner.
<i>Policy on Fire Safety Management</i>	Prohibit fireworks and post warning signs across the entire area, install fire-fighting supplies and conduct regular fire-fighting drills. Operators at each position are responsible for monitoring the electrical components of the equipment to prevent fires.
<i>Policy on Management of Work Safety Meeting</i>	Establish a safety work conference system including company-level and department-level safety conferences, departmental pre-work meetings and production site meetings to learn and exchange knowledge on work safety laws & regulations, safety accident cases, and production process operations.

Multi-dimensional safety protection system

Our property management services has established a multi-dimensional safety protection system combining technologies, personnel and equipment to secure the community:

Sentry box management

- Set up security posts in the community;
- Apply a license plate recognition system to identify and manage vehicles in the community;
- Install thorny wire cages on fences around the community and build solid brick walls in partial areas to prevent theft; and
- Arrange guards at sidewalks and motorbike corridors and strictly check identity.

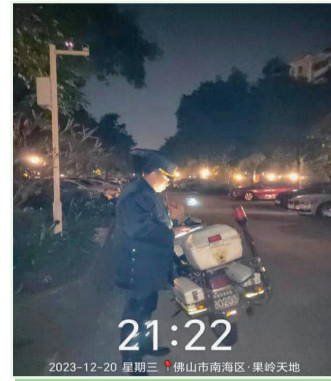


Check identity at the entrance

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Surveillance management

- Expand the patrolling area and increase patrolling frequency, and arm guards with shoulder flashing lights and alarm lights to awe criminals;
- Install surveillance cameras to cover the entire area of underground parking lots, and properly store the surveillance records;
- Turn on the SkyEye video surveillance system round-the-clock;
- Install a patrol system for electronic patrol management; and
- Install a high-rise littering surveillance system that covers balconies and façades of buildings where high-rise littering is likely to occur, and designate special personnel to manage the surveillance system.



Patrolling at night

Facilities management

- Arrange 24-hour safety inspections on various facilities and devices, such as elevator, pump room and electric room; and
- Assign special personnel to check fire control facilities & equipment in the stores and public areas.



Equipment check

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Safety training

- Carry out safety publicity and training for frontline staff, and carry out employee safety examination to consolidate the safety education results.
-

Emergency management

- Develop the Clifford Property Emergency Response Plan to standardize the process of handling incidents such as fire, elevator failures, power/water outage, natural disasters, high-rise littering, and gas leakage; and
 - Establish an emergency response team to maintain linkage with local police station, and collaborate with the police station on activities such as exercises, emergency training and drills to learn from professional security experience.
-

Fire management

- Set up a mini fire station with a professional firefighter serving as the station manager. The station is equipped with professional equipment such as fire-extinguishing water tanker, fire-fighting clothing, pressurized air breathing apparatus, chain saw, fire hose and hydraulic giant, to provide professional protection against emergencies.
- Set up a volunteer fire brigade and train volunteer firefighters to enhance the emergency management awareness and capability of our employees and customers; and
- Organize regular fire safety activities and fire drills to publicize fire safety knowledge to customers and improve our ability to deal with fire incidents.



Mini fire station

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Construction management

- Strictly implement the construction plan as scheduled, divide the work reasonably by sections and groups, and improve the protective and warning facilities to reduce the risks caused by the accidental access of vehicles or pedestrians.
- Strictly implement site supervision and strengthen the hazard inspection of each renovation unit, to ensure that each renovation unit's safety measures are compliant and sufficient to eliminate various safety hazards.



Construction management

Case Fire drill

In May 2023, the Group held a large-scale fire drill in cooperation with Guangzhou Panyu Fire Brigade, Panyu Qiaonan Fire Rescue Station, and the dedicated fire brigade of Clifford Estates. This activity was completed in an orderly manner according to the plan. During the drill, seven large fire engines and aerial ladders were mobilized to demonstrate a simulated rescue and effectively help people evacuate from the building. The drill not only enhanced the fire safety awareness of the employees and owners, but also helped professional fire-fighters gain experience in responding to fire emergencies.



Rescue by firefighters



Rescue with aerial ladder

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

All-round safety patrolling

The Group has set up the Safety & Quality Department, which takes safety as its top priority and conducts monthly inspections on the safety management of each business segment to investigate and eliminate safety hazards. The Safety & Quality Department will distribute the inspection results through the patrolling e-form system, and require relevant departments to conduct in-depth analysis for targeted corrective actions. In addition, to enhance the safety awareness of the employees, the Group has included safety management performance in the evaluation of the heads of all business companies. In this way, they are motivated to strictly implement safety management procedures, so that all safety hazards are controlled, safety issues are resolved, and safety requirements are followed. In addition, employees who violate safety and quality management norms will be punished as appropriate to strengthen their awareness and responsibility relating to safety management.

3.3.2 Customer Relationship Management

The Group maintains customer relationship with care and keeps in touch with customers through various channels. In addition, we have optimized customer complaints handling procedures to provide timely and effective responses, so as to protect customers' rights and interests and enhance their satisfaction.

Diversified communication channels

We conduct customer demand and satisfaction surveys in multiple ways to gain insights into customer demand for products and services. Moreover, we make targeted improvements based on customer feedbacks to ensure better product and service quality. This year, the Group's overall customer satisfaction score was 97.08%.

- **Property management services:** Conduct surveys by means such as owner forums, follow-up phone calls and home visits. The contents cover dimensions such as security and order, public hygiene and environment, community greening, maintenance of public facilities, bus service in the community, customer service center, and overall property management evaluation.
- **Retail services:** Conduct dual-channel surveys through online and offline questionnaires and interviews. The contents cover dimensions such as online and offline purchasing, delivery service, purchasing methods, supermarket product categories, and promotions and special offers.
- **Information technology services:** Collect customer demands through follow-up phone calls. The contents cover dimensions such as service timeliness, after-sales service quality, and the attitude of after-sales service personnel.
- **Catering services:** Conduct surveys of diners in each canteen through irregular on-site visits, WeChat and other means, and set up a suggestion box in the canteen and publish the contact information of the canteen manager to collect customer feedback.
- **Employment placement services:** Conduct monthly customer satisfaction surveys. The contents cover dimensions such as the service personnel's attitude, professional skills, and dressing.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

Response to customer complaints

The Group has formulated and implemented internal policies such as the Policy on Customer Complaint Management and the Customer Complaint Handling Standards. In these policies, the complaint handling process, complaint classification, reward and punishment requirements are clearly specified. We have established various complaint channels, including on-site complaints, letters, fax, emails, supervision and complaints hotlines and WeChat public accounts, the 10000S platform, and suggestion boxes, to receive customer comments and complaints. Once a customer complaint is received, we determine the level and corresponding acceptance process based on the content, channel, type and severity of the complaint to ensure that the customer is reassured in the shortest possible time. Meanwhile, we inform relevant department leader for verification and handling.



2023 customer complaint sharing meeting

- **Property management services:** Investigate the incident within 48 hours, and reply to customers within 72 hours.
- **Retail services:** Handle and follow up the incident within 24 hours to ensure that customer feedbacks are properly handled.
- **Information technology services:** Establish the *Management Policy of After-sales Service Department*, which stipulates that if the complaint is ascertained, the customer service personnel should contact the technician immediately, and the technician must reply to the customer within half an hour. The service frequency and customer satisfaction of customer service personnel are included in the year-end performance and promotion appraisals to improve their service quality.
- **Catering services:** Launch an investigation within 48 hours once any feedbacks or suggestions are received and make a response within 72 hours.
- **Employment placement services:** Try to solve issues as soon as they are received. If any issue is beyond the scope of authority, it should be promptly reported to the leader for timely confirmation of the solution. Then, reply to the customer.

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

In addition, through the customer complaint sharing meeting, the service personnel have learned the requirements for handling customer complaints. During the meeting, typical customer complaint cases were analyzed and complaint handling experiences were summarized. This helps to optimize the service personnel's working skills so that they can respond with better attitude and solutions.

3.3.3 Responsible Marketing

With commitment to promotion integrity and marketing compliance, the Group strictly evaluates and controls the legality, authenticity and rationality of information and materials used for advertising, promoting and marketing in accordance with the Advertising Law of the People's Republic of China, and other related laws and regulations and codes of practice. Information and materials are allowed to be released to the public only when they are approved. We strictly prohibit releasing deceptive, misleading, or unclear marketing information and materials, and advocate the integrity principle in conveying information about the value of products and services. Meanwhile, the Group also attaches importance to the management of third party marketing compliance. We require third parties to submit all promotional materials to us for review and approval, ensuring compliance with the Group's compliance requirements and the authenticity of the output information.

In addition, the Group has developed and implemented the Group Image System Manual, to standardize the use of Clifford VI system and set up standardized formal language and systematic visual symbols, as well as basic visual elements of the brand in different application scenarios. Also, it requires all business segments to use standardized fonts, colors and other brand elements in line with the VI system guidelines, to reduce the risk of improper use of marketing materials.

3.3.4 Customer Information and Privacy Protection

Pursuant to the relevant provisions in the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests* and the *Cybersecurity Law of the People’s Republic of China* and other related laws & regulations, the Group has established and implemented internal policies such as the *Confidentiality Policy on Owners’ Information* and the *Response Plan for Owner Information (Privacy) Leakage*. These well-established management standards guide us in taking diverse measures to protect customer information and privacy. Meanwhile, technically, we rely on the Group’s intranet security platform and adopt various permission control functions and application encryption systems to reduce the leakage risk arising from the network, peripheral devices, document flows and other channels. This helps us achieve the synergistic development of management and technical means to secure customer information.

Measures to protect customer information and privacy



3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

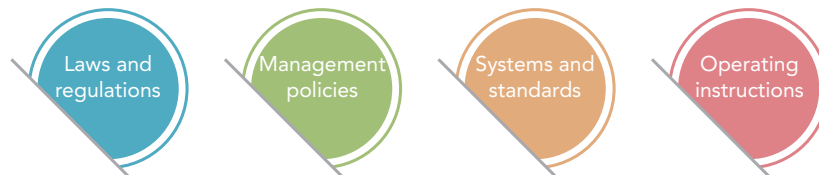
The Group has formulated emergency plans for incidents such as leakage of customers' personal data. Upon receiving a complaint, the customer service department should immediately organize an internal investigation team for the case. The team conducts investigation by means such as viewing the surveillance video of the archive room and checking the operation of the employees' computer systems. If employees are found to have leaked confidential information of the Group, they will be punished as appropriate. For any particularly serious case, it will be referred to the judicial authorities.

In addition, the Group pays attention to the publicity and education of customer information and privacy protection. We emphasize the importance of information protection in daily training, require employees to abide by code of ethics, raise their legal awareness, and resolutely resist the leakage or sale of customer materials.

3.4 INTELLECTUAL PROPERTY PROTECTION

The Group adheres to the intellectual property management policy of "continuous improvement and innovation". In compliance with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other related laws & regulations, we have developed and implemented the *Intellectual Property Management Manual*, the *Reward and Punishment Policy on Intellectual Property*, the *Training Policy on Intellectual Property* and other internal policies. These documents clearly specify intellectual property management structure and responsibilities at all levels. This helps us establish a standardized, effective, and sustainable intellectual property management system to regulate intellectual property matters. Meanwhile, the Group has set up a special intellectual property management fund to encourage employees to create, protect and appropriately use intellectual property. For employees who have made outstanding contributions relating to intellectual property, the Group provides appropriate material rewards and spiritual honors to inspire them to achieve more innovations and protect intellectual property. For employees who violate intellectual property rules, we impose appropriate penalties, which in turn promotes them to enhance awareness and standardize their behaviors.

The Group has also developed an intellectual property rights training plan. We organize intellectual property rights training for all employees based on business and job requirements, aiming to enhance their intellectual property protection awareness and skills. Meanwhile, we conduct professional assessments to reduce intellectual property risks caused by lack of relevant knowledge.



Intellectual property training contents (partial)

3 CUSTOMER-ORIENTED PHILOSOPHY FOR QUALITY SERVICE

- Intellectual property training at company level: The training is undertaken by the HR Department and supported by the Intellectual Property Department. The training covers intellectual property related laws and regulations, systems and standards, basic knowledge, and company rules, policies, and processes.
- Intellectual property training at department level: The training is undertaken by department heads and part-time intellectual property officers. The training covers intellectual property related processes and operating instructions of the department.
- Daily training: The HR Department is responsible for making annual intellectual property training plans, determining the training contents and supervising the implementation of the plans. Each unit shall make and implement its own annual intellectual property training plans to shoulder responsibilities with practical actions. The Intellectual Property Department and the HR Department can make full use of exhibitions, posters and intellectual property columns to spread intellectual property knowledge among all employees.



Intellectual property management system certification



During the Reporting Period, the Group passed the intellectual property management system certification and was granted 7 utility model patents.

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

The Group adheres to the people-oriented concept and believes that talents are the cornerstone for the sustainable development of enterprises. The Group attaches importance to compliant employment and actively optimizes the talent development and promotion mechanism to create a workspace with equity and diversity. We also focus on the health and safety of employees, strengthen the care for them, pay attention to their needs and voices, and endeavor to promote the common development of employees and the Group.

4.1 COMPLIANT EMPLOYMENT AND INTERESTS AND RIGHTS PROTECTION

The Group attaches great importance to employment compliance. Pursuant to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws & regulations, the Group has formulated and implemented a series of internal policies, including the Operations Code of Human Resources and Administration Department and the Recruitment Rules, which enhances employment management. These internal policies set out specific recruitment requirements, processes and norms, so as to fully protect the legitimate rights and interests of employees.

4.1.1 Compliant Employment

The Group focuses on employment compliance and strictly abides by laws & regulations such as the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Using Child Labor* and the *International Labor Convention*, formulates and implements internal management policies such as the *Employee Handbook*. The handbook sets out requirements on the contract management, working hours and vacations of employees, to protect the human rights and other legitimate rights and interests of employees. The Group prohibits the use of child labor. We verify the valid identification of each applicant throughout the recruitment, employment review and onboarding process, to ensure that no child labor is employed. Meanwhile, the Group strictly prohibits forced labor. Every employee is entitled to day off in accordance with local laws and regulations and the Group's policies. We never force employees to work overtime. Employees who need to work overtime are given appropriate time off or compensation, to protect their due rights and interests. In case of any child labor or forced labor, the Group will investigate in time, make rectification, and hold the derelict personnel accountable.



During the Reporting Period, there were no forced labor or child labor events within the Group.

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

4.1.2 Recruitment Management

Adhering to the principle of “non-bias, fairness, and openness”, the Group carries out targeted recruitments based on the business needs of each department to attract talents. In addition, the group cares about the career development of young talents. By providing internship opportunities for students in colleges and universities, we endeavor to build a learning and communication platform for them.

Case Realizing Dreams in Greater Bay Area for A Promising Future – The 6th Beijing, Guangzhou, Hong Kong and Taiwan Student Internship Exchange Program

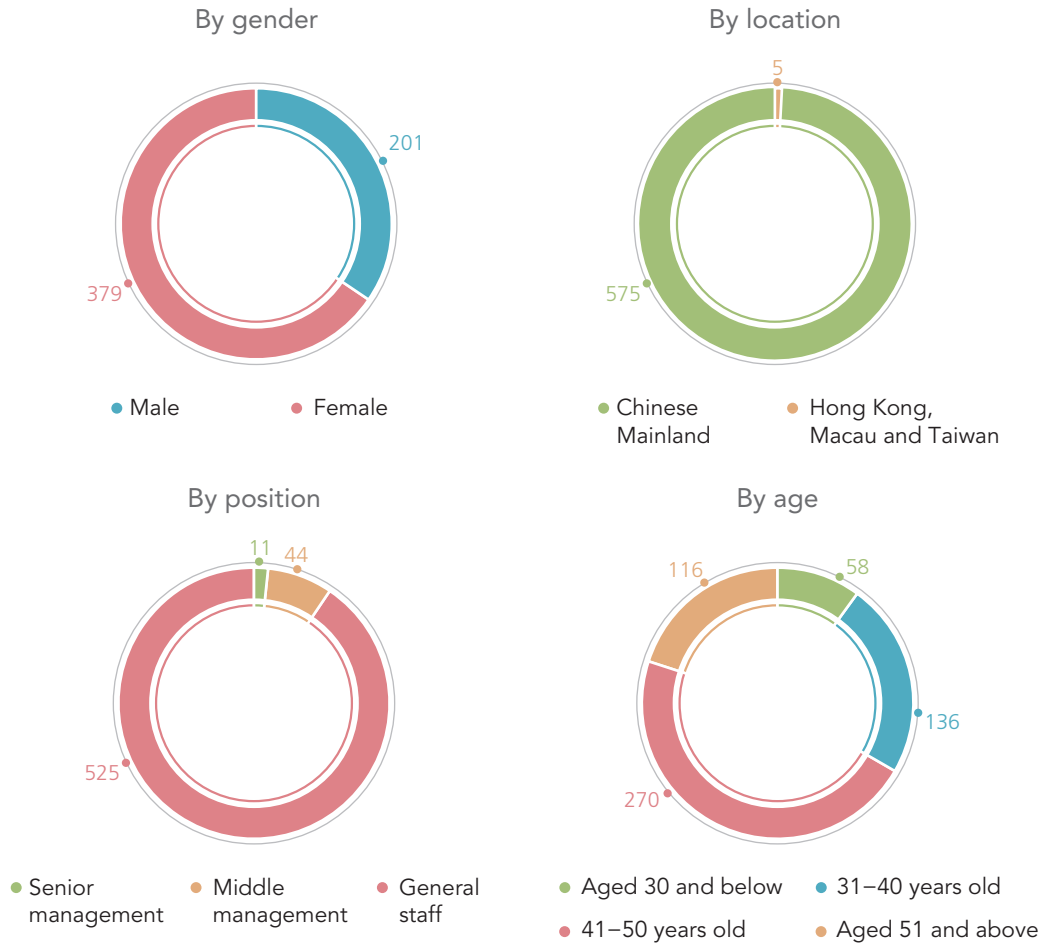
In July 2023, the Group launched The 6th Beijing, Guangzhou, Hong Kong and Taiwan Student Internship Exchange Program. In this activity, various business segments under the Group offered internship positions to students from Beijing, Guangzhou, Hong Kong and Taiwan. Our representatives actively guided them to learn about workplace experience via participating in well-organized activities such as lectures, visits, and sharing. In this way, we aim to enhance interaction and mutual understanding among them, and help them gain an in-depth understanding of the Greater Bay Area and devote themselves to the development of the country.



Internship institution of The 6th Beijing, Guangzhou, Hong Kong and Taiwan Student Internship Exchange Program

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

As of December 31, 2023, the Group had 580 employees in total, and the employee structure by gender, position, age, location is as follows:



4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

4.1.3 Equal Opportunities, Diversity and Anti-discrimination

Adhering to the principle of equal employment, the Group is committed to building a diversified and inclusive corporate culture. In the recruitment process, except for setting clear educational requirements, the Group allows no discrimination against the candidates' skin color, nationality, gender, age, ethnicity, marital status, religious belief, household registration and other factors. This ensures the fairness and objectivity of the recruitment process and selection criteria and also provides an inclusive and equal platform for employees from diverse backgrounds. Meanwhile, the Group provides the disabled and veterans with suitable jobs based on job vacancies, and offers equal benefits and capability-based compensations. As of December 31, 2023, the Group had recruited 27 disabled persons and 125 veterans in total.



During the Reporting Period, the Group did not receive any complaints about infringement of employees' rights and interests.

4.1.4 Salary and Benefits

In terms of salary and benefits, the Group sets employees' salaries and bonuses based on factors such as market level, position value, employees' capability and work performance, striving to provide employees with fair, scientific, reasonable and competitive salary. Moreover, the Group has developed internal incentive policies such as the Incentive Plan for Management Efficiency in All Business Segments of Clifford Modern Living and the Profit Sharing Plan for New Business Development of Clifford Modern Living, and provides rewards and recognition to employees based on their performance to retain talent.

The Group also provides a sound welfare system for all employees. In addition to the basic statutory benefits including pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, housing provident fund, statutory holidays and paid annual leave, the Group also provides internal benefits such as internal commuting, employee physical examination, group health insurance, year-end double salary, cancer fund, hospitalization solatium, grants for employees' children in difficulty, pandemic supplies, birthday benefits, holiday benefits, meal allowance and workday snacks. And we actively organize festival celebrations to enhance employees' sense of belonging.

4.2 EMPLOYEE TRAINING AND DEVELOPMENT

The Group attaches great importance to building a tiered talent pool, and consistently establishes comprehensive employee training and career promotion mechanisms based on the Group’s development plan and employees’ personal preference, so as to explore the potential of talents and contribute to the rapid growth of the corporate and its employees.



During the Reporting Period, the Group carried out 340 training sessions in total, with average 13.32 training hours completed per employee.

4.2.1 Training System

The Group has formulated and implemented the Training Management System, which clearly defines training structure, types, divisions and responsibilities. This is to help employees quickly adapt to the job requirements and put their knowledge and abilities into use. The Group has established a comprehensive training network led by the general manager, and executed by the HR Department and all business departments at different levels, forming a multi-level and multi-dimensional training system covering all levels and positions of the Group to help promote professional skills and comprehensive quality of employees. The Group’s training system mainly includes:

Training	Participant	Contents and objectives
Onboarding training	All employees	The training is designed to help new comers quickly get familiar with their jobs and integrate into our corporate culture, covering the Group’s policies, professional ethics, professional norms, occupational safety, service etiquette, discipline, integrity training, operating instructions for office equipment and facilities.
Business professional knowledge training	Professional technical employees	The training covers various professional skills to help employees improve their business level and quality. Moreover, we have set up online on-the-job training to broaden employees’ career development path.
Vocational qualification certificate training	Employees needing qualification certificates	The training is organized by professional institutions or relevant national departments, such as the Food Safety Manager Certificate, Fire Fighting Facilities Operator Certificate (Intermediate) and Property Manager Certificate, to enhance employees’ professionalism and competitiveness and provide strong support to their future career development.
Senior executive training	Senior management	The training includes both online and offline courses. This year, we conducted online training, such as the Horizontal Communication and Cross-Sector Collaboration and Developing Scientific Work Flows, and offline training on the New Trend and Applications of Artificial Intelligence from ChatGPT.

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

Training of soft skills and professional quality	All employees	The training covers work reporting, business document writing and communication skills, and is conducted through mentoring and personal instruction, so that employees can learn and acquire skills in practice and enhance their efficiency and quality.
Corporate system and procedure training	All employees	Through an online office sharing platform, employees can gain access to learning materials related to the Group's policies and management processes to improve their efficiency in daily office work.

Case Special training on service etiquette

Every month, Foshan Property Management Company of the Group conducts special training on service etiquette for cleaning and customer service employees, covering basic service etiquette and professional quality, reception and telephone etiquette, dress code and service etiquette in simulated scenarios. This training combines theories and practices to fully enhance the service consciousness and quality of employees.



Special training on service etiquette

In addition, the Group actively involves employees in external special training such as the training for property management project managers and training on maintenance funds use to fully enhance their professional service capability.

Case Training for property management project managers

In September 2023, project managers of Foshan Property Management Company (Zhao Qing Property Management) participated in the Training Class (Zhaoqing) for Property Management Project Managers hosted by Guangdong Property Management Industry Institute, and undertaken by Zhaoqing Real Estate Industry Association and Shenzhen Shentou Education Property Management Training Center. This systematic training has further enhanced the leadership and property service capability of project managers.



Training for property management project managers

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

4.2.2 Assessment and Promotion

The Group believes that assessment can help employees achieve better performance in ways that lead to a job promotion. This year, the Group further refined the performance assessment system, which evaluates the performance of general employees and managers in a holistic way.

- General employees are assessed periodically according to their performance in technical skills, business competencies and working achievement; and
- Core managers are assessed according to their capabilities in business operation, communication, policy-making, innovation and risk control in addition to the above factors.

After the assessment, the Group will talk with the employees and determine their performance bonus based on the assessment results. For employees who violate relevant work procedures or cause adverse effects, the Group will impose penalties on them according to relevant policies and dismiss those causing serious problems.

In addition, the Group provides employees with the opportunities for internal promotion and job transfer, to unleash their potentials and optimize personnel structure. Latest information on job vacancies is available on the internal office platform. Our employees can make a presentation and participate in an interview to apply for vacant positions. The Group selects candidates based on business demands and their performance. The results will be announced publicly to ensure the openness and transparency of the process.

4.3 EMPLOYEE HEALTH AND SAFETY

The Group always put the health and safety of employees in the first place. In strict compliance with laws & regulations such as the *Fire Protection Law of the People's Republic of China*, the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, and *Regulation on Work-Related Injury Insurance*, the Group has formulated and implemented a series of safety-related policies, including the *Policy on Safety Target Management*, the *Policy on Management of Work Safety Responsibility*, the *Policy on Fire Safety Management* and the *Policy on Work-related Injury Management*, in which contents such as safety targets, distribution of safety responsibility and fire protection management requirements are clearly specified. Moreover, we keep improving the above policies to further ensure systematic and effective safety management, and safeguard the health and safety of employees.

This year, the Group took actions including safety meetings, regular safety drills and training, and mental health lectures, to enhance employees' safety management awareness and build a healthy and safe working environment.



During the Reporting Period, the Group organized a total of 35 safety drills, covering 409 employees.

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

Safety meetings

Hold safety meetings regularly to analyze potential safety issues and discuss the importance of work safety.

Safety drills

Conduct fire drills every year and review the effect of the drills. Problems identified in the drills will be analyzed and revised, and emergency plans will be improved in a timely manner.

Safety training

Organize regular training on the emergency plan, emergency knowledge, first-aid skills and escape skills to improve employees' safety awareness and emergency handling skills.

Mental health lectures

Care for employees' physical and mental health by inviting the sub-district offices to give mental health lectures to employees, build public awareness of mental health, strengthen employees' mental resilience and raise their satisfaction at work.

Case Special training on fire safety

To enhance employees' understanding of fire safety and their first-aid skills in the event of an emergency, in April 2023, the Group conducted a special training on fire safety at Clifford Bayview. This training was designed to ensure that employees can use fire extinguishers correctly and gained a basic understanding of fire safety, thus enhancing their response to fires and other emergencies.



Special training on fire safety

Besides, the Group takes a series of measures to protect employees' health and safety, including but not limited to the following:

- Strictly requiring and supervising each business segment to implement an emergency command system, establishing an emergency rescue team, and strengthening the provision of emergency supplies and emergency protection;
- Providing employees with post-related protective equipment according to their job nature. Supplies are provided and replaced regularly, including protective gloves, non-slip shoes, goggles, insulating gloves and insulating shoes, and safety helmets; and
- Purchasing additional employer liability insurance, health insurance and other commercial insurance for employees, in addition to the statutory work-related injury insurance. We also strengthen the implementation of the work-related injury liability system to actively prevent work-related accidents.

4.4 EMPLOYEE COMMUNICATION AND CARE

The Group establishes effective communication channels, assists employees in need and organizes a variety of care activities so as to further enhance employees' cohesiveness, happiness and sense of belonging, striving to create a respectful, fair, inclusive and warm working environment where we care for and support our employees.

4.4.1 Open Communication

The Group attaches great importance to employees' opinions and suggestions and values their voice. The Group has built a multi-dimensional, two-way, and smooth communication mechanism containing general manager's mailbox and complaint hotlines, to ensure that employees' questions and demands are well received. Meanwhile, the Group regularly organizes employee communication activities. Through "tea parties", "employee seminars" and "newcomer interviews", we timely understand the problems employees face in their work and daily lives, and provide effective feedbacks, to enhance employees' sense of trust and belonging.



Tea parties

4.4.2 Assistance to Employees in Need

The Group is concerned about the well-being of its employees and the health and living conditions of their families. Diversified assistance funds have been established to provide employees with necessary care and support in all aspects. This year, the Group continued to solve employees' problems and deliver warmth to them by providing allowance, pensions, and cancer relief subsidies for employees, and scholarships for their children.

Clifford Employee Cancer Relief Fund



Clifford Employee Cancer Relief Fund established by the Group bears 50% of the medical expenses paid by the employee suffering from cancer. In 2023, the Fund paid RMB 10,781.24 to an unfortunate sick employee for his treatment, greatly reducing the burden on him and his families.

Clifford Scholarship for the Children of Employees in Difficulties



The Group has established the "Scholarship for the Children of Employees in Difficulties" to provide financial assistance to the children of employees who cannot complete their studies due to family financial difficulties, to facilitate their growth and accomplishment. In 2023, the Group provided scholarships totaling RMB 12,000 to the children of 2 employees in accordance with the funding requirements.

4 INCLUSIVE DEVELOPMENT TOGETHER WITH EMPLOYEES

4.4.3 Employee Care Activities

To alleviate work pressure and enrich cultural life, the Group carried out various activities such as outdoor team building, traditional holiday celebrations, birthday parties, and visits to veteran employees, so as to enhance employees' sense of belonging and cultural identity in all aspects and help them maintain a proper balance between work and rest.



**Zongzi Making Competition
at Dragon Boat Festival**



**Employees learn to make lanterns
at the Mid-Autumn Festival**



Employee birthday party



Visit to veteran employees

Case Team building activity at Nandan Mountain

In March 2023, Foshan Nanhai Property Management Company of the Group (Nanhai Property Management) organized a team building activity at Nandan Mountain, Foshan, Guangdong Province. The activity was held in the flower season at Nandan Mountain surrounded by lush trees and beautiful flowers. All employees got relaxed by the streams and waterfalls and breathed fresh air. It has effectively enhanced emotional exchanges and built up unity among employees.



Team building activity at Nandan Mountain

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

In response to the national “carbon peaking and carbon neutrality” strategy, the Group believes that the environmental protection is an essential foundation for sustainable development and we practice green and low-carbon operations, pursuing environmental, social, and economic benefits in a win-win manner. The Group focuses on the management of emissions and resources in daily operations and offices to reduce the potential impact on the ecological environment and natural resources and gradually realize the environmental target. We also proactively address climate challenges, keep enhancing our resilience to climate risks and protect lucid waters and lush mountains.

5.1 GREEN OPERATIONS

In strict compliance with the *Environmental Protection Law of the People’s Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Prevention and Control of Water Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Law of the People’s Republic of China on Prevention and Control of Pollution from Environmental Noise* and other laws and regulations, the Group has set four green development targets in respect of reducing emissions and waste, improving energy efficiency and water efficiency. The Group optimizes the water efficiency, reduces energy consumption and emissions, and properly disposes of waste, thus working towards the targets and practicing green operations.

Emissions reduction target

- Promoting energy-efficient equipment and apparatus to reduce greenhouse gas emissions from energy;
- Increasing the number of electric buses and community charging piles to widen the application of clean energy and further contribute to the national “carbon peaking and carbon neutrality” goals.

Energy efficiency target

- Improving energy efficiency by utilizing energy-saving technologies and monitoring electricity consumption;
- Advocating the concept of green office, strengthening green office management, and reducing unnecessary energy consumption.



Discharge reduction target

- Properly handling hazardous waste and actively engaging in domestic waste sorting to realize the reduction, resource utilization, and harmless processing of waste.

Water efficiency target

- Optimizing water-saving appliances and water use plans, monitoring and analyzing water consumption by intelligent methods to decrease water loss and improve water efficiency;
- Reinforcing water-saving promotion, strengthening the assessment of responsibility for water efficiency target to raise the water-saving awareness.

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

5.1.1 Emissions Management

1) Exhaust emissions

The exhaust emissions generated by the Group largely derive from the combustion of fuels used in our corporate vehicles of different business segments. The Group expands the use of new energy vehicles to reduce exhaust emissions at the source, including nitrogen oxides, sulfur oxides, and particulates, striving to minimize the environmental impact of business development.

- For the transformation of its transportation fleet and corporate vehicles, the Group replaces traditional fuel vehicles with new energy buses to practice environmental-friendly operations to a higher degree. As of December 31, 2023, the Group had 52 buses, of which 30 buses were new energy buses, accounting for 57.7%;
- The Group replaces the gasoline blower with electric blower for landscaping clean to prevent exhaust emissions; and
- The Group increases charging piles to guide and encourage owners to use new energy vehicles, thereby reducing the traditional fuel consumption and exhaust emissions.



Electric vehicle charging piles



Electric vehicle charging piles

2) Sewage treatment

Adhering to the Law of the People's Republic of China on Prevention and Control of Water Pollution, all business segments of the Group have taken active measures to control sewage and ensure sewage treatment in compliance with laws and regulations.



During the Reporting Period, the Group had no major violations involving sewage discharge.

Property management services

Communities to which we provide property management services adopt a separate water discharge system, that is, rainwater and sewage are treated by two independent systems, after which the rainwater is discharged into natural waters while sewage is discharged into rivers after meeting relevant standards. To ensure that different types of wastewater can be treated appropriately and effectively, the Group has taken the following measures:

- Oil removal from sewage and wastewater: Independent oil removal system has been installed to treat sewage and wastewater in local communities. The oil-containing wastewater from daily operations is first piped into an automatic spiral residuals removal equipment, which filters out large particles of residuals and oil, and then discharges the wastewater and odor. This equipment has a thermostat heater to effectively prevent pipe clogging due to oil solidification at low temperatures.
- Intercepting drainage: To prevent sewage from washing machine in front balcony and concealed pipes of resident from mixing with rainwater, we added main interceptor pipes to block sewage and discharge it to the sewage treatment plant. In addition, we set up an overflow well to discharge rainwater directly to the original rainwater pipeline networks to ensure smooth drainage during heavy rains.

Retail services

- The Group stipulates that the sewage generated in the daily operations of our supermarkets, convenience stores and fresh food markets under the retail services must be treated by special sewage pipes. It is strictly prohibited to directly discharge the sewage to rainwater wells to avoid adverse effects on the environment. In addition, merchants of cooked food and meat products in retail services carry out oil and residue treatment on sewage before discharge.

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

5.1.2 Waste Treatment

Following the principles of “reduction, resource utilization, and harmless processing”, we have formulated detailed internal management policies and put into practice measures concerning collection, disposal and comprehensive utilization of waste during our operation. We give priority to the comprehensive utilization of reusable solid wastes, and classify hazardous waste from general waste according to the *National Catalogue of Hazardous Wastes*, separating them properly in the collection, storage, utilization and disposal. Hazardous waste is handled by certified third-party recyclers to ensure effective management of wastes and avoid environmental pollution. For chemical liquid waste, according to the *Regulations on the Control over Safety of Dangerous Chemicals*, waste engine oil, waste diesel oil and waste lubricating oil shall not be directly discharged into sewers, and shall be stored in sealed buckets and handed over to recyclers for disposal. This year, the Group continued to manage the online monitoring equipment for pollution sources and established basic equipment information files to ensure the stable operation of the monitoring equipment and the effective transmission of monitoring data.

Property management services

- Setting up a waste sorting leading group to coordinate relevant work;
- Disseminating knowledge about waste sorting among community residents through various forms such as advertisements, bulletin boards and leaflets, to raise local residents’ awareness in this regard;
- Placing waste sorting bins with marked sorting categories and labels in the community, and creating detailed graphic guides to make it easier for residents to drop off waste;
- Sorting, storing and handling waste by category during collection and transportation, to avoid waste of resources and environmental pollution due to mixed waste. Collecting domestic waste and handing it over to the municipal sanitation department for disposal. Collecting green waste and handing it over to partners for secondary processing to be used for incineration power generation or to produce fertilizer. Collecting and disposing hazardous and kitchen waste in a unified manner; and
- Using cloths recycling bin and intelligent waste bin to reuse recyclable materials.



Waste sorting bins with graphic guides



Clothes recycling bin

Case Intelligent waste bins

Property management services has introduced digital intelligent waste recycling equipment to recycle waste by using technologies such as Internet terminal, artificial intelligence (AI) and Internet of Things (IoT). The property management services opens up a more convenient and accurate waste recycling channel in a reimbursable model through the Internet+ platform and offline interaction. This helps us reduce the waste of resources and contributes to a circular economy in communities.



Intelligent waste bins

Retail services

- Setting up recycling bins for different types of wastes, guiding and encouraging customers to sort waste properly;
- Posting signs of plastic bag charges and providing degradable bags to encourage customers to use degradable bags or bring their own shopping bags, to reduce plastic pollution at the source; and
- Advocating green packaging and environmental-friendly materials for fresh food.

Catering services

- Setting up a garbage sorting leading group, and clarifying the responsible department. Formulating internal policies such as the *Operation Standard for Waste Sorting* and the *Daily Management Policy of Waste Sorting* to regulate the drop-off, collection and disposal of garbage by types and to ensure standardized and orderly operations; and
- Ensuring that waste is sorted and treated in accordance with regulations and requirements. Hiring qualified companies to dispose of hazardous and kitchen waste to ensure the waste disposal in compliance with laws and regulations.

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

5.1.3 Energy Consumption and Carbon Emission Management

The Group actively explores low-carbon development pathways and strictly abides by the Energy Conservation Law of the People's Republic of China, the Circular Economy Promotion Law of the People's Republic of China and other laws and regulations. We continue to optimize internal policies, such as the Policy on Management of Energy Conservation and Consumption Reduction, the Policy on Management of Energy, Electricity and Water Conservation and the Operations Code of Human Resources and Administration Department. By strengthening the management of energy-consuming equipment and improving the energy efficiency across the entire management process, we aim to reduce energy consumption and carbon emissions and achieve lean management.

Property management services

The Group's property management services actively promotes green property initiatives and achieves the refined energy management through various energy-saving measures.

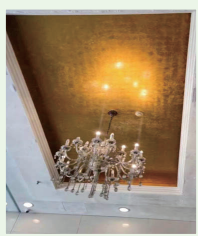
- The lighting equipment adopts new LED energy-saving lamps, such as infrared sensor lights and radar sensor lights. Solar lighting lamps are used in remote areas of the community. Lamps with automatic timer switches and sound activated lights are installed in public areas;
 - Adjust the operation time of the fresh air and exhaust system based on the on-site air quality and peak commuting hours to save energy;
 - Utilize a smart control system for central air conditioners to adjust the chilled water supply temperature based on weather conditions, thereby achieving energy savings;
 - Strictly adhere to temperature control standards for air conditioners, and regularly clean the air filters to ensure optimal performance and efficiency, thereby achieving energy savings;
 - Real-time monitoring of operation status of fire-fighting fans, generator sets and water collection well pumps through network platform to prevent unnecessary electricity consumption due to incorrect operation;
 - Regularly perform statistics on the electricity consumption data of each area, and arrange personnel for maintenance in a timely manner if abnormal electricity consumption is found;
 - Adopt smart building systems including building automation systems, smart lighting systems, and power monitoring systems to reduce energy consumption and carbon emissions while controlling operating costs;
 - Strengthen the management of vehicle fuel consumption, and promptly scrap the vehicles with high fuel consumption and substandard environmental indicators; and
 - Increase the promotion of energy conservation and consumption reduction, and post relevant slogans on the community bulletin boards and in offices.
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Case Replacing pendant lamps with LED lamps

In 2023, the Group's property management services conducted energy-saving renovations on the pendant lamps and downlights at the lobby of Yihu Bay.

For pendant lamps: the original pendant lamps with a total power of 4500W were replaced with LED lamps with a total power of 1100W, resulting in a monthly saving of approximately 1200 kWh.

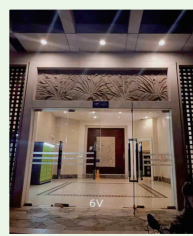
For downlights: all dim downlights with poor energy efficiency and short lifespan were replaced with LED lamps. After renovation, there was a noticeable increase in lighting brightness, effectively improving electrical efficiency and achieving energy savings.



Pendant lamp renovation (before)



Pendant lamp renovation (after)



Downlight renovation (before)



Downlight renovation (after)

Catering services

- All canteens under the Group's catering services are required to make monthly energy budgets to refine energy management. To ensure the effective implementation of energy-saving measures, the management of water and power consumption is in the charge of the responsible person in each area whose income is linked with energy consumption in this area. This motivates employees to actively participate in energy-saving initiatives and raises the overall awareness of energy saving; and
- Replace long-term lighting fixtures with LED energy-saving lamps to effectively conserve electricity.

Retail services

- Replace lighting fixtures with LED energy-saving lamps and conduct more frequent light switch inspections in office areas to strengthen energy management;
- Regulate the temperature in supermarkets to avoid excessive cooling or heating and reduce energy consumption;
- Regularly maintain air conditioners and refrigeration equipment to ensure normal operation and prevent energy waste; and
- Make full use of the supermarket's geographical advantages by installing closed glass and air curtains beside and above escalators to reduce the loss of central air-conditioning, increase energy efficiency and achieve energy-saving goals.

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

5.1.4 Water Resources Management

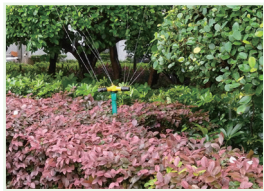
The Group advocates water conservation and strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China. We have also formulated and implemented internal regulations such as the Policy on Management of Energy, Electricity and Water Conservation. This helps us to take measures to save water and recycle water resources in our operations.

Water conservation at the source

- Adopt the automatic drip irrigation and spraying system for the seedlings in the garden. This system is equipped with rainwater humidity sensing functionality, allowing for scheduled and measured watering, as well as regulated water distribution during rainy or humid weather conditions. This mitigates problems regarding uneven manual watering and low water resource utilization;
- Repair water supply pipe leaks promptly to prevent waste caused by inadequate equipment management;
- Install sensor faucets to release water based on actual consumption, effectively utilizing water resources; and
- Promote publicity and promotion activities for water conservation to achieve nationwide conservation and oversight by everyone.

Water conservation in the process

- Assign dedicated personnel to regularly record water meters, observe and analyze water consumption, and utilize new detectors to monitor abnormal water usage. Arrange immediate checks on the pipe network and take effective measures to prevent leakage when abnormalities are detected;
- Set up an operation schedule for waterscape facilities in the community to prohibit continuous operation of waterscape facilities for 24 hours, and reduce the height of the waterscape;
- Water supplement for waterscape is detected by an infrared detection device, with water supplied through an automatic circulating system. This avoids water waste due to excessive water supply; and
- Introduce ground surface with water absorption capacity to the community, and collect rainwater or wastewater for filtration and storage. It is our first choice to use rainwater or recycled water as water for greening. We use high-efficiency sprinklers to irrigate the roadside green belt, and strictly prohibit the use of tap water for irrigation.



Automatic spraying device



Sensor faucet



High-efficiency sprinkler



During the Reporting Period, the Group encountered no difficulties in accessing water resources.

5.1.5 Noise Management

The noise generated by the Group mainly comes from the daily operations of equipment and vehicles. Therefore, we have implemented a series of effective measures to reduce noise pollution. The Group prioritizes the use of low-noise and low-vibration equipment when constructing, renewing and expanding production equipment. We adopt sound insulation covers, sound insulation rooms and mufflers to reduce noise. Besides, our vehicles are all equipped with compliant appliances in accordance with national regulations to avoid affecting the surrounding environment. To further optimize noise management, the Group also clearly stipulates that no noise-generating constructions or renovation activities should be carried out on public holidays, festivals and holidays and at night.

5.2 GREEN OFFICE

The Group advocates “green office and low-carbon lifestyle”, creating a culture of energy conservation at workplace, and raising employees’ awareness of green office, green lifestyle, and green consumption. The Group also promotes low-carbon administration and green mobility, including saving water, power, office consumables and adopting green mobility, to support energy conservation and emissions reduction.

Saving water at workplace

- Post water-saving signs in public water usage areas, such as tea rooms and toilets, and apply water-saving devices such as sensor faucets, water tanks; and
- The Administration Department regularly checks whether water pipes, drainage equipment and other facilities are leaking in offices, tea rooms and toilets and immediately reports leaks to relevant departments for disposal.

Saving power at workplace

- Turn off all lights, computers, printers and other office equipment before the end of the workday, and assign delicate personnel for inspection;
- Strictly adhere to temperature control standards for air conditioners, and promote natural ventilation to reduce the running time of air conditioners; and
- Make use of natural light and reduce the use of electric lights/illumination devices.

Saving office consumables

- Encourage to print on both sides of paper to reduce paper consumption;
- Promote paperless offices and avoid printing if not necessary;
- Encourage employees to bring water glass and lunch boxes to reduce the frequency of using disposable products. Disposable portfolios are no longer allowed in the meeting;
- Reduce the frequency of using benzene-containing solvent products, such as glue and correction fluid; and
- Use rechargeable batteries instead of primary batteries.

5 LEAN MANAGEMENT FOR GREEN AND LOW-CARBON OPERATIONS

Advocating green mobility

- Encourage employees to commute by taking bus or riding bicycles;
- Share official vehicles for same destinations or close destinations; and
- Make proper vehicle schedules, and strengthen the management of oil fees, bridge fees and maintenance fees.

Case “Earth Hour” campaign

On March 25, 2023, the Group responded to the call of the World Wide Fund for Nature (WWF) and participated in the “Earth Hour” campaign continuously. During the event, the Group called on employees and the public to switch off unnecessary lights and electrical devices for one hour to support energy conservation and carbon reduction efforts in the world.



“Earth Hour” poster

5.3 ENVIRONMENTAL PROTECTION AND RESPONSE TO CLIMATE CHANGE

The Group values environmental protection and natural ecology, and aims to maintain ecological balance through various measures such as preventing forest fires and ramping up efforts in greening of living areas. In addition, the Group actively identifies and responds to climate change risks, continues to enhance the resilience to climate risks, and contributes to the promotion of global green development.

5.3.1 Environmental Protection and Natural Resources Conservation

The Group strictly abides by the *Environmental Protection Law of the People’s Republic of China*, the *Wild Animal Protection Law of the People’s Republic of China*, the *Outline of Nature Conservation of the People’s Republic of China*, the *Regulations of Guangzhou Municipality on Urban Greening* and other laws and regulations, striving to reduce the potential effects on biodiversity and natural ecological environment brought by business activities. In practice, the property management services uses pesticides cautiously to minimize the impact of agricultural residues on vegetation and makes every effort to protect the ecological environment.

Case Fire drill and inspection in mountain forests

In May and September 2023, the Group's Foshan Property Management Company conducted fire drills in mountain forests to enhance employees' emergency response skills for firefighting and disaster relief. This will help prevent forest fires in residential areas and preserve the green ecology. Meanwhile, as part of its efforts to preserve the ecological environment, Foshan Property Management Company continues to strengthen daily fire inspections, and strictly controls outdoor fire sources to ensure that the mountain forest near residential areas remains undamaged.



The forest fire drill

5.3.2 Response to Climate Change

The Group considers addressing climate change as one of the key tasks in risk management. We actively conduct assessments and discussions on climate-related issues, and strive to minimize the impact of climate change on our employees, assets, supply chain, and business operations. The Group faces potential climate risks such as typhoons, heavy rainfall, high temperatures, and other extreme weather events. These risks could result in slower service response, higher project operational costs, and decreased revenue.

In order to alleviate the impact on business operations posed by extreme weather and other climate risks, our business segments have formulated detailed extreme weather emergency plans in accordance with the *Law of the People's Republic of China on Response to Emergencies*. These plans include the *Clifford Property Emergency Response Plan*, the *Policy of Clifford Property on Work Safety and Fire Safety Management*, and the *Retail Sector Work Safety Policy*. Besides, the property management services has set up an extreme weather emergency rescue team, which is responsible for implementing extreme weather emergency rescue plans. In this way, we can gradually enhance our capacity to handle climate risks.

Emergency management measures taken by property management services under extreme weather

Before extreme weather

- Organize emergency drills for flood prevention to prepare for rainy season, with participation from all departments to enhance the ability to respond to safety incidents and unforeseen events;
- Organize department managers to host the Typhoon and Flood Prevention Meeting in advance to assign tasks for typhoon prevention, set up teams for flood prevention and emergency rescue, and make flood prevention plans;
- Check whether safety helmets, raincoats and other flood-prevention equipment are equipped, and set flood barriers and sandbags on low-lying or sunken roads;
- Provide support for tilting or dangerous trees in the community;
- Conduct safety hazard inspections on various facilities in the community, including fall protection nets for drainage wells and sand wells, drainage pumps in the basement, doors and windows in the elevator machine room of high buildings, and underground pump houses for water features; and
- Send reminders to owners (residents) to prepare for high winds or rainstorms following official warnings via the owners' WeChat group or WeChat Service Account.

During extreme weather

- Foremen, directors, managers and the employee on duty have to be on standby. They are also required to check road conditions in advance, organize staff to clean up, set up warning signs in important areas, and seal the disaster site with warning lines and protective nets;
- Carry out close inspection to areas with potential to leak or accumulate water, report immediately for water leakage and water logging, and take emergency measures to handle it in a timely manner.
- Arrange engineering and technical personnel to inspect the mechanical and electrical equipment for water supply and drainage as well as power supply and distribution. Cut off neon lights and hazardous outdoor power supplies, cease outdoor operations, and lift the elevators in the affected area to the top floor.

After extreme weather

- Each work team goes into the flooded areas to carry out recovery work, promptly clearing roadblocks and waterlogged areas to restore normal operations; and
- Record the losses, take photographic evidence for documentation, submit a thematic report, and summarize experience and lessons.



Placing flood barriers and sandbags



The Typhoon and Flood Prevention Meeting

6 WIN-WIN COOPERATION FOR MUTUAL BENEFITS

The Group is committed to establishing long-term and stable cooperation with suppliers, striving to achieve a win-win situation through mutual efforts. The Group continues to optimize supply chain management. In addition to rigorously controlling environmental and social risks within the supply chain, the Group upholds integrity in procurement, and values the communication with suppliers for a sustainable supply chain. The Group also actively participates in industry exchange activities, and earnestly learns and shares outstanding industry practices, aiming to seize market opportunities and drive rapid industry development.

6.1 SUPPLIER MANAGEMENT

The Group strictly complies with the Bidding Law of the People’s Republic of China and other laws and regulations. We have formulated internal management policies, such as the Supplier Management Policy, the Policy on Supplier Evaluation Management, and the Supplier Qualification Requirements, in which supplier selection, evaluation, and elimination are clarified for better supplier management.

6.1.1 Supplier Selection

Following the principles of openness, fairness, justice, integrity, competitiveness and efficiency, the Group evaluates key indicators of potential suppliers such as business qualification, financial status, previous performance and credit history for selection purposes. The major process is as follows:



6.1.2 Supplier Evaluation, Assessment and Elimination

The Group establishes a special team for supplier review to evaluate product quality, contract performance, service quality and service attitude annually. The performance of the suppliers is scored comprehensively and the suppliers are divided into four grades: A, B, C, and D:

A-grade suppliers	B-grade suppliers	C-grade suppliers	D-grade suppliers
Priority should be given when it comes to procurement, and suppliers under this category are listed as framework agreement suppliers or price memorandum suppliers.	Normal transaction is permitted.	Order quantity should be reduced.	The transaction is terminated and the option of supplier in the procurement system is disabled.

In addition, the Group establishes a strict supplier elimination mechanism. In case of bribery, cheat, fraud, serious breach of contract or other acts detrimental to the Group, the relevant supplier will never be engaged. Suppliers who receive a D rating for three consecutive years will have their contracts terminated and not be renewed by the Group.

6 WIN-WIN COOPERATION FOR MUTUAL BENEFITS

6.2 MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS OF THE SUPPLY CHAIN

The Group continues to strengthen the assessment and management of environmental and social factors related to suppliers. Suppliers are also encouraged to fulfill their environmental and social responsibilities to promote the sustainable development of the supply chain.

- Advocate for green procurement by purchasing environmentally-friendly materials or products;
- Give preference to suppliers with ISO certifications such as the Environmental Management System Certification, the Quality Management System Certification, and the Occupational Health and Safety Management System Certification;
- Sign service contracts with suppliers for labor procurement and require them to comply with the law in employment and sign labor contracts with employees; and
- Give preference to suppliers with complete qualifications and good corporate credit.

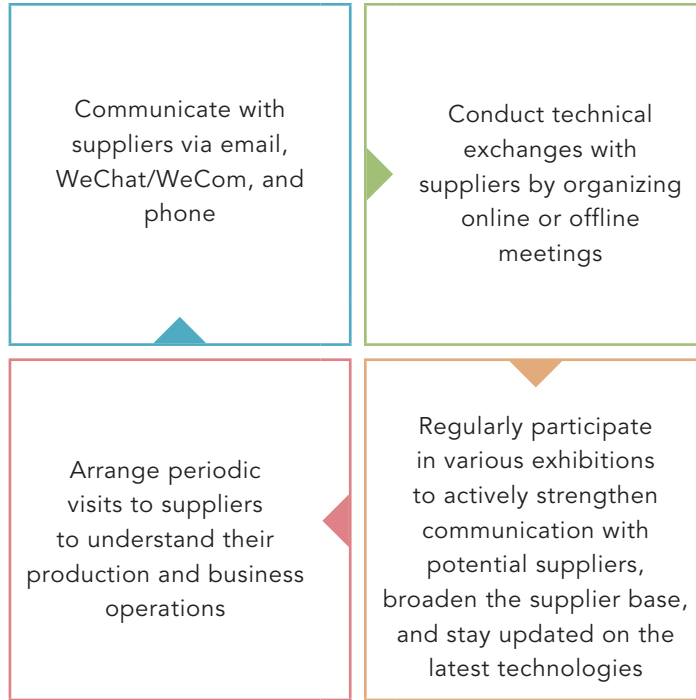
6.3 TRANSPARENT PROCUREMENT

The Group strictly complies with the Anti-Unfair Competition Law of the People's Republic of China, and have established and implemented the Policy on Management of Supplier Integrity Inspection. This aims to regulate supplier management, strictly prohibit all forms of corruption and fraud, and guarantee the justice and transparency of procurement.

- Sign the Integrity Agreement with our suppliers, aiming to develop honest business relation with them;
- Carry out anti-corruption supervision and inspection on abnormal suppliers and procurement;
- Ask for quotes from a minimum of three suppliers for routine purchases, and establish a multi-level internal approval mechanism for procurement prices; and
- Adopt a public invitation of bids for project or bulk purchases with the on-site opening jointly supervised by multiple departments.

6.4 SUPPLIER COMMUNICATION

To enhance the stability and operational efficiency of the supply chain, the Group has established diverse and efficient communication channels to share information with suppliers more frequently. We aim to build long-term and stable partnerships with suppliers and enhance mutual trust and cooperation.



Communication channels with suppliers

6 WIN-WIN COOPERATION FOR MUTUAL BENEFITS

6.5 INDUSTRY EXCHANGE

The Group actively engages in industry exchanges and collaborations with an inclusive and open attitude, seeking valuable advice and successful experience from outstanding peers to promote efficient operations and sustainable development.

4th Guangzhou International Smart Property Management Expo

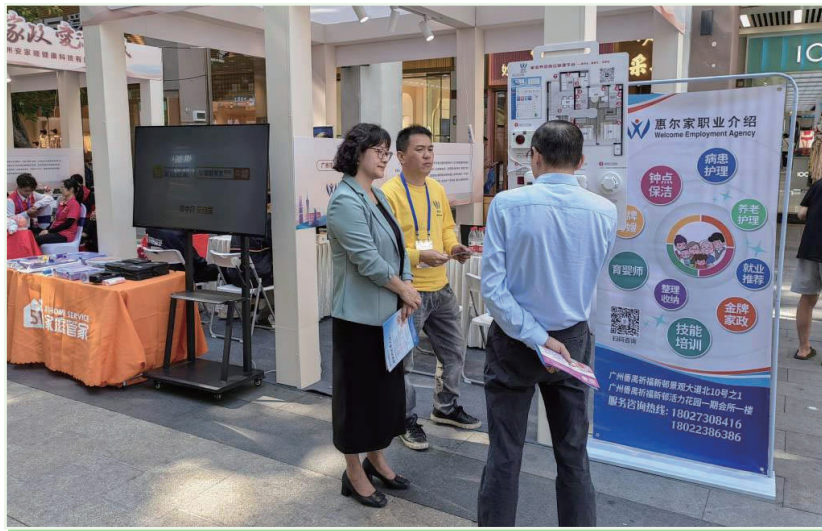
On September 20, 2023, the Group participated in the “4th Guangzhou International Smart Property Management Expo” organized jointly by the Department of Housing and Urban-Rural Development of Guangdong, the Guangzhou Municipal Housing and Urban-Rural Development Bureau, the Guangdong Property Management Industry Institute, and other organizations. This expo featured a wide range of themes and included nine major exhibition areas covering excellent property brands, smart technologies, robotics, as well as cleaning and greenery. Through this expo, the Group gained insights into the latest developments in the property management industry, learned about the direction of innovation in the property industry, and further strengthened exchanges with property management enterprises in Guangdong.



The 4th Guangzhou International Smart Property Management Expo

“Assured Home Services, Fostering Love in Guangzhou” - 2023 Assured Home Services Month Event

In November 2023, the Group participated in the home services month event with the theme of “Assured Home Services, Fostering Love in Guangzhou”. This event was hosted by the Guangzhou Municipal Commerce Bureau, the Guangzhou Municipal Human Resources and Social Security Bureau, and the Guangzhou Women’s Federation, and organized by the Guangzhou Women and Children’s Development Center and the Guangzhou Family Service Association. During the event, the Group’s employment placement services participated in four activities to exchange the latest trends with peers in the industry. These activities include delivering a themed speech at the opening ceremony, receiving awards as a home service enterprise with a credit star rating, participating in the exhibition for “Assured Home Services” brand enterprises, and conducting live-streaming broadcasts.



The home service month event with the theme of “Assured Home Services, Fostering Love in Guangzhou”

7 COMMITMENT TO PUBLIC WELFARE FOR PEOPLE'S WELL-BEING

As a responsible enterprise, the Group has been committed to public welfare, actively engaged in charitable initiatives and strived to improve people's well-being. This year, we utilized our resources and collaborated with diverse sectors of society to organize a wide range of community cultural events and charitable donations, aiming to spread warmth and care throughout the community. The Group also encouraged employees to engage in volunteer activities and be an obliging person. Upholding the purpose of "gratefulness, service, enthusiasm, compassion" and the principle of "starting from the enterprise forwards to the society", the volunteers team launched various activities in accordance with the Rules of Clifford Modern Living's Volunteer Team, contributing to the building of a more harmonious society.

7.1 HARMONIOUS COMMUNITY WITH COLOURFUL ACTIVITIES

The Group focuses on fostering harmonious communities by organizing a variety of activities, including free medical consultations, community service events, cultural and sports activities, holiday celebrations, and parent-child activities. These efforts continuously strengthen communication and interaction among residents, enhancing the unity and cohesion within the community.

Caring for resident health, and benefiting the public with convenient services

Making life convenient for residents and boosting their physical and mental well-being are what we pursue. Through various specialized medical consultation and community service events, the Group is dedicated to improving the quality of residents' lives by addressing their practical needs.

Free medical consultation on nephrotic syndrome

In May 2023, the Group collaborated with the Clifford Hospital to organize a free nephrology and hemodialysis consultation in Clifford Estates Community, Panyu District, Guangzhou. The event offered urinalysis, traditional Chinese medicine consultations, and consultations on kidney diseases to help residents with kidney-related issues, thus helping to build a healthy community.



The free nephrology consultation

Free medical consultation on Children's Day

In May 2023, the Group collaborated with the Clifford Hospital to organize a free medical consultation on Children's Day in Clifford Estates Community, Panyu District, Guangzhou. During the event, pediatricians, child health care specialists, and ophthalmologists conducted on-site bone age measurement, vision screening, body fat analysis, and ankle examinations for children in the community. Such event was organized to enhance parents' awareness and attention to their children's health.



The free medical consultation on Children's Day

Clifford Estates Community service day

In October 2023, the Group held the Clifford Estates Community service day in the Clifford Estates Community, Panyu District, Guangzhou. The services included free testing of electric vehicles and bicycles, free haircuts, free maintenance of household appliances, key making, fan cleaning, and plant care and maintenance training. This activity met the owners' demands for daily life, making them feel warm care from property management services, and enhancing their sense of belonging.



Clifford Estates Community service day

7 COMMITMENT TO PUBLIC WELFARE FOR PEOPLE'S WELL-BEING

Organizing cultural and sports activities to create a "pleasant reading" atmosphere

Building a civilized community is an important way to build a harmonious society. The Group continues to provide mobile bus library and organize "community reading lofts" in the community to get everyone into the habit of reading. At the same time, the Group actively responds to the national call for fitness-for-all by organizing sports activities such as table tennis matches and marathons to meet the fitness and recreational needs of residents.

Mobile library bus activity

During the year, the Group cooperated with Guangzhou Children's Bus Library to organize a monthly mobile bus library activity in Clifford Estates Community, Panyu District, Guangzhou. Through the introduction of mobile library services, the activity provided documentation and information support for teenagers and children residents, to enrich the cultural life of community residents. In 2023, the Group held a total of 14 mobile bus library activities, serving a total of 990 people, and 12,376 books were borrowed with 4,520 books returned.



Mobile bus library activity

Friendly team table tennis match for summer fun and enjoyment

In September 2023, the Group held a friendly team table tennis match at the Palm Garden of Clifford Estates Community, Panyu District, Guangzhou. This competition not only enriched the residents' leisure time, but also created friendships that strengthen communication and interaction among community residents.



Friendly team table tennis match

Clifford Marathon activity

In December 2023, the Group organized the Clifford Marathon. As a prelude to the "Guangzhou Marathon", the Clifford Marathon attracted many sports enthusiasts. The Clifford Marathon helped residents to relax physically and mentally, and also promoted the building of a strong body and strong will.



Clifford Marathon activities

Enriching residents' lives by providing a wonderful holiday experience

In addition to a wide range of cultural and sports activities, the Group also organizes a variety of special community activities during holidays throughout the year. In this way, a strong festive atmosphere is created, allowing community residents to enjoy a wonderful holiday.

"Family reunion at the Mid-Autumn Festival, colorful and wonderful activities to welcome the National Day"

In September 2023, the Group organized the "Celebration of the Mid-Autumn Festival and the National Day" event at Clifford Lake Square in Panyu District, Guangzhou. The event included lantern DIY, lantern riddles, quizzes, anti-fraud publicity, consultation on Hong Kong and Macau issues, singing and dancing performances. The aim was to bring the festive atmosphere to the community and to pass on the excellent traditional Chinese culture and promote community harmony.



"Family reunion at the Mid-Autumn Festival, colorful and wonderful activities to welcome the National Day"

"LOHAS Seniors" Thanksgiving event

In November 2023, the Group invited the elderly in the Clifford Estates Community to participate in the Thanksgiving Day activity "LOHAS Seniors". The event helped to create a civilized community where "the elderly are respected and cared for with love" through on-site teaching of the DIY health hammer, refreshment breaks and sharing of the LOHAS lifestyle.



"LOHAS Seniors" Thanksgiving event

7 COMMITMENT TO PUBLIC WELFARE FOR PEOPLE'S WELL-BEING

Organizing parent-child activities to create a harmonious atmosphere

The Group cares about the growth and development of individual families in the community. Therefore, we creatively organize a variety of parent-child activities to strengthen parent-child interactions and neighborly relations, in an effort to build a harmonious community of unity and love.

Parent-child activity - "I have a date with the gardener"

In May 2023, the Group organized the parent-child activity "I have a date with the gardener". It included an introduction to gardening tools, a demonstration of the gardener's daily work of pruning trees, a brief description of the varieties and characteristics of the plants in the area, joint planting of the community greenery and plant bonsai DIY. By combining theory and practice, the activity effectively trained the residents in parent-child cooperation and hands-on skills.



**"I have a date with the gardener"
parent-child activity**

Parent-child activity - Christmas baking DIY

In December 2023, the Group held a Christmas baking DIY parent-child activity in the community. The activity allowed residents to enjoy the baking process while strengthening communication among family members and neighbors, thus promoting the building of a happy community.



**Christmas baking DIY parent-child
activity**

7.2 COMMITMENT TO CHARITY AND CONTRIBUTION TO SOCIETY

The Group actively promotes public welfare through charitable endeavors in many forms. During the year, the Group continued to send warmth to underprivileged mountainous areas and socially disadvantaged groups through activities such as book donation, clothing donation and charity sales, as part of its solid commitment to corporate social responsibility.

Donating books with love

In June 2023, the Group participated in the 16th Clifford "Donating books with love" campaign. During the campaign, the Group organized employees to sort, classify, count and register books, and sent the collected books to underprivileged mountainous areas. This gave children there the chance to feel the power of knowledge. A total of 26,710 books were donated, and a total of 117 volunteers participated in this activity.



Clifford "Donating books with love"

Charity sale activity

In response to the call of Guangzhou Panyu Property Management Institute and Panyu Charity Association to promote new socialist customs and practices of mutual help and mutual assistance, in September 2023, the Group held a charity sale at the European Plaza of Clifford Colorful World in Panyu District, Guangzhou. The proceeds from the charity sale were donated to the Guizhou Education Support Program to support the socially disadvantaged and contribute to the building of a harmonious society.



Charity sale activity

The 8th Clifford "Donating clothes with love" campaign

In November 2023, the Group and Clifford Group jointly held the 8th Clifford "Donating clothes with love" campaign. During the event, the Group called on employees to actively participate in the collection and sorting of clothes, and donated clothes to needy children in underprivileged mountainous areas, sending warmth and care to poverty-stricken areas with practical actions.



Donating clothes campaign

APPENDIX I: POLICY LIST

ESG Indicator	National Policies	Internal Policies
A. Environment	<i>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</i>	
	<i>Evaluation Standard for Green Construction of Building</i>	
	<i>Environmental Protection Law of the People's Republic of China</i>	
	<i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i>	
	<i>Law of the People's Republic of China on Prevention and Control of Water Pollution</i>	
	<i>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</i>	<i>Policy on Management of Energy Conservation and Consumption Reduction</i>
	<i>Energy Conservation Law of the People's Republic of China</i>	<i>Policy on Management of Energy, Electricity and Water Conservation</i>
	<i>Circular Economy Promotion Law of the People's Republic of China</i>	<i>Rules on Waste Sorting Management</i>
	<i>Wild Animal Protection Law of the People's Republic of China</i>	
	<i>Outline of Nature Conservation of the People's Republic of China</i>	
	<i>Emission Standard of Air Pollutants for Boilers</i>	
	<i>Regulations on the Control over Safety of Dangerous Chemicals</i>	
	<i>Law of the People's Republic of China on Response to Emergencies</i>	
	B1. Employment	<i>Labor Law of the People's Republic of China</i>
<i>Labor Contract Law of the People's Republic of China</i>		<i>Incentive Plan for Management Efficiency</i>
<i>Employment Promotion Law of the People's Republic of China</i>		<i>Profit Sharing Plan for New Business Development</i>
<i>Social Insurance Law of the People's Republic of China</i>		<i>Recruitment Rules</i>
<i>Provisions on the Prohibition of Using Child Labor</i>		<i>Training Management Policy</i>
<i>Law of the People's Republic of China on the Protection of Minors</i>		<i>Measures for Talent Introduction</i>
<i>International Labor Convention</i>		<i>Operations Code of Human Resources and Administration Department</i>

ESG Indicator	National Policies	Internal Policies
<p>B2. Health and Safety</p>	<p><i>Labor Law of the People’s Republic of China</i> <i>Fire Protection Law of the People’s Republic of China</i> <i>Work Safety Law of the People’s Republic of China</i> <i>Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases</i> <i>Regulation on Work-Related Injury Insurance</i> <i>Regulations of the People’s Republic of China on Property Management</i></p>	<p><i>Policy on Work Safety Management</i> <i>Work Safety Rules and Procedures</i> <i>Policy on Work-related Injury Management</i> <i>Policy on Safety Target Management</i> <i>Policy on Management of Work Safety Responsibility</i> <i>Policy on Management of Safety Education and Training</i> <i>Safety Inspection Policy</i> <i>Emergency Management Policy</i> <i>Policy on Management of Safety Performance</i> <i>Policy on Fire Safety Management</i> <i>Policy on Management of Work Safety Meeting</i> <i>Clifford Property Emergency Response Plan</i> <i>Policy of Clifford Property on Work Safety and Fire Safety Management</i> <i>Retail Sector Work Safety Policy</i></p>
<p>B5. Supply Chain Management</p>	<p><i>Bidding Law of the People’s Republic of China</i> <i>Regulation on the Implementation of the Bidding Law of the People’s Republic of China</i></p>	<p><i>Supplier Management Policy</i> <i>Policy on Supplier Evaluation Management</i> <i>Policy on Management of Supplier Integrity Inspection</i> <i>Procurement Management Policy</i> <i>Supplier Qualification Requirements</i></p>



APPENDIX I: POLICY LIST

ESG Indicator	National Policies	Internal Policies
B6. Product		<i>Intellectual Property Management Manual</i>
		<i>Reward and Punishment Policy on Intellectual Property</i>
		<i>Training Policy on Intellectual Property</i>
		<i>Rules on Owners' Archives Management</i>
		<i>Policy on Customer Complaint Management</i>
		<i>Complaint Follow-up and Handling Process</i>
		<i>Emergency Response Plan</i>
		<i>Rules on Shelf Life of Goods</i>
		<i>Policy on Management of Responsibilities of Operation Department</i>
		<i>Project Quality Control Mechanism</i>
		<i>Confidentiality Policy on Owners' Information</i>
		<i>Response Plan for Owner Information (Privacy) Leakage</i>
		<i>Policy on Corporate Research and Development Reserves</i>
		<i>Project Management Center Work Specifications</i>
		<i>Management Policy of After-sales Service Department</i>
	<i>Management Policy of Customer Service Department</i>	
	<i>Customer Complaint Handling Standards</i>	
	<i>Management Policy of Commodity Access</i>	
	<i>Operation Manual of Clifford Supermarket</i>	
	<i>Management Code for Near-Expired Goods</i>	
	<i>Hygiene Management Rules</i>	
	<i>Requirements on Production Materials Standards</i>	
	<i>Daily Management Policy of Food and Beverage</i>	
	<i>Operation Management Manual of Food Safety</i>	
	<i>Group Image System Manual</i>	
	<i>Civil Code of the People's Republic of China</i>	
	<i>Trademark Law of the People's Republic of China</i>	
	<i>Copyright Law of the People's Republic of China</i>	
	<i>Advertising Law of the People's Republic of China</i>	
	<i>Patent Law of the People's Republic of China</i>	
	<i>Product Quality Law of the People's Republic of China</i>	
	<i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i>	
	<i>Cybersecurity Law of the People's Republic of China</i>	
	<i>Urban Real Estate Administration Law of the People's Republic of China</i>	
	<i>Product Quality Law of People's Republic of China</i>	
	<i>Regulations on Property Management</i>	
	<i>Regulations on the Quality Management of Construction Projects</i>	
	<i>Opinions of the General Office of the State Council on Promoting the Sustainable and Sound Development of the Construction Industry</i>	
	<i>Food Safety Law of the People's Republic of China</i>	

ESG Indicator	National Policies	Internal Policies
B7. Anti-corruption	<p><i>Company Law of the People’s Republic of China</i></p> <p><i>Anti-money Laundering Law of the People’s Republic of China</i></p> <p><i>Anti-monopoly Law of the People’s Republic of China</i></p> <p><i>Anti-unfair Competition Law of the People’s Republic of China</i></p> <p><i>Interim Provisions on Banning Commercial Bribery</i></p>	<p><i>Integrity Training for New Employees</i></p>
B8. Community Investment		<p><i>Rules of Clifford Modern Living’s Volunteer Team</i></p>



APPENDIX II: KEY PERFORMANCE LIST

ENVIRONMENTAL KEY PERFORMANCE LIST

ESG Indicator	Unit	2023
A1.1 The types of emissions and related emission data		
Nitrogen oxides	Kilogram	94.51
Sulfur oxides	Kilogram	0.29
Particulate matter	Kilogram	6.56
A1.2 Greenhouse gas emissions and intensity		
Total greenhouse gas emissions (Scope 1 + Scope 2, carbon dioxide equivalent emissions)	Tonne of carbon dioxide	6,378.93
Greenhouse gas emission intensity	Tonne of carbon dioxide/RMB'000 operating income	0.02
Scope 1 (carbon dioxide equivalent emissions)	Tonne of carbon dioxide	455.91
Scope 2 (carbon dioxide equivalent emissions)	Tonne of carbon dioxide	5,923.02
A1.3 Hazardous waste		
Hazardous waste	Kilogram	223.93
Hazardous waste intensity	Kilogram/RMB'000 operating income	0.00065
A1.4 Non-hazardous waste		
Non-hazardous waste	Kilogram	424,451.31
Non-hazardous waste intensity	Kilogram/RMB'000 operating income	1.23
A2.1 Total energy consumption and density		
Direct energy consumption	Gigajoule	7,397.90
Indirect energy consumption	Gigajoule	37,388.84
Total energy consumption	Gigajoule	44,786.74
Energy density	Gigajoule/RMB'000 operating income	0.13
A2.2 Total water consumption and density		
Water consumption	Cubic meter	169,777.04
Water consumption intensity	Cubic meter/RMB'000 operating	0.49
A2.5 Packaging materials		
Plastic bag	Tonne	10.43

Note:

The collection period of environmental data covers January 1, 2023 to December 31, 2023. The scope of collection includes:

- Energy consumption of group headquarters, office areas of business segments, subordinate supermarkets, fresh food markets, convenience stores, catering services and laundry services;
 - Energy consumption of corporate vehicles and transportation vehicles at group headquarters and each business segment;
1. The disclosed values of emission data in A1.1 are obtained from the consumption of gasoline and diesel by the Group and each business segment. The relevant emission factors refer to the Reporting Guidance on Environmental KPIs of the Stock Exchange.
 2. The disclosed values of greenhouse gas emissions in A1.2 are obtained from the consumption of gasoline, diesel, natural gas, and purchased electricity. The emission factors in Scope 1 are calculated with reference to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Construction Operators (Enterprises) (Trial) issued by the General Office of the National Development and Reform Commission; the greenhouse gas data in Scope 2 are attributed to the purchased electricity. The greenhouse gas emission factors of power grid in China refer to the latest national grid average emission factor published by the Ministry of Ecology and Environment of the PRC, while those in Hong Kong refer to the Reporting Guidance on Environmental KPIs of the Hong Kong Stock Exchange.
 3. The non-hazardous waste of the Group in A1.4 is waste from office areas, such as office waste and kitchen waste.
 4. The energy consumption value in A2.1 derives from the use of gasoline, diesel, natural gas and purchased electricity. The energy consumption factors refer to the General Rules for Calculation of the Comprehensive Energy Consumption (GB2589-2020).
 5. The water consumption of the Group in A2.2 mainly comes from the operation of various business segments and offices.
 6. The plastic bags used by the Group in A2.5 are mainly from the paid plastic shopping bags provided to customers by the supermarkets in retail services segment, and the plastic packaging bags used in laundry services.

SOCIAL KEY PERFORMANCE LIST

ESG Indicator	Unit	2023
B1. Employment		
B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region		
Total number of employees	Person	580
Male employees	Person	201
Female employees	Person	379
By category		
Senior Management	Person	11
Middle management	Person	44
General employees	Person	525
By type		
Full-time employees	Person	560
Part-time employees	Person	0
Contract employees	Person	20

APPENDIX II: KEY PERFORMANCE LIST

ESG Indicator		Unit	2023
By age	Employees aged 30 and below	Person	58
	Employees aged between 31 and 40	Person	136
	Employees aged between 41 and 50	Person	270
	Employees aged 51 years and above	Person	116
By region	Employees in Chinese mainland	Person	575
	Employees in Hong Kong, Macao, Taiwan and Overseas	Person	5
B1.2 Employee turnover rate by gender, age group and geographical region			
Turnover rate		%	29.44
By gender	Male employees	%	29.97
	Female employees	%	29.16
By age	Employees aged 30 and below	%	50.43
	Employees aged between 31 and 40	%	29.17
	Employees aged between 41 and 50	%	25.00
	Employees aged 51 years and above	%	24.18
By region	Employees in Chinese mainland	%	29.62
	Employees in Hong Kong, Macao, Taiwan and Overseas	%	0.00
B2. Health and Safety			
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year¹			
Number of work-related fatalities		Person	0
Rate of work-related fatalities		%	0
B2.2 Lost days due to work injury			
Total days lost due to work-related injuries		Day	116
B2.3 Occupational health and safety measures adopted			
Annual Health Check up		Person	529
Number of safety drills (including fire drills)		Time	35
Number and percentage of participants in safety drills		Person/%	409/70.52

Number and rate of work-related fatalities occurred in 2021 and 2022 are 1 and 0.15%, 0 and 0%, respectively.

ESG Indicator	Unit	2023
B3. Development and Training		
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)		
Percentage of employees trained	%	94.83
By gender		
Male employees	%	92.54
Female employees	%	96.04
By category		
Senior Management	%	90.91
Middle management	%	95.45
General employees	%	94.86
B3.2 The average training hours completed per employee by gender and employee category		
Total training hours of employees ²	Hour	607.33
By gender		
Male employees	Hour	15.00
Female employees	Hour	12.46
By category		
Senior Management	Hour	12.35
Middle management	Hour	13.24
General employees	Hour	13.34
B5. Supplier Management		
B5.1 Number of suppliers by geographical region		
Total number of suppliers	Nr.	697
Chinese mainland	Nr.	688
Hong Kong, Macao and Taiwan regions	Nr.	8
Overseas	Nr.	1
B5.2 Number of suppliers that have implemented the policy		
Number of suppliers that have implemented the policy	Nr.	697

² Figures are the total length of training time.

APPENDIX II: KEY PERFORMANCE LIST

ESG Indicator	Unit	2023
B6. Product Responsibility		
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons		
Product recycling	Tonne	0
B6.2 Number of products and service related complaints received and how they are dealt with		
Number of customer complaints received	Time	3,585
Customer satisfaction	%	97.08
B6.3 Observing and protecting intellectual property rights		
Number of patents applied for	Case	7
Number of patents granted	Case	7
B7. Anti-corruption		
B7.1 Number of concluded corruption lawsuits brought against the issuer or its employees during the reporting period and the outcomes of the cases		
Number of corruption lawsuits filed or concluded	Case	0
B8. Community Investment		
B8.2 Resources contributed to the focus area		
Public welfare investment	RMB	21,970
Number of employees participating in volunteer activities	Person/time	64

APPENDIX III: HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspects, General Disclosures and KPIs	Descriptions	Sections
Aspect A1: Emissions		
General Disclosure	<p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	Lean Management for Green and Low-carbon Operations
KPI A1.1	The types of emissions and respective emissions data.	Appendix II: Key Performance List
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix II: Key Performance List
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix II: Key Performance List
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix II: Key Performance List
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Lean Management for Green and Low-carbon Operations
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Lean Management for Green and Low-carbon Operations



Aspects, General Disclosures and KPIs		
Disclosures and KPIs	Descriptions	Sections
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Lean Management for Green and Low-carbon Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix II: Key Performance List
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix II: Key Performance List
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Lean Management for Green and Low-carbon Operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Lean Management for Green and Low-carbon Operations
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix II: Key Performance List
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Lean Management for Green and Low-carbon Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Lean Management for Green and Low-carbon Operations
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Lean Management for Green and Low-carbon Operations
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Lean Management for Green and Low-carbon Operations

Aspects, General Disclosures and KPIs		
Disclosures and KPIs	Descriptions	Sections
Aspect B1: Employment		
General Disclosure	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Inclusive Development Together with Employees
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Inclusive Development Together with Employees Appendix II: Key Performance List
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix II: Key Performance List
Aspect B2. Health and Safety		
General Disclosure	relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Inclusive Development Together with Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Appendix II: Key Performance List
KPI B2.2	Lost days due to work injury.	Appendix II: Key Performance List
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Inclusive Development Together with Employees Appendix II: Key Performance List



Aspects, General Disclosures and KPIs		
Disclosures and KPIs	Descriptions	Sections
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Inclusive Development Together with Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix II: Key Performance List
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix II: Key Performance List
Aspect B4: Labor Standards		
General Disclosure	relating to preventing child and forced labor: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Inclusive Development Together with Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Inclusive Development Together with Employees
KPI B4.2	Description of steps taken to eliminate violations when discovered.	Inclusive Development Together with Employees
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Win-win Cooperation for Mutual Benefits
KPI B5.1	Number of suppliers by geographical regions.	Appendix II: Key Performance List
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Win-win Cooperation for Mutual Benefits
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-win Cooperation for Mutual Benefits
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Win-win Cooperation for Mutual Benefits

Aspects, General Disclosures and KPIs	Descriptions	Sections
Aspect B6. Product Responsibility		
General Disclosure	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Customer-Oriented Philosophy for Quality Service
KPI B6.1	Percentage of total sold or shipped subject to recalls for safety and health reasons.	Appendix II: Key Performance List
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer-Oriented Philosophy for Quality Service Appendix II: Key Performance List
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Customer-Oriented Philosophy for Quality Service Appendix II: Key Performance List
KPI B6.4	Description of quality assurance process and recall procedures.	Customer-Oriented Philosophy for Quality Service
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer-Oriented Philosophy for Quality Service

Aspects, General Disclosures and KPIs		
Disclosures and KPIs	Descriptions	Sections
Aspect B7. Anti-corruption		
General Disclosure	relating to bribery, extortion, fraud and money laundering. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Sustainability Management
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Sustainability Management Appendix II: Key Performance List
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainability Management
KPI B7.3	Description of anti-corruption training provided to directors and employee.	Sustainability Management
Aspect B8. Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Commitment to Public Welfare for People's Well-being
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Commitment to Public Welfare for People's Well-being
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Commitment to Public Welfare for People's Well-being Appendix II: Key Performance List

