



KWG LIVING GROUP HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability
Stock Code: 3913

**ENJOY LIFE
EVERYWHERE**

A silhouette of a city skyline is visible in the background of the central orange circle.

2023

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

Contents

ABOUT THE REPORT	2
ABOUT KWG LIVING	4
CHAIRMAN'S MESSAGE	5
SUSTAINABILITY GOVERNANCE	9
SUSTAINABLE DEVELOPMENT POLICIES	11
RISK MANAGEMENT AND INTERNAL CONTROL	15
MAJOR AWARDS AND INTERNATIONALLY RECOGNIZED STANDARDS	16
STAKEHOLDER COMMUNICATION	27
STAKEHOLDER ENGAGEMENT	27
ANALYSIS AND MANAGEMENT OF MATERIAL ISSUES	28
CHAPTER 1: FOUNDER OF INGENIOUS SERVICE	30
<i>1.1 Service Quality Focusing on Optimisation</i>	30
1.1.1 Service Quality Control	30
1.1.2 Community Environmental Management	36
1.1.3 Office Building Management and Operation	38
1.1.4 Shopping Centre Management and Operation	41
1.1.5 Public Infrastructure Projects Management and Operation	42
1.1.6 Health and Safety of Customers	44
1.1.7 Communication with Customers	45
<i>1.2 Intelligent Technology to Enhance Experience</i>	48
1.2.1 Digital-driven Information System	48
1.2.2 Intellectual Property Right Protection	51
1.2.3 Customer Information and Privacy Protection	52

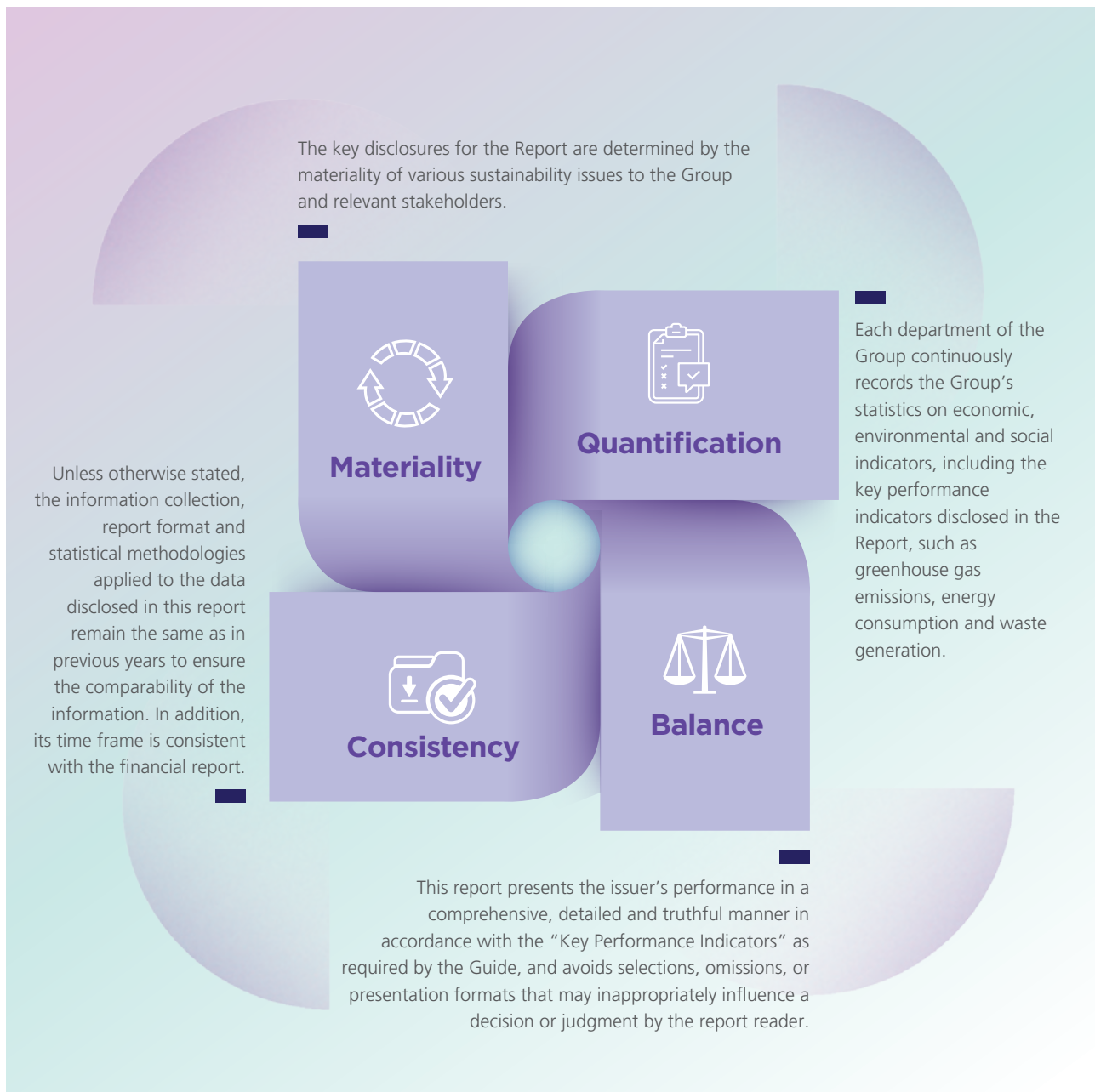
CHAPTER 2: UPHOLDER OF GREEN ECOLOGY	53
2.1 Urban Oasis, Green Living	53
2.1.1 Environmental Protection	53
2.1.2 Green Management System	54
2.1.3 Environment and Natural Resources	62
2.1.4 Taking Action on Climate Change	63
CHAPTER 3: PRACTITIONERS OF SOCIAL RESPONSIBILITY	66
3.1 For Employees: People-oriented and Grow Together	66
3.1.1 Employment and Labour Standards	66
3.1.2 Recruitment and Promotion	67
3.1.3 Health and Safety	67
3.1.4 Training and Development	71
3.1.5 Communication with Employees	73
3.1.6 Employee Activities	75
3.2 To the Community: Sincere Dedication to Create Harmony	76
3.2.1 Caring for the Community and the Society	76
3.3 To Business Partners: Fairness and Transparency, Integrity and Honesty	78
3.3.1 Sustainable Supply Chain	78
3.4 To the Society: Clean and Honest, Build and Share Together	79
3.4.1 Uphold Integrity Discipline	79
Anti-corruption	79
Integrity Education	80
3.4.2 Caring for the Elderly and the Young, and Devoting to Charitable Causes	80
LAWS AND REGULATIONS	82
DATA SUMMARY	84
CONTENT INDEX	90

About the Report

This is the fourth Environmental, Social and Governance (“ESG”) Report issued by KWG Living Group Holdings Limited (the “Company”, together with its subsidiaries, “KWG Living”, the “Group” or “we”). This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix C2 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The report strictly complies with the mandatory disclosure requirements and the “comply or explain” provisions of the Guide, and calculates relevant data in accordance with the Guidance on Reporting of Environment, Society and Governance (the “Guidance”) issued by the Stock Exchange. It describes the Group’s policies, measures and achievements in environmental, social and governance aspects. Through this report, all stakeholders can observe the Group’s performance, efficiency and potential in sustainable development. This report is published on the website of the Stock Exchange at www.hkexnews.hk (stock code: 3913) and the website of the Group at www.kwgliving.com in an environmentally friendly manner. You are welcome to browse through the Group’s ESG reports of the current year and prior years through the websites.

The Report covers the Group’s residential property management, non-residential property management and commercial operational services from 1 January 2023 to 31 December 2023, and is consistent with the time frame of the financial report. Among which, the environmental and social key performance indicators mainly cover 6 residential property projects including The Summit in Guangzhou, Blooming River in Guangzhou, Foshan Oriental Bund, Chengdu Cosmos, Yunshang Retreat in Chengdu and The Horizon in Nanning, and 7 commercial property projects including Chengdu M • CUBE, Chengdu U-fun, Chengdu International Commerce Place, Beijing M • CUBE, International Metropolis Plaza in Shanghai, International Finance Place in Guangzhou and Guangzhou Knowledge City U Fun, which are the same as the reporting scope of the report in 2022. The Group will increase the scope of disclosure as appropriate in the future and continue to strengthen the management of information disclosure to enhance the transparency.

According to the recommendations of the Guide, this report is prepared based on the following reporting principles:



The information in the Report comes from official documents, statistical reports or related public materials of the Group, and is compiled in traditional Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

About KWG Living



Sound Operation

Revenue

3,849.0m RMB

Residential: Non-residential

45:55

Gross Profit

1,182.4m RMB

Gross Margin

30.7%



Independent Development

Managed Provinces/Cities

23 Provinces/

Focus on Key Regions
Nationwide Expansion

141 Cities

Ratio of number of third-party projects under management

90.0%

Independent Development
Market Operation



Compliance and Employment

Total number of employees

16,814

Ratio of number of male and female employees

49:51



Training and Development

Average training hours for employees

22.0 hours

Ratio of trained male and female employees

48:52

Chairman's Message

In 2023, the property management service industry in China faced many challenges and opportunities due to the volatile market environment. With the acceleration of urbanisation and the improvement of residents' living standards, the demand for property management services continues to grow, and at the same time, it also puts forward higher requirements for service quality. In this context, enterprises need to continuously innovate and improve service quality to meet the diversified needs of the market. As a smart service operator for all business formats, KWG Living Group remains committed to the vision of "creating new service value", adheres to its original aspiration amidst a complicated macro-environment, continues to innovate and develop, and places sustainable development, improvement in service quality and satisfaction of customer needs at the core place. So far, the Group's business is divided into three major segments, namely residential property management services, commercial property management services and commercial operational services, and public property services and urban services. The Group has diversified its operations in four major economic zones, namely the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Bohai Economic Rim, the Central and Western Region and Hainan, covering 141 cities. This report is the fourth environmental, social and governance report issued by KWG Living after its listing. Through the Report, we summarised and reviewed the operation of the Group and actively pursued improvement.

Continuing with a sustainable business model

As a leading full ecosystem intelligent service provider in China, KWG Living is well aware that our actions will affect people's living ideals and lifestyles and will have a profound impact on the environment and society. As such, the Group insists on following the path to sustainable development. While ensuring steady growth in performance, the Group pays attention to its impact on the environment and society. We also actively participate in environmental activities to support the green development of society. We built nurseries at project sites for recycling to achieve self-sufficiency and actively planted trees during project operation to strive to maintain the green area of the project. Not only were we working hard, but we also arranged tree plantation for property owners so that more people could participate in environmental protection movements.



Chairman's Message

In our daily management, caring for the well-being of our employees and promoting environmental protection has become our important mission. As such, we not only actively hold a series of activities such as "Enjoy Cycling (歡樂騎行)" and "520 Enjoy Run (520樂跑)" to encourage employees to choose green travel methods, but also practise the concept of energy conservation and emission reduction in every detail. Whether at the headquarters or at each project, we have formulated detailed and feasible energy-saving measures, emphasising the implementation and cooperation of all employees.

In facility improvement, we have spared no effort in upgrading environmental protection. Through measures such as improving sensor equipment and increasing the coverage of LED lighting facilities, we strive to minimise the waste of energy and ensure that every aspect of the enterprise is environmentally friendly and efficient. As always, we participated in the "Earth Hour (關愛地球·熄燈一小時)". Our actions are not only to respond to international environmental protection initiatives, but also to respect and cherish nature. Through these activities, we deeply understand the beautiful scene of harmony and symbiosis between human and nature, which serves as the driving force and mission for us to continuously promote environmental protection.

In society, we cared about the community, the elderly and children and regularly held the "Harmony Culture Festival (合睦文化節)" to build bridges between property owners through neighbourhood fairs, art exhibitions and cultural evenings. We have organised the special event "Huancai Lighting Festival (煥綵燈光節)" for seven consecutive years. Materials are reused to create new works every year to popularise environmental protection and strengthen community cohesion. This year's "Huancai Lighting Festival" was themed with "Reunion and Light • Thousands of Wonders (團圓拾光•美好萬千)", focusing on the concepts of reunion, harmony and environmental protection. With features of community environment, creative production, green health and family happiness, the event aimed at creating a beautiful, comfortable, safety and harmonious living environment for property owners.

In 2023, KWG Living was awarded "2023 China's Outstanding Property Service Enterprise in terms of ESG Development", "2023 Annual Property Service Enterprise with Sense of Social Responsibility in China", "2023 China Property Services Enterprise with Social Responsibility Benchmark" and "2023 Top 10 Leading Enterprises of Listed Property Management Companies in China in term of ESG Sustainable Development".

Adhering to the high-quality development strategy for all segments

In 2023, the Group continued to promote the Company's high-quality development strategy for all segments, explore service opportunities in non-residential segments and accelerate the extension to different industries and segments. The Group's property management has demonstrated a profound strategic vision in urban layout. We accurately grasped the know-how of urban development, closely integrated property management services with urban planning, and actively expanded into non-residential property management services and commercial operational services. This not only enhances the value of the property itself, but also makes positive contribution to the sustainable development of the city, demonstrating the excellent vision and forward-thinking mindset of the enterprise.

After years of market-oriented development and ecological construction, we possess differentiated qualifications and certifications, which have formed competitive barriers and advantages. We hold professional qualifications and certifications corresponding to services such as property management, sanitation and cleaning, landscaping, aerial work, municipal sanitation, medical waste treatment and waste disposal. These professional capabilities not only increase the breadth of segment coverage, but also enable us to explore the depth of service content, strengthen the full-cycle service advantages and enhance the professionalism and influence of brands under various segments.

In the wave of changes with the times, we are deeply aware of the necessity of innovation vitality. In 2023, we held a press conference for the strategic cooperation between KWG Living and Tencent Cloud and the inauguration ceremony of the "Joint Innovation Laboratory", jointly creating a digital housekeeper service model for property management, and launched a "1 + i" service model of virtual and real-world Super Butler, i.e. an actual senior housekeeper is assigned to complete the explicit and on-the-go customer service to enhance customer perception and experience. A digital housekeeper, as a digital twin assistant, will identify customer needs in a targeted manner for different life scenarios, and then completes the docking and circulation of internal information to provide customers with high-quality services 24 hours a day. This marks an important step in our innovation journey. The event was not only a concrete embodiment of our cooperation with Tencent Cloud, but also echoes our spirit of sustainable development and innovation.

"1 + i" service model of virtual and real-world Super Butler



Our development is inseparable from ESG considerations. We have been actively promoting sustainable development, incorporating ESG factors into the Company's strategic planning and implementing comprehensive ESG management. In the future, we will continue to strengthen ESG management, enhance the Company's corporate social responsibility awareness and promote the integration of corporate development and harmonious development of society.

Innovation and upgrade: to create smart property service strategy

The innovation and upgrading of the smart property service strategy not only provides customers with more convenient services and management, but also demonstrates the Company's active response to changes with the times. We deeply practise the seamless connection between online and offline, and integrate technology with humanised management.

In respect of residential property management, we continue to update our intelligent property management platform and provide property owners with online repair requests, complaints, payment and other services through various online and offline channels to continuously improve efficiency, reflecting our attentive to and care for customer safety.

In respect of commercial property management, through the digital marketing platform, we have broken the online and offline barriers for customers and tenants and built a communication bridge between brands and customers, enabling intelligent and unimpeded business operations.

In respect of public property management, we provide comprehensive property management services for schools, hospitals, government buildings, thereby contributing to public health and safety. Caring for the health of property owners is our responsibility and mission. We make the best efforts to provide necessary assistance and support to property owners, and convey our commitment to and role in social responsibility. All of these are not only to adapt to the current challenges, but also to lead the intelligent and sustainable development of property management in the future.

Chairman's Message

In addition, the Company also made positive contributions to the environment and society. We have deepened the concept of sustainable development, promoted environmental protection, energy conservation, emission reduction and other measures in property management and operation, and strived to reduce the impact on the environment.

In respect of sustainable development, we are committed to building a green ecological community, and promote the effective utilisation and recycling of resources through measures such as optimising energy utilisation and promoting renewable energy. At the same time, we focus on reducing waste generation, encouraging employees and property owners to participate in waste classification and recycling, promoting the rational use of resources and reducing environmental pollution.

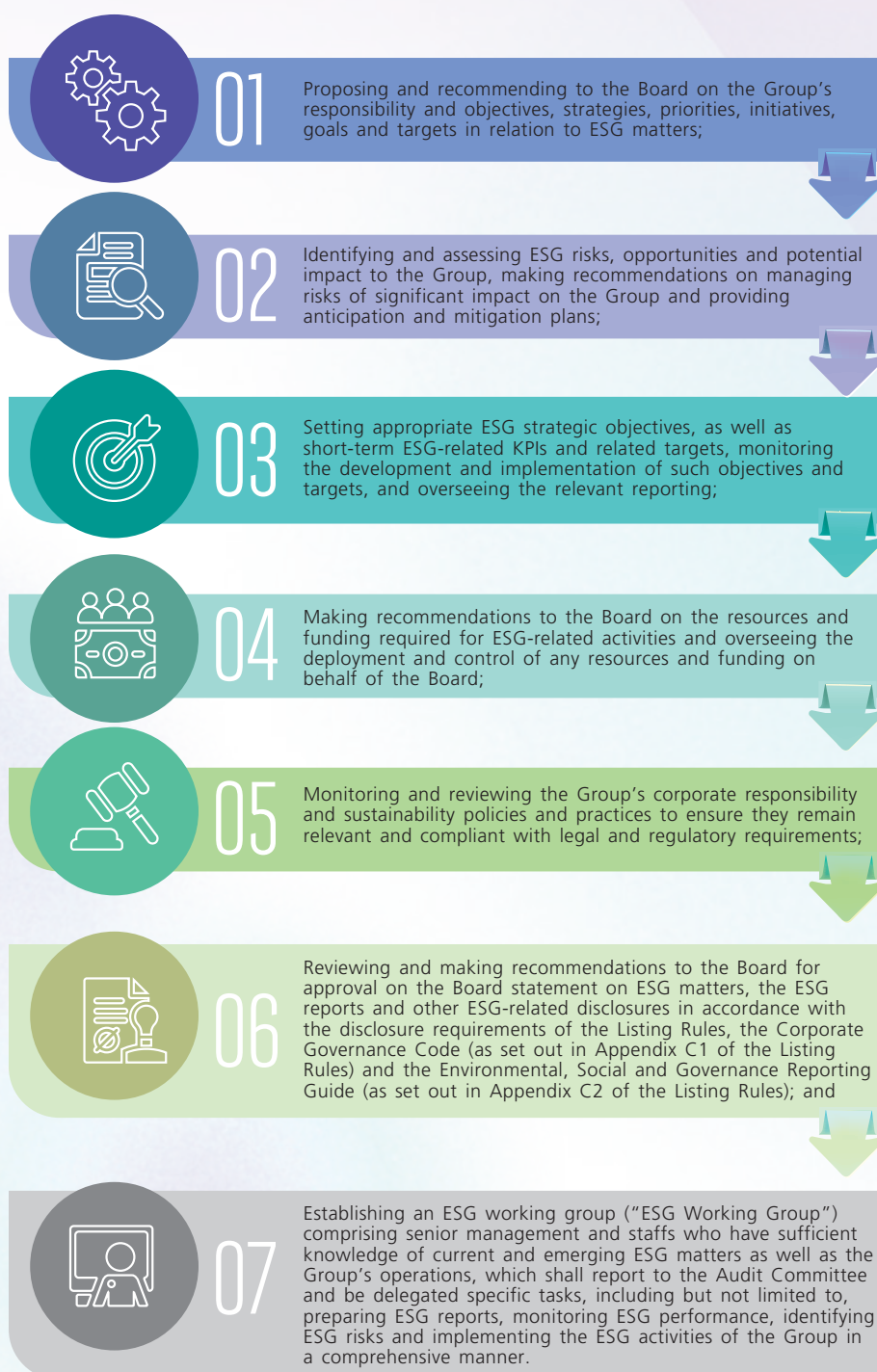
We have strengthened the monitoring and maintenance of property facilities, and conducted regular equipment inspections and cleaning to ensure the efficient operation of facilities and reduce energy waste and emissions. We also actively carry out environmental protection publicity and education activities to raise the environmental protection awareness of employees and property owners, with a view to joining hand together to protect the ecological environment and build a beautiful home.

In respect of employees, we respect the rights and interests of employees and provide them with a safe, healthy and harmonious working environment. We encourage employees to actively participate in social welfare activities to enhance their sense of social responsibility and civic awareness. At the same time, we provide management, communication and customer service training for all levels of employees, which not only improves our service quality, but also helps employees discover and improve their talents. We pay attention to the physical and mental health and sense of belonging of employees, and a series of employee activities were organised to thank employees for their hard work, so that employees can release work pressure and fully feel the care and warmth of the Company.

In the face of ever-changing and upgraded customer needs, we listen patiently, understand accurately and quickly solve them. By continuously standardising our own service system and improving the standard work ability of employees, we win the hearts, comfort and confidence of customers. In the future, the Group will continue to adhere to the concept of sustainable development, strengthen its internal management, and actively contribute to environmental protection and social harmony.

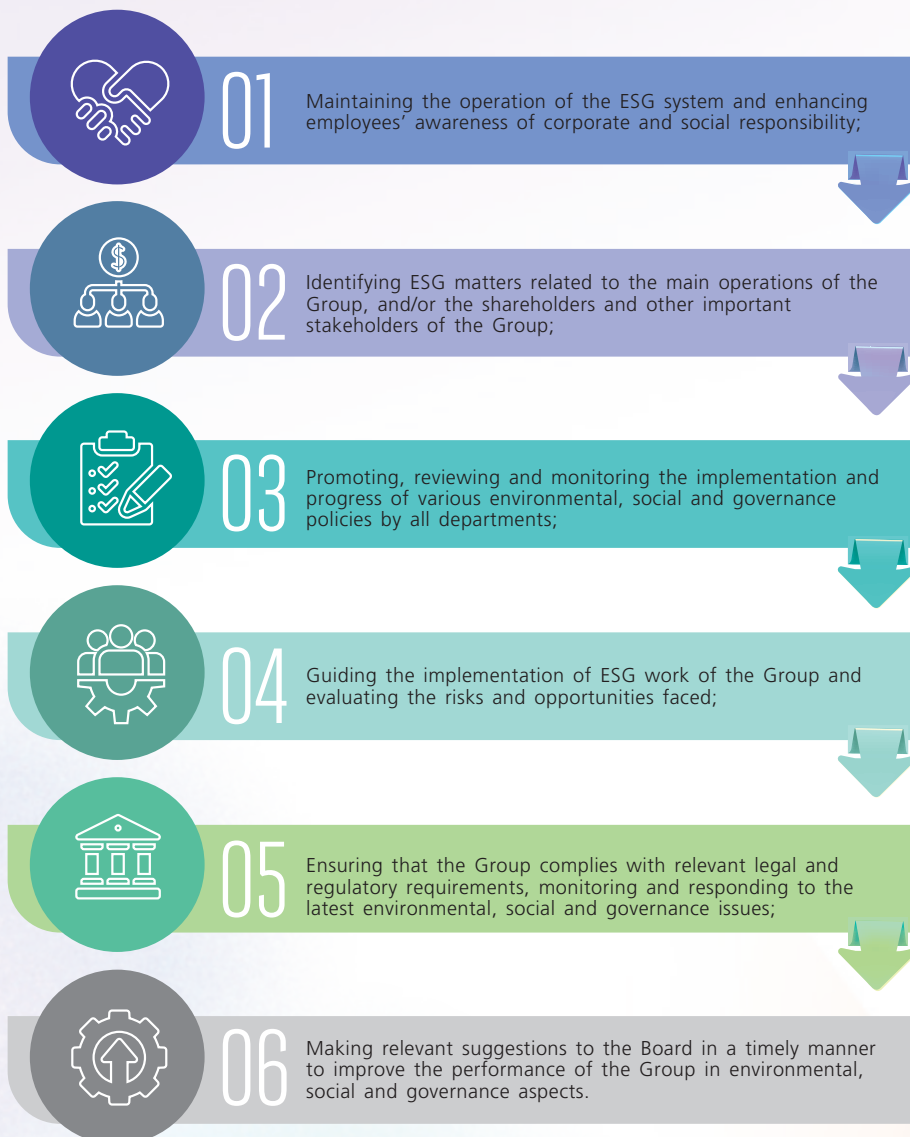
Sustainability Governance

The Group attaches great importance to the sustainability governance and incorporates ESG matters into the long-term plan of the Group. The board ("Board") of directors ("Directors") of the Company has delegated its audit committee (the "Audit Committee") consists of the non-executive Directors to assist the Board to oversee management and advise the Board on the development and implementation of the Group's sustainability initiatives, including but not limited to, reviewing the environment, social and governance ("ESG") policies and practices, and assessing and making recommendations to the Board on ESG-related matters. Specific duties and powers are as follow:



Sustainability Governance

For concrete implementation, the Group has set up an ESG Working Group coordinated by our Chief Executive Officer and it comprises the heads of various functional departments at the Group's headquarters. Its functions include:



Sustainable Development Policies

The Group believes that a comprehensive policy guidance and long-term planning are indispensable for a sustainable development. We have formulated a practical sustainable development policy based on our own situation. The main factors considered are as follows:

Environmental

1. *Better use of green buildings and capture relevant opportunities*

As a professional property manager, we understand the use and management of buildings and their facilities. We will spare no effort to discover and apply the advantages and features of green buildings, so as to achieve more remarkable results in property management.

Firstly, for buildings with green design, we will fully explore their advantages in energy conservation and resource efficiency, and adopt scientific and reasonable management methods to maximise the effects. Through the application of advanced energy-saving equipment, intelligent systems and renewable energy technologies, we will improve the overall performance of buildings and reduce energy waste, so as to achieve a win-win situation of environmental protection and economic benefits.

Secondly, for those buildings that have not fully considered green factors in the design stage, we will actively intervene to find and implement various environmental protection measures. This includes (but not limited to) innovative initiatives to improve waste management systems, introduce water-efficient equipment, and optimise indoor air quality. By formulating a detailed operational plan, we will ensure that these improvements are fully implemented in our property operations and the concepts of environmental protection are organically incorporated into our operations.

Through our efforts, we can not only improve the sustainability and environmental friendliness of buildings, but also effectively provide a healthier and more comfortable living environment for residents and bring long-term investment returns to property owners. We will continue to pay attention to and promote the development of green buildings to implement the concept of sustainable development and create a more livable and sustainable future for the community.

2. *Reduce carbon emissions and carbon footprint with plans*

In order to actively respond to China's ambitious goals of achieving Carbon Peaking by 2030 and Carbon Neutrality by 2060, we, as a property management company, actively cooperated with national policies and adopted a series of measures to reduce carbon emissions and energy consumption.

First of all, we have implemented a conservation-first and two-wheel drive strategy in our property management practices, putting energy and resources conservation in the first place. By optimizing the energy utilization and management of buildings, we are committed to reducing energy consumption and carbon emissions per unit floor area and improving the energy efficiency level of buildings. We actively promote the use of advanced energy-saving equipment and clean energy technologies, such as intelligent lighting systems and solar power generation equipment, to reduce energy consumption and environmental pollution.

Sustainability Governance

Secondly, we cooperated with cloud computing service providers to continuously strengthen technological and institutional innovation. In 2023, we cooperated with Tencent Cloud Computing (Beijing) Co., Ltd (“Tencent Cloud”), a subsidiary of Tencent Holdings Limited (listed on the Main Board of the Stock Exchange, stock code: 700), to make use of the efficient computing and storage resources provided by its services to reduce its own hardware investment and maintenance costs, thereby reducing electricity consumption and promoting the transition of the market to low-carbon development. We always pay attention to new products and technologies in the market, such as building mechanical and electrical equipment with higher efficiency, and actively introduce and apply them. At the same time, we also strengthen the training and education of employees to improve their awareness and understanding of energy conservation and emission reduction, and promote the implementation of energy conservation and emission reduction within the Company.

Through these measures, we will continuously improve the quality and efficiency of our property management services, make positive contributions to building a low-carbon society and protecting the environment, and work with all walks of life to move towards a better future of sustainable development.

3. *Climate change-related risks and counter-acting plans*

With increasing frequency of extreme weather conditions caused by global warming in recent years, incidental disasters, such as mountain torrents and floods caused by torrential rain, have also become increasingly serious. To this end, we carefully discuss all foreseeable related risks in every management project and formulate counter-acting plans. We also pay close attention to early warnings issued by government authorities to safeguard the safety of merchants, residents and other visitors at all time and arrange safe and orderly evacuation measures when necessary.

4. *Consider and protect biodiversity*

Human beings are part of nature. There is a delicate and fragile balance between different species, including animals, plants and bacteria. Once the balance is disrupted, it may lead to serious consequences for all species in the ecosystem, including human beings. As a result, we pay special attention to the proper use of insecticides and prioritise green fertilizers and the selection of trees species suitable for local planting.

5. *Actively adopt more environment-friendly products*

Property management involves products that may have impacts on the environment, such as cleaning supplies, batteries, lamps and air-conditioning refrigerants. To this end, we will continue to communicate with relevant industries so that we can consider choosing more environment-friendly products.

6. *Study the use of renewable energy*

The operation of buildings is one of the most energy-intensive activities. To respond to the goal of the government on the preliminary establishment of an economic system on green, low-carbon and recycling development by 2025, we will actively consider the use of non-fossil energy sources within a feasible scope and explore possibilities on joint research and cooperation with wind power, solar power generation and other participants in the industry where technology permits.

Social

1. *Fully unleash the potential of human resources*

We firmly believe in meritocracy. Employees of all levels and positions should achieve self-accomplishment and fully display their talents before having a sense of belonging to the Group and the enthusiasm to work. To this end, we try to understand the alignment of all candidates with the Group in recruitment and actively provide trainings after joining us, allowing them to master relevant working knowledge and skills and unleashing their potential in works.

2. *Ensure the privacy and information safety of customers and employees*

In today's information society, the collection of personal information penetrates into all aspects of our daily life from delivery orders and public transportation to transactions on e-commerce platforms and wealth management in banks, therefore, we should pay more attention to personal privacy and information safety. Owing to industry characteristics, we also store some personal data of customers and employees as required for daily business operation purpose and for provision of services. In order to prevent unscrupulous and unrelated persons from accessing such information, we will continue to improve internal control measures to ensure personal privacy and data safety through application software and internal procedures.

3. *Health and safety of all stakeholders*

We maintain safe and healthy measures and try to avoid threats to the health of any persons due to mistakes. We have different policies for employees, residents, tenants, merchants and other visitors to continuously monitor any health risks and identify potential safety hazards.

4. *Harmonious relationship and communications between the Group and employees*

Property management is a service industry and employees are our important assets with diversified demands. In addition to salaries, trainings and other intuitional aspects, we create a working environment where we can listen to employees' demands and maintain dialogues and trust between employer and employees to solve any conflicts any time.

5. *Fully consider labour standards and employee benefits of suppliers*

On one hand, we try to improve our ESG matters. On the other hand, we also actively encourage upstream suppliers to improve their ESG performance, especially in the labour and employee aspects. We will give priority to enterprises with outstanding ESG performance in the selection of external materials suppliers.

6. *Continuously promote community investment and care*

As a member of the society and in addition to our daily business, we also actively undertake social responsibilities, participate in community building, continue to create and participate in community activities matching people with different themes, age groups and groups to reflect the spirit of taking from communities and applying to communities.

7. *Encourage tenants to give more considerations on ESG matters*

On one hand, we try to optimise the ESG factors within the scope of our property operation. On the other hand, we also encourage tenants to optimise their own ESG matters and provide incentives for their efforts made, such as providing discounts for users in conserving electricity.

Sustainability Governance

Governance

1. *Zero tolerance to corruption*

Keeping zero tolerance to corruption has always been our mindset. For employees of any department, level or type and for any amount that involve corruption, we will handle them impartially and report to public security authorities when necessary. In terms of education and trainings, we always give priority to fighting against corruption and strive to nip corruption in the bud.

In order to achieve this goal, we continue to implement the anti-fraud system, including the complaint and whistle-blowing system, strict supervision and management system, employee handbook, integrity responsibility statement, etc. At the same time, we continue to provide integrity courses and strengthen employees' awareness of anti-corruption through online and offline courses, in-depth publicity, warning case films and microfilms for conveying integrity messages.

In practice, we strengthened the linkage management of key areas, promoted rectification with investigation and punishment of cases, and facilitated standardisation with prevention as the lead. Through the investigation and punishment of typical cases, we will work with various business areas to achieve a closed loop of management. In the meantime, we deepen business and grassroots work, establish a regular communication mechanism with operation departments, keep abreast of the latest policy trends, and reduce the possibility of risk occurrence.

Finally, we have built an industry alliance to jointly fight against fraud, regularly exchange and share advanced anti-fraud experience in the industry, implement a blacklist system, and share the list of dishonest employees and suppliers to jointly prevent integrity risks. These measures will further strengthen our anti-corruption efforts and contribute to the creation of a clean and transparent corporate environment.

2. *Properly manage and continuously improve external and internal complaint mechanisms and fully protect the privacy of whistleblowers*

Information is important for corporate governance. Save for the general communication with employees, they may also become whistleblowers who reveal violations of regulations and disciplines within the enterprise. Besides, external personnel and the general public also need to have channels to complain about the Group's operations. In such case, their identities must be kept confidential. Only if the identity of the complainant is fully confidential, they will dare to come forward. This will enable the senior management of the enterprise to keep tabs on unqualified or irregular behaviour, so that the dark matters can be revealed.

3. *Implement the top-down guidelines of the Board and ensure the truthful and specific bottom-up reflection of frontline conditions*

We will continue to improve the Board's supervision on ESG affairs and optimise the feedback mechanism, so as to ensure that the Board is always aware of the Group's ESG situation and appropriately set up new directions to maximise the effect as the helmsman of the Group.

Risk Management and Internal Control

In order to actively respond to any risks and opportunities that the Company may face in the process of sustainable development, the Group continues to strengthen internal management and formulated the "Administrative Measures of the Office of KWG Living Group" (the "Measures"). The Measures specify the code of conduct on employees and specific provisions included:

1. Be devoted to their duties, consciously abide by national laws and regulations as well as all rules and systems of the Group and strictly prohibit the wrongful disclosure of business secrets and other confidential information of the Group. Those in violation of such provision shall be held accountable according to law;
2. Actively safeguard the image and interests of the Group and avoid arbitrarily expressing comments against the Group. At the same time, they shall not arbitrarily act in the name of the Group except when carrying out designated businesses on behalf of the Group;
3. Respect and support one another, conduct loyal cooperation and maintain sound communications and collaboration;
4. Treat their work with earnest and proactive attitude and keep on learning to improve their professional and technical skills as well as comprehensive quality;
5. Department heads should earnestly listen to and adopt reasonable advice of subordinates and provide them with necessary assistance and guidance. They shall treat every subordinate fairly and impartially and give them objective and impartial appraisals;
6. All behaviours of employees shall be in the interest of the Group and they are strictly prohibited from accepting rebates, sponsorship or other improper gains through their positions and authorities.

Major Awards and Internationally Recognized Standards



The Group's high-quality service quality has been widely recognised by customers. An inconclusive list of awards and honours received by the Group in 2023 is as follows:

Year	Award	Institution
23 March 2023	2023 Property Enterprise Service Excellence • TOP 8	Guandian Index Academy
23 March 2023	2023 Property Services Companies with Outstanding Performance • TOP 14	Guandian Index Academy
26 April 2023	2023 China's Leading Smart City Services Companies	Beijing China Index Academy (北京中指信息技術研究院)
26 April 2023	2023 China's Outstanding Property Service Enterprise in terms of ESG Development	Beijing China Index Academy (北京中指信息技術研究院)
26 April 2023	2023 Annual Property Service Enterprise with Sense of Social Responsibility in China	Beijing China Index Academy (北京中指信息技術研究院)
18 May 2023	2023 China TOP 10 Listed Companies in terms of Property Service Scale	Beijing China Index Academy (北京中指信息技術研究院)
18 May 2023	2023 Non-Residential Property Service of China TOP 4 Property Service Listed Companies	Beijing China Index Academy (北京中指信息技術研究院)
19 May 2023	2023 National Top 100 Property Enterprises in terms of Integrity	China Association for Professional Managers
19 May 2023	2023 Professional Managers of National Top 100 Property Enterprises in terms of Integrity — WANG Jianhui	China Association for Professional Managers
30 May 2023	Top 20 Listed Property Management Companies in China in 2023 — TOP 11	CRIC Property Management (克而瑞物管)



Year	Award	Institution
30 May 2023	2023 TOP 10 Leading Enterprises of Listed Property Management Companies in China in term of ESG Sustainable Development	CRIC Property Management (克而瑞物管)
30 May 2023	2023 TOP 10 Listed Property Management Companies in China in terms of High Quality Development	CRIC Property Management (克而瑞物管)
28 June 2023	TOP 500 Property Management Companies in China in terms of Comprehensive Strength in 2023 — TOP 12	CRIC Property Management (克而瑞物管)
28 June 2023	2023 Leading Residential Property Service Companies in China	CRIC Property Management (克而瑞物管)
28 June 2023	2023 China's Leading Property Quality Service Enterprise	CRIC Property Management (克而瑞物管)
28 June 2023	2023 China Property Management Excellence Benchmarking Project — Shenzhen Zhenlin Tianhui	CRIC Property Management (克而瑞物管)
4 August 2023	TOP 12 Property Management Companies in China in terms of Comprehensive Strength in 2023	EH Research
4 August 2023	2023 Model Enterprises of Customer Satisfaction of China Property Service	EH Research
4 August 2023	2023 Leading Property Management Companies in terms of Brand Value in China	EH Research
4 August 2023	2023 China Property Management Companies with Excellent Growth Potential	EH Research
4 August 2023	2023 Leading Property Management Companies in terms of Urban Services in China	EH Research

Major Awards and Internationally Recognized Standards

Year	Award	Institution
4 August 2023	2023 Competitive Leading Property Management Companies in South China	EH Research
4 August 2023	2023 Leading Property Management Companies in terms of Hospital Property Services in China	EH Research
4 August 2023	2023 China Property Management Companies with Excellent Marketing Operations	EH Research
4 August 2023	2023 China Property Services Enterprise with Social Responsibility Benchmark	EH Research
8 August 2023	2023 Influential Property Management Companies	Guandian Index Academy
10 August 2023	2023 TOP 11 of China TOP 100 Property Management Companies in terms of Comprehensive Strengths	China Property Management Think Tank 中物智庫
10 August 2023	2023 China Top 100 Property Management Companies in terms of Brand Influence	China Property Management Think Tank 中物智庫
10 August 2023	TOP 100 Enterprises of High-quality Property Service in China in 2023	China Property Management Think Tank 中物智庫
10 August 2023	TOP 10 Residential Property Management Enterprises in China in 2023	China Property Management Think Tank 中物智庫
10 August 2023	Top 30 Property Management Enterprises in South China in 2023	China Property Management Think Tank 中物智庫
10 August 2023	2023 China Benchmark Property Services Project: KWG • Richmond Greenville	China Property Management Think Tank 中物智庫
10 August 2023	2023 China Benchmark Property Services Project: KWG • Landmark Arte Masterpiece	China Property Management Think Tank 中物智庫
1 September 2023	TOP 20 Enterprises of Residential Property Service in China in 2023	CRIC Property Management (克而瑞物管), China Property Management Research Institution
1 September 2023	TOP 20 Enterprises in terms of High-end Property Services Capabilities in China in 2023	CRIC Property Management (克而瑞物管), China Property Management Research Institution

Major Awards and Internationally Recognized Standards

Year	Award	Institution
1 September 2023	TOP 20 Commercial Property Management Companies in terms of Services Capabilities in China in 2023	CRIC Property Management (克而瑞物管), China Property Management Research Institution
1 September 2023	2023 Top 100 China's Property Management Enterprises in terms of Brand Value	CRIC Property Management (克而瑞物管), China Property Management Research Institution
1 September 2023	TOP 30 China Property Management Brands and Companies in South China in 2023	CRIC Property Management (克而瑞物管), China Property Management Research Institution
1 September 2023	2023 China Property Pioneers — Intelligent Construction Field — WANG Jianhui	CRIC Property Management (克而瑞物管), China Property Management Research Institution
1 September 2023	2023 China Property Pioneers — Manpower Building Field — KUANG Xiaoling	CRIC Property Management (克而瑞物管), China Property Management Research Institution
14 December 2023	2023 Residential Property Management Brands and Companies in Guangdong	China Property Management Think Tank 中物智庫
14 December 2023	2023 Heroic Figure of Property Sector in China — WANG Jianhui	China Property Management Think Tank 中物智庫
14 December 2023	2023 China Property Outstanding Regional General Manager — ZHANG Xiaohong (張小紅)	China Property Management Think Tank 中物智庫
14 December 2023	2023 China Property Advancement Project Manager — KONG Qien (孔蕪恩)	China Property Management Think Tank 中物智庫
14 December 2023	2023 Inspirational People in Property Sector in China — GE Dianshi (葛殿時)	China Property Management Think Tank 中物智庫
15 December 2023	TOP 11 Super Service Capability of China Property Enterprises in 2023	EH Research
15 December 2023	2023 China's Leading Property Services Companies in terms of Employer Brand Influence	EH Research

Major Awards and Internationally Recognized Standards

Year	Award	Institution
15 December 2023	2023 China Commercial Property Management Benchmarking Project — Guangzhou Hejing International Financial Plaza	EH Research
15 December 2023	2023 China Residential Property Management Benchmarking Project — Guangzhou Landmark Arte Masterpiece	EH Research
15 December 2023	2023 China's Leading Enterprises of Property Service in South China	EH Research
15 December 2023	2023 China's Property Management Companies with Quality Services in Guangdong	EH Research
21 December 2023	TOP 100 Property Management Enterprises of Guangdong-Hong Kong-Macao Greater Bay Area in 2023 — Top 11	CRIC Property Management (克而瑞物管), China Property Management Research Institution
21 December 2023	TOP 10 Enterprises of Urban Services of Guangdong-Hong Kong-Macao Greater Bay Area in 2023	CRIC Property Management (克而瑞物管), China Property Management Research Institution
21 December 2023	2023 Property Services Benchmarking Project of Guangdong-Hong Kong-Macao Greater Bay Area — Shenzhen Zhenlin Tianhui	CRIC Property Management (克而瑞物管), China Property Management Research Institution

Major Awards and Internationally Recognized Standards

In addition, KWG Living attaches great importance to the management of environment, safety and quality recognised by the state and international institutions, and we have been awarded the following certificates:

City	Property Name	Systems	Recognized Standards
Guangzhou	Ningjun Property	Energy management	GB/T 23331-2020/ISO 50001:2018
Guangzhou	Ningjun Property	Property management service	GB/T 20647.9-2006
Guangzhou	Ningjun Property	Occupational health and safety	GB/T 45001-2020/ISO 45001:2018
Guangzhou	Ningjun Property	Quality control	GB/T 19001-2016/ISO 9001:2015
Guangzhou	Ningjun Property	Environmental management	GB/T 24001-2016/ISO 14001:2015
Guangzhou	Runtong Property	Environmental management	GB/T 24001-2016/ISO 14001:2015
Guangzhou	Runtong Property	Quality control	GB/T 19001-2016/ISO 9001:2015
Guangzhou	Runtong Property	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Guangzhou	Runtong Property	Information security management	GB/T 22080-2016/ISO/IEC 27001:2013
Guangzhou	Runtong Property	Integrity management	GB/T 31950-2015
Guangzhou	Runtong Property	Energy management	GB/T 23331-2020/ISO 50001:2018 RB/T 107-2013
Guangzhou	Runtong Property	Property management service certification	GB/T 20647.9-2006 & GH-ECPS-R-01
Guangzhou	Runtong Property	After-sale service certification	GB/T 27922-2011 & GH-ECPSC-R-01
Guangzhou	Runtong Property	Anti-bribery management	ISO 37001:2016 & GH-ABMS-R-001
Guangzhou	Runtong Property	Training management	BG/T19025-2001 & ISO 10015:1999 & HXC-TMS-R-001
Guangzhou	Runtong Property	Corporate social responsibility	SA8000:2014 & HXC-SAMS-R-001
Guangzhou	Runtong Property	Serving capacity for domestic waste sorting	GB/T 19095-2019/CJJ/T 102-2004 & HXC-HGSS-R-001
Guangzhou	Runtong Property	Customer complaint management	GB/T 19012-2019/ISO 10002:2018 & HXC-CCMS-R-001
Guangzhou	Runtong Property	Corporate fulfilment capacity assessment AAAAA	GB/T 31863-2015 & GB/T 19001-2016 & HXC-ECCC-R-002
Guangzhou	Runtong Property	Emergency preparedness management capacity 10 star	GB/T 37228-2018

Major Awards and Internationally Recognized Standards

City	Property Name	Systems	Recognized Standards
Guangzhou	Runtong Property	Information technology service management	ISO/IEC 20000-1:2018
Guangzhou	Runtong Property	Cleaning service	SB/T 10595-2011 & GH-CSC-R-01
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	AAAAA Level Standardised Good Behaviour Enterprise	GB/T 15496-2017
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Serving capacity for domestic waste sorting	GB/T 19095-2019 & Q/JYRZ-GF015-2021
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Environment management	GB/T 24001-2016/ISO 14001:2015
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Information security management	GB/T 22080-2016/ISO/IEC 27001:2013
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Emergency preparedness management	GB/T 37228-2018 ZLDS-46
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Integrity management	GB/T 31950-2023
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Social responsibility management	GB/T 39604-2020
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Property management service certification	GB/T 20647.9-2006
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Sewage and refuse disposal, public health and other environmental protection services	SB/T 10959-2011

Major Awards and Internationally Recognized Standards

City	Property Name	Systems	Recognized Standards
Guangzhou	Guangzhou Qingde Property Management Co., Ltd.	Energy management	GB/T 23331-2020/ISO 50001:2018 RB/T 107-2013
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Information security management	GB/T 22080-2016/ISO/IEC 27001:2013
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Integrity management	GB/T 31950-2023
Guangzhou	Guangzhou Qingde Security Service Co., Ltd.	Social responsibility management	GB/T 39604-2020
Foshan	The Second People's Hospital of Shunde	Quality management system	GB/T 9001-2016/ISO 9001:2015
Foshan	The Second People's Hospital of Shunde	Environmental management system	GB/T 24001-2016/ISO 14001:2015
Foshan	The Second People's Hospital of Shunde	Occupational health and safety management system	GB/T 45001-2020/ISO 45001:2018
Changsha	Hunan Huating Property Management Co., Ltd.	Quality management system certificate	GB/T 19001-2016/ISO 9001:2015
Changsha	Hunan Huating Property Management Co., Ltd.	Occupational health and safety management system certificate	GB/T 45001-2020/ISO 45001:2018
Changsha	Hunan Huating Property Management Co., Ltd.	Environment management system certificate	GB/T 24001-2016/ISO 14001:2015
Changsha	Hunan Jiayuan Property Management Co., Ltd.	Environment management system	GB/T 24001-2016/ISO 14001:2015
Changsha	Hunan Jiayuan Property Management Co., Ltd.	Quality management system certificate	GB/T 19001-2016/ISO 9001:2015
Changsha	Hunan Jiayuan Property Management Co., Ltd.	Occupational health and safety management system	GB/T 45001-2020/ISO 45001:2018

Major Awards and Internationally Recognized Standards

City	Property Name	Systems	Recognized Standards
Changsha	Hunan Jiayuan Property Management Co., Ltd.	After-sale service certificate	GB/T 27922-2011
Changsha	Hunan Jiayuan Property Management Co., Ltd.	Corporate integrity management system certificate	GB/T 31950-2023 & JY-CMSC-R-001
Changsha	Hunan Jiayuan Property Management Co., Ltd.	Property management service certificate	GB/T 20647.9-2006
Nanjing	Nanjing Yonghe Property Management Co., Ltd.	Environment management	GB/T 24001-2016/ISO 14001:2015
Nanjing	Nanjing Yonghe Property Management Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Nanjing	Nanjing Yonghe Property Management Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Suzhou	Suzhou Industrial Park Yitongyaxin Property Management Co., Ltd.	Quality control system	GB/T 19001-2016/ISO 9001:2015
Suzhou	Suzhou Industrial Park Yitongyaxin Property Management Co., Ltd.	Environment management system	GB/T 24001-2016/ISO 14001:2015
Suzhou	Suzhou Industrial Park Yitongyaxin Property Management Co., Ltd.	Occupational health and safety management system	GB/T 45001-2020/ISO 45001:2018
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Energy management system certificate	GB/T 23331-2020/ISO 50001:2018 RB/T 107-2013
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	China Occupational Health and Safety Management System certificate	GB/T 45001-2020/ISO 45001:2018
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Environment management system certificate	GB/T 24001-2016/ISO 14001:2015
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Information security management system certificate	GB/T 22080-2016/ISO/IEC 27001:2013
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	All other management system certificates not specified	GB/T 31950-2015

Major Awards and Internationally Recognized Standards

City	Property Name	Systems	Recognized Standards
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	All other management system certificates not specified	ISO 37301:2021
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Quality control management system certificate (ISO 9001)	GB/T 19001-2016/ISO 9001:2015
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Sewage and refuse disposal, public health and other environmental protection services	SB/T 10595-2011 & CTS ZYCC1011-2022
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Real estate services	GBT 20647.9-2006
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Sewage and refuse disposal, public health and other environmental protection services	GB/T 19095-2019 & CTJZCC1056-2021
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Maintenance and repair services	SJ/T 31002-2016 & CTS ZYCC1026-2022
Zhoushan	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Corporate social responsibility management system certificate	GB/T 39604-2020
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Occupational health and safety management system	GB/T 45001-2020/ISO 45001:2018
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Quality control	GB/T 1900-2016/ISO 9001:2015
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Food safety management	ISO 22000:2018
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Energy management	GB/T 23331-2020/ISO 50001:2018
Ningbo	Ningbo Meiwuyi Property Management Co., Ltd.	Energy management	RB/T 107-2013
Ningbo	Ningbo Beauty House Security Service Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015

Major Awards and Internationally Recognized Standards

City	Property Name	Systems	Recognized Standards
Ningbo	Ningbo Beauty House Security Service Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Ningbo	Ningbo Beauty House Security Service Co., Ltd.	Quality control	GB/T 1900-2016/ISO 9001:2015
Shanghai	Shanghai Wenhua Yinwan Property Management Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Shanghai	Shanghai Wenhua Yinwan Property Management Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Shanghai	Shanghai Wenhua Yinwan Property Management Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Nanchang	Jiangxi Yinwan Property Management Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Nanchang	Jiangxi Yinwan Property Management Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Nanchang	Jiangxi Yinwan Property Management Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Nanning	Guangxi Yinwan Property Service Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Nanning	Guangxi Yinwan Property Service Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Nanning	Guangxi Yinwan Property Service Co., Ltd.	Quality control	GB/T 19001-2016/ISO 9001:2015
Suzhou	Yishida Property Management Co., Ltd.	Occupational health and safety management	GB/T 45001-2020/ISO 45001:2018
Suzhou	Yishida Property Management Co., Ltd.	Quality control	GB/T 9001-2016/ISO 9001:2015
Suzhou	Yishida Property Management Co., Ltd.	Environmental management	GB/T 24001-2016/ISO 14001:2015
Shanghai	Shanghai Shenqin Property Management Service Co., Ltd.	Energy management system	GB/T 23331-2020/ISO 50001:2018

Stakeholder Communication

Stakeholders are crucial to the sustainable development of the Company. Therefore, we have always attached great importance to the interaction and communication with them. In order to ensure that their demands are fully concerned and addressed, we have adopted a variety of effective communication methods, including regular stakeholder meetings, questionnaire surveys and talks. Through these channels, we not only understand the needs and expectations of our stakeholders, but also convey our development strategies and goals to them and work out solutions together.

We always adhere to the principles of integrity and transparency in our communication with stakeholders. Whether it is to disclose the Company's performance in financial reports or to illustrate the Company's strategic plan in annual reports, we strive to provide stakeholders with accurate, clear and transparent information. In addition, we have also established a stakeholder relationship management system to timely record and follow up on stakeholders' feedback and suggestions so as to make appropriate response and adjustment.

In addition to maintain timely communication and transparent disclosure of information, we are also committed to establishing long-term and stable cooperative relationships. Through good cooperation with stakeholders, we discuss and formulate sustainable development strategies and goals to jointly respond to various challenges and risks. We believe that the good interaction and cooperation between stakeholders and the Company will provide stable support and impetus for the long-term development of the Company, and promote the Company to move towards a more sustainable and responsible direction.

Stakeholder Engagement

Stakeholder	Concerned issue	Communication channel and corresponding method
Shareholders and investors	<ul style="list-style-type: none"> investment return and growth formulation of a sustainable development strategy disclosure on corporate information protection of the rights and interests of shareholders and investors 	<ul style="list-style-type: none"> convening of general meetings investor relations activities issuing results announcements and financial reports regular disclosure on operation and investment information
Employees	<ul style="list-style-type: none"> career development and promotion path employees' rights and benefits occupational health and safety mechanism for equal communication and appeal 	<ul style="list-style-type: none"> trainings and workshops on safety issues encouraging employees to participate in internal and external trainings offering clear promotion roadmap
Customers and property owners	<ul style="list-style-type: none"> service quality privacy protection commercial integrity 	<ul style="list-style-type: none"> property owners' WeChat groups customers' satisfaction survey accessibility of online service customer or community activities
Government	<ul style="list-style-type: none"> lawful operation tax declaration support economic development 	<ul style="list-style-type: none"> setting up policies for green operation executing and complying with state policies
Contractors	<ul style="list-style-type: none"> win-win cooperation partnership corporate image and reputation perform contract according to law 	<ul style="list-style-type: none"> setting up engagement criteria and practices conducting technology and quality assessment on bidders regular evaluation and inspection on suppliers
Public and media	<ul style="list-style-type: none"> care for the underprivileged and community cohesion investment in public welfare improve corporate transparency 	<ul style="list-style-type: none"> participating in and organizing community programmes charitable activities communication through media

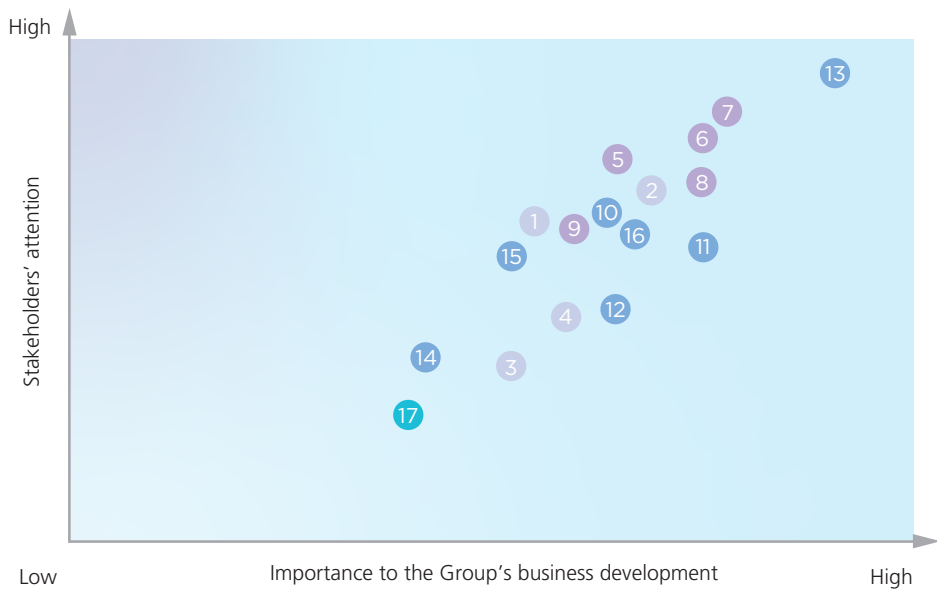
Analysis and Management of Material Issues

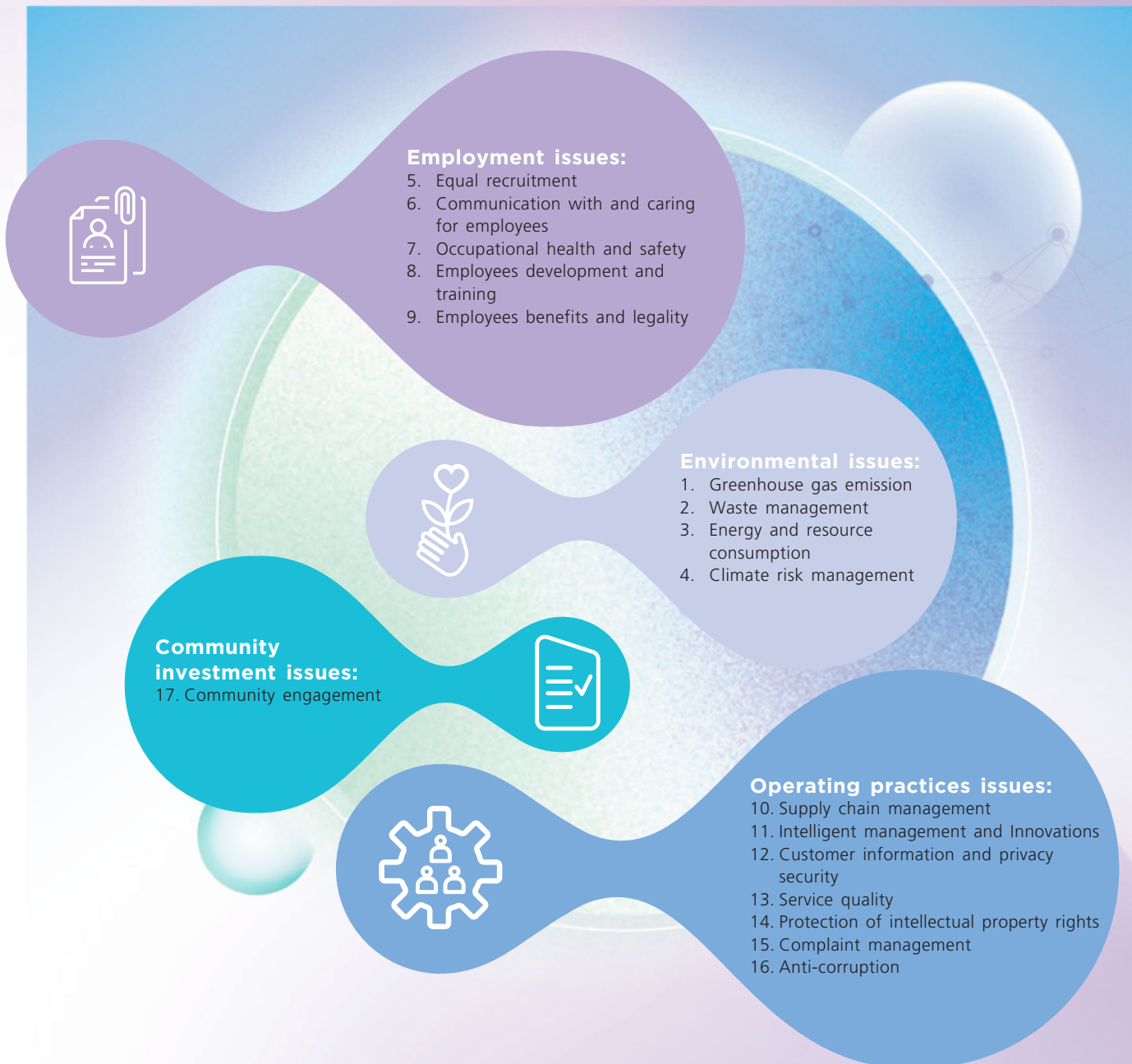
KWG Living attaches great importance to ESG-related issues and management thereof, and deeply understands that related work will have a positive impact on the Group’s financial performance and long-term development. Therefore, the Group will manage by material issues analysis, and strengthen communication with various stakeholders through preparation and disclosure of the Report, which will help the Group to continue to improve its ESG management capabilities in the long run.

In order to create more value for the Group’s stakeholders, the Group believes that it is particularly important to first have an understanding of the issues that are concerned by stakeholders, and referring to the Group’s internal assessment and analysis to arrive at the priority and matrix of material issues.

Identifying issues	Based on the Group’s business nature and industry characteristics, a list of ESG issues for the year was established by reference to the Guide.
Stakeholder communication	In daily operations, the Group actively communicate with stakeholders through different channels to understand their expectations and opinions on ESG issues.
Internal and external materiality assessment	After collecting opinions from all parties, the Group conducts materiality analysis and assessment to determine the priority and matrix of material ESG issues by reference to the ESG priorities of industry peers.

Matrix of Material ESG Issues





The material matrix for the Year is the same as last year. Each stakeholder attached greater importance to and are highly concerned about issues including communication with and caring for employees, occupational health and safety, employees development and training, and service quality. KWG Living will make disclosure of each issue in the following sections of the Report based on the results of this assessment, and focus on top issues in the priority list. KWG Living will continue to improve the ESG-related management systems, and strive to improve various performances to create more value and a livable environment.


Analysis and Management of Material Issues


• Chapter 1: Founder of Ingenious Service

1.1 Service Quality Focusing on Optimisation

1.1.1 Service Quality Control

The Group has always been committed to providing high-quality services, and continuously optimised service processes and improved service standards to ensure that customers receive the best property management and operation services. We pay attention to service quality control in every aspect, including professionalism, efficiency, refinement and customer satisfaction of the service, to ensure that every service process can be strictly controlled and completely implemented. We believe that good service quality is the key to our success and an important factor for us to stand out in the market competition.


Service segment	Scope of services provided and specific service content
<p>Residential property management services</p> 	<p>The Group provides residential property management services to afford various services meeting the needs of households and residents in the community under different daily-living scenarios, including:</p> <p>pre-sale management services such as cleaning, security and maintenance services for pre-sale display units and sales offices, to property developers during their pre-sale activities;</p> <p>property management services such as cleaning, security, gardening and repair and maintenance services to (i) property developers for undelivered portion of the properties; and (ii) property owners, property owners' associations or residents for properties sold and delivered;</p> <p>community value-added services such as (i) home-living services — the provision of a wide range of services catered to the personalized needs of owners through the integration of industrial and ecological resources; (ii) property agency services — property agency services provided to property owners, residents and property developers; and (iii) common area value-added services — aiming to provide daily-living convenience to property owners and residents and enhance the owners' sense of pleasant accommodation by utilising the community space.</p>

Service segment	Scope of services provided and specific service content
<p>Non-residential property management and commercial operational services</p>	 <p>The Group manages and operates a diversified portfolio of non-residential properties, provides property management and commercial operational services to commercial properties such as shopping malls and office buildings, and provides property management services to schools, hospitals, government authorities, industrial parks and other public properties. The Group’s services include:</p> <p>pre-sale management services such as cleaning, security and maintenance services for pre-sale display units and sales offices to property developers;</p> <p>property management services such as file management, cleaning, security, gardening and repair and maintenance services provided to property owners or tenants;</p> <p>commercial operational services such as preliminary planning and consultancy services, tenancy sourcing services, tenancy management services and marketing and promotion services to property owners and property developers; and</p> <p>other value-added services such as multimedia services, engineering and environmental services, EDA intelligent services to corporate clients and tenants.</p>




In order to continuously and steadily provide customers with high-quality services, the Group continuously improves its management and service policies, builds a standardized system and standardization mechanism, adheres to standardized management and standardized services, and ensures the implementation of service standards through the issuance, publicity and training of the On-site Quality Visual Manual.

1

System Certification Assessment



- First annual review after ISO9001 quality control system certification, second annual review of ISO14001 environmental management system and ISO45001 occupational health and safety management system. In the future, the Group will continue to standardise its daily management, remain committed to continual improvement, and keep on refining its quality management level.

Analysis and Management of Material Issues

2

General Examination on Service Standardisation



- In 2023, KWG Living Group continued to develop a series of service standardisation courses, covering more than 40 professional courses such as customer service, engineering, cleaning and security, with a total of more than 100 courses. Through the establishment of a professional learning roadmap, the mechanism such as induction mentors allows whole staff learning. The cumulative number of trainees was 120,000+ and cumulative duration of learning was 8,800 + hours. The average score of the course was 4.6 points out of 5, and the trainees' feedbacks about the courses are easy to understand and practical, clear explanations and full of useful information. The relevant courses effectively facilitated the implementation of service standardisation and improved business quality.



Case Study

KWG Living Group's 2023 Second "Golden Idea" Competition

In 2023, adhering to the concept of innovation and development, KWG Living Group held the second Golden Idea Competition with the theme of "Identify Clues and Loopholes to Boost Innovation and Efficiency". This is not only a contest, but also a continuous encouragement and support for innovation within the Group, aiming to stimulate employees' innovative thinking and help enterprises improve quality and efficiency.

The contest covered five major tracks, namely digital application innovation, community operation innovation, quality service innovation, engineering technology innovation and management model innovation, demonstrating the Group's focal point in various aspects of corporate development and the encouragement and promotion of diversified thinking of employees.

The contest stimulated the wisdom and creativity of employees, and gathered 79 "Golden Idea" creative works, including digital intelligent analysis tools, old community reform plans and new revenue-generating training models. Each project carries the employees' passion for the future of the enterprise and their responsibility to the society.

After strict screening and evaluation, a total of 12 outstanding projects stood out, of which the Gold Award project is a high recognition and affirmation of the Group for innovation achievements. The delivery of these projects not only provides the Company with new development paths and growth drivers, but also creates more opportunities and space for the personal growth and development of employees.

Through this Golden Idea Competition, KWG Living Group not only strengthened the internal cohesion and innovation atmosphere, but also further consolidated the communication and cooperation with employees. In the future, the Group will continuously uphold the concept of sustainable development, keep on promoting enterprise innovation, and create more value and possibilities for employees and society.



Gold Award - Financial Digital Intelligent Analysis Tool

Analysis and Management of Material Issues

High-quality services not only require the improvement of staff's ability and attitude, but also the improvement of supporting facilities. In the past year, we have comprehensively upgraded the facilities management and maintenance, greening landscape and security system. For example, our specific management includes:

- Setting key performance indicators on equipment failure rate, rate of being trapped and rate of timeliness in equipment repairing as one of the performance standards on incentives and penalty for relevant staff;
- Purchasing public liability insurance for all elevators to provide better guarantees to the Group and users of elevators;
- Purchasing public liability insurance for projects;
- Conducting regular maintenance and inspections with full coverage every year in accordance with the Fire Control Law of the People's Republic of China to ensure the reliable performance of all fire prevention facilities and systems and full display of their roles under emergency;
- Conducting annual inspections on elevators in accordance with the Special Equipment Safety Law and striving to reduce failure rate and losses arising therefrom to the maximum extent;
- Carrying out regular cleaning and inspections on domestic water tanks to maintain high quality of water all the time;
- Arranging barrier-free facilities in the preliminary design of projects to facilitate the disabled and making the society more equal and inclusive (for old projects without the design of such facilities, property management companies have completed the transformation on their own).

Meanwhile, the Group regularly conducts survey on the satisfaction and comprehensive quality on projects under the Group to respond to customers' demands, identify risks on project quality and implement the corresponding rectifications in a timely manner. In addition, the Group regularly holds seminars and exchanges between projects to help them learn from valuable experience from each other, continuously improve service quality and efficiency, optimise service process and improve service details.



Case Study

The “Spring Breeze Action” is a series of community quality improvement plans conducted by KWG Living and has been continuously conducted for five consecutive years. Following the spirit of “creating a beautiful life with actions and bringing Spring breeze into life”, it provides meticulous care to property owners on visual, audio, smell and touch through the service capabilities of the 10 major spring breeze actions, such as the service power of welcome, window service power, security service power, service power of renewal and activity service power.

In 2023, our property management staff inherited and carried forward the spirit of “Spring Breeze Action”, always insisting on creating a better living experience for property owners, allowing them to feel the warmth and care all the time. This scheme shows our firm commitment to improving the quality of the community and life of residents. Our round-the-clock care, from late-night escorts and heavy lifting for every property owner, is a thoughtful service that allows property owners to feel the care and warmth of our property services. Meanwhile, we are committed to improving the community environment, forging a beautiful and livable garden-style community, equipped with fitness and recreational facilities, so that residents can enjoy leisurely in a fast-paced life.

In terms of smart security, we have upgraded surveillance and car parks and equipped them with firefighting equipment to ensure that the community is safe and secure. In addition, we are actively promoting the deep integration of party building into the business and solving the difficult problems of community governance through specialised projects on shared governance and co-construction. By launching the red property activities, linking party branches and women’s associations, and organising tree-planting activities and science lectures, we have broken through service boundaries and radiated our property management services to a wider range of areas and people. The combination of science and technology and humanism provides residents with both comfort and peace of mind.

We also focus on creating a cultural atmosphere in the community, through the organisation of rich and colourful cultural activities to add fun to the lives of residents. At special occasion, such as wedding celebration or others, we will provide attentive service, helping decoration, red carpet arrangement and so forth. As such, residents can feel the warmth and joy of home.

The Group has always been guided by humanistic care, and has been consistently focusing on quality construction, providing warm services to property owners, and creating a relaxed and beautiful community life for them. The efforts and dedication of our staff have made the community a better and more livable place, and our residents are happier and more satisfied with life.



Analysis and Management of Material Issues

1.1.2 Community Environmental Management

Community safety and hygiene are the most important aspects of the quality of life of property owners. The property management companies of KWG Living hold various certifications including, ISO 9001 quality management system, ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, ISO 37001 anti-bribery management system, ISO 10015 quality management training system, ISO 10002 customer complaint management system, ISO/IEC 20000 information technology service management system, ISO/IEC 27001 information security management system and ISO 50001 energy management system. Safe, warm and cosy communities are built through carrying service philosophy of “Careful Housekeeper” and based on the provision of “customer-oriented services”.

The Group has prepared the “KWG Living Group’s Guidelines for Technical Management Emergency of Residential Property Projects”, requiring staff to attend the scene for rescue within 30 minutes in case of elevator trapped accidents; in the event of a water or power outage, the staff will attend the site within 15 minutes; the team is also required to organize team training on a monthly basis, and organize annual interactive drills with customers. Meanwhile, we have high standard for matters such as selection, management and placement of green plants, pest control, daily cleaning services, cleanliness of the landscape pool, garbage collection and disposal; employees are required to implement established work procedures to ensure service quality.

Case Study

As a property management service provider, the Group has demonstrated a high degree of professionalism and responsibility in community environmental management. We pay attention to details and always adhere to the principle of people-oriented, and are committed to creating a comfortable, healthy and harmonious living environment for property owners. The Group has adopted a series of scientific and effective measures in community environmental management. A healthy and comfortable life is the expectation of every property owner for the community. KWG Living wants to provide what the property owners need, such as providing them with green bean water, watermelon and other foods that help relieve heat in hot summer, and send drugs that reduce summer heat to the elderly. In daily work, we strengthen the management and maintenance of green belts, regularly pruning, weeding and fertilising to ensure the effect of greening. At the same time, we increase the greening propaganda, take measures to prevent mice and mosquito, improve the beauty of the environment, and maintain the community environment clean and tidy. For waste management, we set up waste segregation points to guide residents to properly classify and dispose of waste, and take effective measures to reduce environmental pollution. In the meantime, we carry out the maintenance and repair for the public facilities in the community regularly to ensure the normal operation and improve the quality of life for the residents.

In addition, the Group also has a professional property management service team with rich professional knowledge and practical experience. The team can provide comprehensive and high-quality environmental management services for the community. At the same time, the Group also regularly conducts training and assessment for service personnel to ensure that they have excellent service skills and good professional quality.









Analysis and Management of Material Issues

1.1.3 Office Building Management and Operation

KWG Living has extensive experience and professional knowledge in the field of office building management and operation. The experts of the team have deep insight into the needs of enterprises, give full play to its excellent business space planning capabilities and operational management capabilities, provide customers with efficient and high-quality business space, and create office brands such as "IFP", "IMP" and "ICP".

Adhering to the concept of "7x24-hour green and healthy life", we have adopted the ecological, intelligent, personalised and multi-format management of office buildings, striving to enable every tenant to achieve free conversion among office, commercial and life, and enjoy a one-stop happy life. After more than 15 years of dedication, we have established the "YO LIVING" office building quality service standard system; developed customer database to accurately meet customer needs; provided one-on-one butler service for solving problems efficiently.

<p>Enjoy intelligence</p>	 <p>Digital upgrading</p> <ul style="list-style-type: none"> • Building management • Security management • Office management • Portal management 	 
<p>Enjoy ecosystem</p>	 <p>Round the clock clothing, food, residence, travelling and commerce</p> <ul style="list-style-type: none"> • Settlement of quality brands • Green life concept • Full coverage of life • Fashion leading 	 

Bring more warmth**+1 Service Mindset**

- Think More
- Accountable
- One More Step
- Craftsmanship



In the past year, we continued to innovate, injecting new vitality and experience into business scenarios in CBDs, and improving the quality of business services. As an expert in the field of office building operation, KWG Living has won wide market recognition with its mature and leading services, and has become a long-term partner of many Fortune 500 companies.

Focusing on integrating commercial resources, we assist customers in business promotion and resource sharing. We strive to create a positive, open and collaborative business environment for our customers, from well-planned salons, talks to fascinating exhibitions and exciting social events.

Analysis and Management of Material Issues

Case Study

Located in the core location of Shanghai World Expo Houtan, International Metropolis Plaza in Shanghai enjoys 270-degree riverfront views. It embraces the two major business zones of Qiantan and World Expo which is adjacent to the Houtan Station of Metro Line 7, and with only several minutes of walks away from Houtan Wetland Park and World Expo Cultural Park. The project occupies a site area of 26,000 sq.m. with a total GFA of approximately 149,000 sq.m., consisting of two 5A Grade A landmark office buildings, more than 30,000 sq.m. of premium themed commercial space, and B2-3F underground car parks; and processes large-scale storey heights and variable apartment types. With a combination of multiple experiences such as fine dining, light luxury fashion, entertainment and leisure, it can meet the high-quality commercial experience of property owners.



In 2023, we adjusted the green area of the project due to planning needs. The project has a greening area of 2,662 sq.m. At the same time, a total of 229 trees such as ginkgo biloba and osmanthus fragrans were planted outdoors, and a total of 170 pots, paintings and flower boxes were placed indoors. Other than that, the project also attaches great importance to waste treatment. It is equipped with 8 sets of secondary oil separation equipment in catering stores and calls on merchants and tenants to sort out domestic waste.

1.1.4 Shopping Centre Management and Operation

KWG Living has set direction based on customer needs, combining professional commercial design, positioning and business portfolio, to create a commercial brand that meets the consumption preferences and habits of people in different urban areas. In terms of shopping malls, KWG Living has successfully established three proprietary brands, namely “Ufun” which mainly provides shopping and leisure venues for middle-class families, “M • CUBE” which provides fashionable shopping experience for the younger generation, “Ufun Walk” which provides consumers with brand-new multi-dimensional shopping experience, and the asset-light brand of “Colour Cube”, with an aim to provide customers with customized consumption and entertainment experience.

Other than consumption experience, KWG Living also values customers’ visual perception. We cooperate with internationally renowned first-class artists, and you can see live interactive art installations with strong cultural atmosphere in shopping centre, enhancing the interaction with customers and consumers. For the design of outdoor venues, we pay attention to the integration of multi-function and scenario to meet the diverse needs of the people.

Case Study

WG M • CUBE (Chengdu) (“M • CUBE”) is located in the core area of the Financial City Section of the Jiaozi Park Commercial Area in the Cheng Nan High-Technology Zone, being the world-class business district and the second main city centre of Chengdu. According to the characteristics of the location, M • CUBE takes the “dare to be fashionable, love yourself” forest style and fashionable street zone, takes “fashion + cutting-edge” as the tone, and through the portfolio of fashion specialty store, black pearl/restaurant in must-eat dining list, high-quality life esthetics business form, the percentage of the first store is 68% +, and the new field of fashion consumption of “Self-pleasing style” is built. It is a fashionable, delicate and non-standardized characteristic commercial area of western China (the forest style street zone).

In terms of design of M • CUBE, a 360° immersive garden space and a 4-storey vertical indoor waterscape waterfall connected to Ufun on the first floor, allowing customers to freely travel between shopping malls through underground corridors, which improves the comfort and convenience of shopping and entertainment. In addition, M • CUBE carefully designed outdoor lighting to become a bright star on Jiaozi Avenue.



Analysis and Management of Material Issues

The shopping mall projects for which the Group provides commercial operation and management services have been developed into city icons across the country. These shopping malls not only bring richer living experience and convenient services to local residents, but also continue to promote local consumption and employment, bringing momentum to the development and improvement of urban business.

In addition to improving the quality of life and convenience, the shopping malls operated and managed by us will also become a gathering place for community culture and art, injecting more vitality and charm into the city, and enriching the cultural life of the city. At the same time, these shopping malls will also actively integrate into the local communities and become an important driving force for the commercial relocation and upgrading of new urban areas. We will continue to improve the product power of shopping malls and undertake more urban functions such as social networking, culture, art and public services, which will become an important pillar of urban development.

Through personalised circle activities, we will connect urban residents and achieve positive synergy and long-term development with the community. Shopping malls are not only a gathering place for business, but also the intersection of the epitome and culture of urban life. In the future, we will continue to explore innovation and contribute to the prosperity and progress of the city.

1.1.5 Public Infrastructure Projects Management and Operation

The Group provides “four duties and one service (四保一服)” (i.e. security, cleaning, landscaping, repairing and customer service) management and operation services for urban functional buildings, covering working unit, schools, hospitals, airports, stadiums, squares and parks. The services mainly include: humanistic experience services and cultural resources management for cultural and art exhibition halls; intelligent park building and operation management services for industrial parks; professional and standardised governmental conference services and business reception services for party and government organisations; and cleaning, epidemic prevention and control and logistics management services for medical institutions.

The Group’s public facilities properties have obtained a number of certifications such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and “National First-class Property Management Enterprise Qualification” etc., as well as a number of honorary titles such as “Top 100 Property Management Companies in China”, “Leading Property Management Companies with Chinese Characteristics” and “China Property Management Institute Director Unit”. The Group constantly improves its service standards of different business type to better meet the differentiated service needs of customers, and to enhance the Group’s comprehensive service capability in public facilities service scenarios with “Precise, Perfect and Professional” green leaf craftsmanship, contributing our strengths to the fine governance of the city.

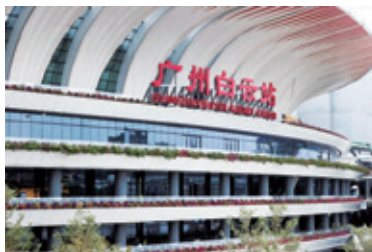
Case Study

“Let everyone live with KWG Living” is our future goal. KWG Living’s property services are not limited to residential properties, we also extend to schools, hospitals and other public venues.

The children are the future of the motherland. They come to the school to receive the nourishment of knowledge, and KWG Living’s campus property services ensure the safety and health of children and teachers. The drills organized by us master the relevant knowledge training on fire prevention, anti-riot, anti-bomb, etc., enabling us to carry out our responsibility and honor to protect children and teachers.

Hospitals are an important arena to protect people’s healthy life. For hospital property services, adhering to the principle of “standardized management, optimised services, professional care”, KWG Living organized service personnel to carry out risk awareness training, especially to comprehensively improve service quality in response to the influenza epidemic, electricity consumption, medical elevator use guarantee, etc. In addition, we also provide life assistants or life companionship services for patients in need to accompany them through difficult treatment periods.

In 2023, we continued to make efforts, and with our rich experience in diversified business services, we successfully won the bid for the projects of the West Site Complex of the Comprehensive Transportation Hub of Baiyun (Tangxi) Station, the model display area and marketing centre of property management services of the East Site Complex of the Comprehensive Transportation Hub of Baiyun (Tangxi) Station, and the preliminary property management services of the Northwest Tower. With high-quality services throughout the life cycle, we helped build a new benchmark for Guangzhou’s international TOD. Baiyun Station TOD Complex is planned to build Grade A office buildings, President’s Mansion, star-rated hotels and other products, integrating the composite business of “headquarters office, President’s Mansion, commercial entertainment and ecological space”. It will be developed into a super headquarters economy in the future. In the TOD complex service plan of Baiyun Station, KWG Living Group will provide high-end property services through professional butler 1 + N team, and extend value-added services such as star-rated conference reception, luxury hotel service system, and private dinner customisation. At the same time, we will carry out quality operation plans for all age groups based on the preferences of property owners, actively promote community culture, and create full life cycle of high-quality property services.








Analysis and Management of Material Issues

KWG Living will also improve its services according to the new demands in the new era, and meet the needs of customers in a precise, meticulous and high-quality manner.

1.1.6 Health and Safety of Customers

In addition to striving to improve the comfort and convenience of customers' lives, we put safety as our top priority. We have formulated and implemented a number of safety-related operational procedures and emergency plans, and also arranged regular safety training, safety inspections and on-site drills, so that employees have sufficient knowledge and skills to face various emergencies or exceptional situations and protect the personal and property safety of customers.

The Group divides emergencies into different levels and categories, establishes corresponding countermeasures for different levels of emergencies, improves emergency response procedures, and conduct regular training and random safety inspection to ensure that employees are familiar with the procedures. The efforts we made in safety management include but not limited to:

<p>1 Access Control Management</p>		<ul style="list-style-type: none"> • Providing guidance, registration, verification and explanation for the entry and exit of people and vehicles to prevent unauthorised people from entering the communities • Installing an electronic monitoring camera and "Jun" surveillance (駿天眼) system to monitor the area around the community in real time, and using drones to patrol • An intelligent access control system which operates through noncontactable methods such as face recognition and QR code on mobile phone to improve the level of security
<p>2 Bounding Wall Management</p>		<ul style="list-style-type: none"> • Preventing external people from entering by installing anti-climbing barbs, electronic fences, infrared alarm systems, etc. • Infrared system and alarm equipment and 24-hour online monitoring
<p>3 Safety Inspection</p>		<ul style="list-style-type: none"> • Conducting regular safety inspections on every project, covering various settings such as electricity consumption, water consumption, gas and home safety to ensure that the hardware facilities are properly maintained and operate normally
<p>4 Patrol Management</p>		<ul style="list-style-type: none"> • 24-hour patrol in key areas of the communities • Using intelligent monitoring and action collection management and realtime capture, and immediately reporting to the police when abnormal situations exist
<p>5 Fire Control Management</p>		<ul style="list-style-type: none"> • Ensuring that fire control responsibilities are assigned to designated personnel and that firefighting equipment is properly maintained and operates normally • Project staff and customers participate in general knowledge training on fire control, fire escape and evacuation drill etc., so that every stakeholder clearly understands fire risks and escape routes

1.1.7 Communication with Customers

KWG Living values communication with customers and feedback from customers. We directly understand customer needs and solve their problems through customer satisfaction surveys and community cultural activities. At the same time, we use big data technology to collect customer feedback on the Group's services, establish a complete user database, respond to and meet customer needs in a timely manner, and continuously improve and adjust management and service methods based on customer feedback.

In addition, the Group has formulated strict complaint handling standards. Complaints from the residential property segment are handled in accordance with the "KWG Living Group's Residential Property Customer Reporting Management System", requiring customer complaints to be responded within 15 minutes, followed up continuously and paid return visits in a timely manner, so as to respond to customer demands as soon as possible, investigate project quality risks and make corresponding rectifications in a timely manner. For complaints related to products and services in the commercial property segment, we will divide them into three levels of severity, and handle them within one week, 10 working days and 20 working days according to the different levels.

In 2023, the Group received a total of 1,554 complaints and reports, including 1,462 comprehensive management complaints, 28 customer service complaints and 64 other complaints. The timely response rate of our complaints reached 99.18%, and the average satisfaction rate close to 80%. As the Group's business does not involve product manufacturing or selling, there is no data of product recall.

Analysis and Management of Material Issues

The Group attaches great importance to and takes every customer's complaint seriously. We understand that every feedback is a valuable opportunity to improve and enhance service quality. At the same time, we have adopted a series of well-designed response methods to ensure that the rights and interests of customers are protected to the maximum extent, which also demonstrates our high-quality customer service.

Service Category	Management Measures
Customer service	We actively carry out customer service etiquette training for employees, and after checking the causes for special circumstances, we will deduct performance penalties for those who fail to solve problems accordingly.
Safety management	Strengthen the service awareness and safety management of order ports, and actively respond to customer service demands
Environmental maintenance	Carry out green planting and replanting and whole people cleaning in the park, increase the cleaning and inspection of the park, timely discover and rectify environmental problems, and create a beautiful and clean home community
Engineering maintenance	For the management of property services involving engineering repair and maintenance, we actively cooperate with communities and competent authorities to activate repair funds, enhance communication and popularise the maintenance aspects of property services, and reduce customer complaints
Comprehensive management	Carry out comprehensive inspections, optimise service processes, enhance staff service awareness, strengthen staff communication awareness, reduce customers' misunderstanding of relevant property service management contents, and actively co-ordinate and handle and resolve problems
Intermediary coordination	Coordinate with third-party departments to handle customer demands, and strengthen publicity and communication by posting posters, door-to-door explanations, and on-site practical case demonstration, so as to enhance customers' awareness of the scope of property responsibilities
Others	For cross-departmental/sectoral complaints, pull through the relevant functions and regional projects to deal with them in a timely manner to achieve cross-departmental collaboration, and at the same time, visit customers from time to time after the problem is solved to form a closed-loop management.

Case Study

The Group has always attached great importance to communication with our customers and ensured that we have established close and effective liaison with property owners and continue to maintain good communication with them. Our community property services staff actively communicate with the property owners to understand their needs and aspirations in a timely manner and provide a full range of caring services. When the property owners have any problems or concerns, we respond quickly to provide cleaning and maintenance services to ensure that their living environment is maintained in a timely manner.



At the same time, we also provide consultation services for the property owners to answer their concerns about the facility function of the newly installed smart devices. To ensure that the property owners are kept abreast of the latest developments in their neighbourhoods, we also regularly take photos of the updated facilities around their homes. All in all, the Group is committed to providing homeowners with attentive and thoughtful services to ensure that they feel the warmth and comfort of home.

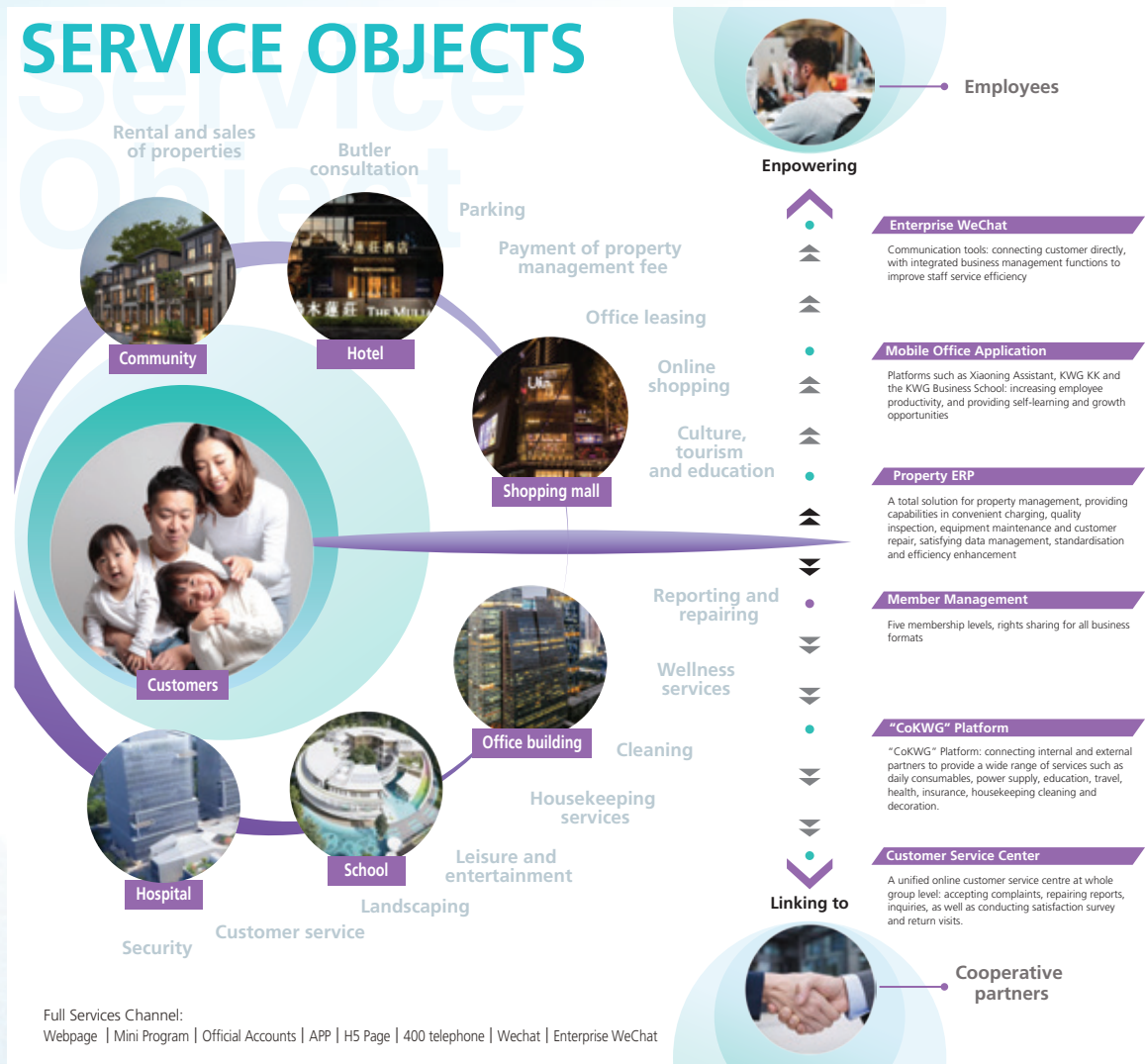
We believe that good communication is the key to building long-term trust and satisfaction. We will continue to make the best efforts to build a closer relationship with the property owners.





Analysis and Management of Material Issues

1.2 Intelligent Technology to Enhance Experience

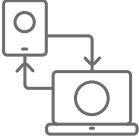


1.2.1 Digital-driven Information System

After years of efforts, KWG Living successfully utilised digital technology to provide customers with more convenient, efficient and accurate services and improve customer satisfaction. Firstly, in the basic business aspects of the property management's "four duties and one service (四保一服)" (i.e. security, cleaning, landscaping, repairing and customer service), we have largely realised comprehensive digital management from access control, fee collection to customer service, property maintenance and work order flow. Secondly, KWG Living has established its own "CoKWG" platform, which closely integrates the services and benefits of every business sector through the mutual exchange of credit points across different business sectors, allowing customers to use one account to enjoy the services and benefits. For example, customers can obtain value-added living services such as retail, healthcare, municipal services and household services as well as value-added asset services including rental and sales of houses and parking spaces, and operation of clubs and public areas in the communities without leaving their homes through the "CoKWG" platform. Finally, at the enterprise management level, our digital system has comprehensively covered our internal human resources, administrative approval process, financial and business reporting system, etc., to ensure high-quality operation and efficient management.



KWG Living's enterprise resource planning ("ERP") System		<ul style="list-style-type: none"> • An integrated management system that integrates six major businesses of the property management, including resources management, fee collection management, customer service order processing, goods and materials management, quality inspection management, equipment management, mobile APP, etc., which enable the digital management in community personnel, housing and shops, parking space resources and property management services
Enterprise WeChat		<ul style="list-style-type: none"> • KWG Living has established connections with over 150,000 property owners through enterprise WeChat, realising the online link with customers • Integrate ERP, shopping mall, marketing and other digital systems through enterprise WeChat to record service communication, customer profiles and other data, and utilise data analysis to provide data support for customer operations, marketing conversion, service quality supervision, and service efficiency improvement
Basic Information Support System		<ul style="list-style-type: none"> • OA Portal Platform • SAP Financial System • Human resources digital platform founded on SAP HCM • Procurement system, etc.
Project Management		<ul style="list-style-type: none"> • Smart access control • EBA platform • "Jun" Surveillance System • Intelligent parking platform "Jun" parking system, etc. • Intelligent fire control system, etc.

Analysis and Management of Material Issues

“CoKWG” System		<ul style="list-style-type: none"> The one-stop membership system and the membership points and redemption system developed by KWG Living Group closely integrates the services and benefits of various business sectors, allowing property owners to enjoy services and benefits in a visible way in KWG’s one-account ecosystem and redefining seamless and convenient new lifestyle for property owners in KWG’s ecosystem
“CoKWG” APP		<ul style="list-style-type: none"> We integrate online services in many business sectors in the 2.0 version of the “CoKWG” APP, and continue to promote the integration process, enabling members to enjoy the online application in KWG’s ecosystem through one APP and allowing members to have a concise and comprehensive information experience. The self-developed interface allows each business sector to have an independent APP layout, which provides member users with more exclusive and customised services, enhances the connection between members and information of business sectors, and brings more efficient service experience
Digitalisation Empowers Property Management Operations		<ul style="list-style-type: none"> The “CoKWG supply chain digital management platform”, which was developed by pooling the strengths of multiple parties, has three functions, namely procurement platform, third-party logistics collaboration and online finance. It integrates procurement, logistics and finance from offline to online platforms, providing integrated digital solutions for supply chain integration All parties can easily hand over on the platform. The platform empowers the property management to realise many advantages including increasing the volume of delivery orders, reducing the damage rate of goods and improving the efficiency of order processing. In future, we will continue to refine functions in the platform and support more business projects for digital transformation

Mid- and Long-term Goals and Planning of KWG Living's Digital Initiatives

As times change, people's reliance on smart devices is increasing. The way people conduct business without leaving their homes has brought them more sense of security. Property services have also undergone changes. In addition to existing works such as "Buildings Smart Monitoring System", "Songyun Customer Management System", "Intelligent Parking Management System", etc., the Group has added the following digital works in 2023:

Serial number	Name	Copyright owner	Registration number	Date of Registration
1	Intelligent Monitoring Software for Building Entry-Exit V1.0	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Ruan Zhu Deng Zi no. 9934464	29 July 2022
2	Intelligent Fire Alarm System Software for Building V1.0	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Ruan Zhu Deng Zi no. 9653079	6 June 2022
3	Intelligent Energy Saving System Software for Buildings V1.0	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Ruan Zhu Deng Zi no. 9653334	6 June 2022
4	Intelligent Watering Control Software for Green Vegetation V1.0	Zhoushan Putuo District Zhong'an Property Co., Ltd.	Ruan Zhu Deng Zi no. 9920790	26 July 2022

We will continue to use digital technology to refine and optimise our business, continuously optimise management efficiency, improve work efficiency, and bring customers more high-quality and convenient life experience, safer and more comfortable community atmosphere, and create new experience for better quality, convenient, green and intelligent urban life.

1.2.2 Intellectual Property Right Protection

The Group strictly complies with the provisions of laws and regulations such as the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), and the Civil Code of the People's Republic of China (《中華人民共和國民法典》), and takes legal means for managing and protecting our own intellectual property right, and respect the intellectual property right of its partners. We attaches great importance to the protection of intellectual property right and establishes procedures and a mechanism for protecting intellectual property rights. Through the constraints of contract terms on external parties and internal process management with active registration of intellectual property right, we can effectively protect intellectual property rights and cultivate a corporate culture that respects intellectual property rights.

We respect the intellectual property rights of our partners, ensure that the intellectual property rights of our partners are used within the scope of authorization through strengthening external publicity and intellectual property management in other aspects, and explicitly prohibit the infringement of the intellectual property rights of our partners. For instance, in order to ensure compliant marketing activities and plans, we carefully handle matters related to advertising and intellectual property, and strive to protect all legal rights such as intellectual property, legal patent rights, trademark rights and copyrights of the Group and our partners. Meanwhile, we ensure to deliver complete and accurate information to the public in the process of marketing, and avoid the use of false and misleading product descriptions.

Analysis and Management of Material Issues

In the future, the Group will continue to maintain intellectual property, especially make arrangements and undergo research in advance for technical fields that we have not yet entered before using new technologies or technologies to protect copyrights.

1.2.3 Customer Information and Privacy Protection

KWG Living attaches great importance to data security and privacy protection of users. We collect customer data in our daily business through our self-built Member Management Platform, CoKWG APP, which mainly includes basic customer information such as name, gender, documents number and contact number. We concurrently issued the Privacy Policy for CoKWG Users to inform users of their obligations before using online services.

During the daily service interaction with customers through the platform, the CoKWG APP also collects various transaction data between customers and us and relevant social attribute data, so as to better understand and serve our customers. Data collection from all customers is carried out on the premise that the explanation of relevant terms and conditions has been made to the customers in advance and the customer's prior consent has been obtained. We regard all customer data as highly confidential. Our database is hosted in the local IDC computer room. Through the internal authorisation mechanism and the external firewall security system, a complete data protection system has been established to ensure that all customer data are stored in a safe and confidential condition. In addition, we have the obligation and responsibility to protect the data privacy and security of customers. Regardless of the management of internal employee's rights to access data or external disclosure to third parties, we strictly abide by laws and regulations on data protection and privacy.

We also protect the data security of customers through regular inspections and housing upgrades. The plans and procedures on finance include but are not limited to: regular system checks, anti-virus upgrades, password strategy, access log monitoring; online identity authentication, user access authorisation approval, and automatic system backup and recovery mechanisms.

The Group only collects customer data that is necessary for us to provide services to them based on the premise of obtaining the customer's consent and authorization. We have implemented stringent multi-layer security mechanism for any third party to access relevant data. In any department, company customers must input their own identity account and password to access the data system. The scope of data access, management by category and usage shall be in strict compliance with our data security policy. We set up a strict classification-based user access authorisation system according to employee's position and level to ensure that each employee can only access the data within his own authorised scope. Meanwhile, we will check the system log on a regular basis and monitor all the behaviour records of all users who log in and log out of the system. The computer room and electronic equipment are also managed through the access control system, and unauthorised entry is not allowed. Additionally, we place great emphasis on the training of all internal employees to ensure that they have a clear understanding of our internal customer data protection policies.

• Chapter 2: Upholder of Green Ecology

2.1 Urban Oasis, Green Living

2.1.1 Environmental Protection

Environmental protection is an integral part of sustainable development. As a smart service operator for all business formats, KWG Living is fully aware of its responsibilities and missions. We monitor noise and dust emissions at all times and protective measures will be taken in due course. We also actively respond to government policies in our operations to protect local environment, such as species, trees, and water resources. At the same time, we have organised various green public welfare activities to encourage more people to participate in environmental protection. The Group is currently researching on the potential risks and opportunities related to climate change in our business, and actively participating in actions to prevent climate change, with the goal of minimising the impact of business operations on the environment.

Case Study

The “Dream FUN Flying Season (理想FUN飛季)” activities with the theme of “Embracing Green Idealistic Lifestyle”

In April 2023, as World Earth Day was approaching, the Group launched a series of creative and practical recycling activities using offices as a platform, in line with the “Dream FUN Flying Season (理想FUN飛季)” Campaign, which comprised of activities with the three major themes of happiness, love and growth. Through these activities, we aim to guide the property owners and staff to pay more attention to environmental issues and to practise the concept of sustainable development together.

A series of activities on the theme of “Embracing Green Idealistic Lifestyle (擁抱綠色理想樂活)” were organised in the office buildings. During the event, the fun games not only raised the property owners’ and staff’s awareness of waste separation, but also inspired them to take part in environmental protection actions. Among them, the garbage classification knowledge quiz was very popular. In addition, we also set up a recycling session to encourage people to recycle items that are no longer in use and exchange them for green plants, which symbolise life and hope, so that the concept of environmental protection can be deeply rooted in the hearts of the people.

Through these exciting and colourful activities, we hope to create a greener and more environmentally friendly workplace in the specific area of office building, so that every property owner and employee will be able to feel the importance of environmental protection, and can practise it more consciously in their daily lives. We believe that only through everyone’s active participation in environmental protection can we build a better and sustainable future together.



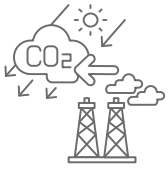
Analysis and Management of Material Issues

2.1.2 Green Management System

The Group strictly abides by the laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), improves and implements the Green Management System within the Group, and provides guidance for environmental protection issues such as greenhouse gas emissions, energy management, waste management and biodiversity.


Carbon emissions and air pollutants

The Group actively reduces the intensity of greenhouse gas emissions, strives to achieve the goal, and continuously evaluates in the operation process.

Target	Categories	Initiatives
Reduce greenhouse gas emissions and pollutants	 Reduction of Scope 1, 2 and 3 greenhouse gas emissions	<ul style="list-style-type: none"> • Trial photovoltaic power generation in some projects • Implement the Group's green management system to reduce electricity consumption and carbon emissions of Scope 2 • Increase the use of online working platforms to reduce greenhouse gas emissions from business travel and transportation, and reduce carbon emissions of Scope 2 • Require employees to give priority to public transportation during business traveling to reduce carbon emissions of Scope 3
	Reduction of air pollutant emissions	<ul style="list-style-type: none"> • Set the operating time of exhaust equipment and the pieces of equipment to be turned on, and turn off or use fewer exhaust fans during non-dining hours • The oil fume purifier is used to purify the oil which is then discharged into the atmosphere. The oil fume purifier and the oil pipe are cleaned and maintained regularly to ensure that the oil emission meets the local environmental protection requirements • Keep abreast of the latest national and international recommendations and update and raise standards in a timely manner


Energy use and water efficiency

In view of the characteristics of our Group’s business, the resources that we consume the most are electricity and water. We have also formulated the Water and Electricity Energy Management System for our energy resource consumption, and we have released the 2.0 version of the Water and Electricity Energy Management Operation Guidelines. We require our employees to strictly adhere to the policy of energy and resource conservation, and encourage all property owners, merchants, and suppliers to take action with us to cherish every kWh of electricity, every drop of water, every piece of paper, and every resource. We are committed to strengthening water management, reducing waste and raising awareness of water conservation in our operations. The Group’s water is mainly sourced from municipal pipelines and there is no difficulty in sourcing water. For more information regarding the data on energy and resource consumption of the Group in 2023, please refer to “Environmental Key Indicators”.

Target		Categories	Initiatives
<p>Improve energy efficiency</p>		<p>Lighting system management</p>	<ul style="list-style-type: none"> • “Lights off when leaving”: Only lighting for emergency and monitoring in office areas and corridors will be turned on after office hours. Lights in conference rooms and meeting rooms shall be turned off when not in use • LED energy-saving lamps are used or adopted as replacements • The lighting running time is set according to the operation, and will be adjusted in a timely manner according to different seasons and strictly implemented • Turn off the lighting system during lunch breaks and after office hours to save energy consumption • The lighting in parking lots uses LED energy-saving lamps or is replaced with radar-induced LED lamps. The lights have been reinstalled to lower heights. During peak travel periods, lights should be turned on, while time-controlled switches have been installed. The minimum lighting is turned on during the period of no vehicle entry and exit and at night, and the rest of the light sources are turned off to avoid energy consumption • In addition to lighting, water dispensers and computers are also required to turn off when not in use

Analysis and Management of Material Issues

Target	Categories	Initiatives
	Air conditioning system management	<ul style="list-style-type: none"> • “Air-cons off when leaving”: Set the running time of the refrigeration unit. We encourage that air conditioning should be turned off 20 minutes before leaving work as the residual coolness can be maintained without affecting work • The indoor temperature of air conditioning is set at 26 ± 1 degrees, while the heating temperature is set at 18 ± 1 degrees, in accordance with the suggestions of the government of the People’s Republic of China • By taking into account comprehensive conditions of terminal load, outdoor temperature and indoor temperature, through auto-control equipment and adjustment of the input quantity of units and circulating water pumps, optimising the operation mode • Appropriately increase fresh air supply to reduce the operating load of the unit
	Elevator system management	<ul style="list-style-type: none"> • The running time of elevator equipment is set according to operational needs, and the minimum number of elevators in operation is maintained during non-operational hours, and the elevator is adjusted to automatic energy-saving mode, and the standby mode is used when no one is in use
	Photovoltaic power generation system management	<ul style="list-style-type: none"> • Photovoltaic power generation was piloted in some projects. At present, the technology is still limited by practical applications such as weather conditions and cloud thickness. We have accumulated experience in pilot projects in many places, in order to better integrate with related technologies, manufacturers, and national policies in the future


Target		Categories	Initiatives
Improve usage and efficiency of water resources		Water conservation	<ul style="list-style-type: none"> • We post water-saving signs and posters in public areas to promote water-saving concepts • Water-saving taps and urinal flush sensors are adopted • The toilet adopts a two-button energy-saving water tank, which allows to choose the amount of flushing according to the situation • Some projects use rainwater recycling, sponge city design, and recycling water to improve water-use efficiency • Timely repair leakages and aging pipelines
		Kitchen wastewater discharge	<ul style="list-style-type: none"> • We use grease trap to treat the grease • It will be cleaned and treated by an entity with professional qualification on a regular basis • We regularly maintain the grease trap to ensure that kitchen wastewater discharge meets local environmental protection requirement
		Toilet sewage discharge	<ul style="list-style-type: none"> • We use septic tank or direct discharge into the municipal special sewage pipeline to ensure that sewage discharge meets local environmental protection requirements • The septic tank will be cleaned and treated regularly by professional entity

For building electromechanical and water supply and drainage equipment, we will continue to maintain communication with relevant academic and engineering professionals, so that we can provide advice to property owners in terms of technology and cost-efficiency at any time, so as to ensure that the optimal design can be adopted when upgrading equipment in the future.

Analysis and Management of Material Issues

Waste management

We have implemented different programs in our managed properties and offices to encourage customers and tenants to reduce, reuse and recycle waste. Due to the nature of its business, the Group will generate certain types and quantities of hazardous waste during its operations. Hazardous waste mainly refers to the hazardous waste used, generated and involved in property management services, including but not limited to: toner, ink cartridges, ribbons of printers and waste paint, waste paint carriers, waste oil, waste rags, used batteries, etc.

Target		Categories	Initiatives
<p>Reduce hazardous and non-hazardous wastes</p>		<p>Paper usage</p>	<ul style="list-style-type: none"> • Minimise the use of paper documents, and upload files to cloud-based server for storage • Replace paper documents with electronic documents for work reporting, and advocate a paperless office strategy • Print only when necessary and reduce the use of A4 paper • Reuse printed paper as much as possible and choose double-sided printing • Internal documents should be printed in black and white unless with a special reason • Post notices on printers to remind employees to conserve the use of paper • Set up paper recycling stations and encourage recycling and reusing of paper

Target	Categories	Initiatives
	Lighting & Energy Equipment	<ul style="list-style-type: none"> • Separate collection and assignment of professional recyclers to recycle and handle recyclable waste to reduce environmental pollution and waste of resources • Clean the collection containers on a regular basis to ensure that waste does not accumulate to an excessive level to prevent possible hazards • Conduct training on waste management, energy saving and environmental protection. Our employees are encouraged to actively participate in energy saving measures, such as reducing unnecessary use of electricity, disposing of batteries, lamps, light bulbs and other equipment after they have been completely exhausted, and choosing energy-saving equipment • Replace the lighting with energy-saving lamps so as to reduce the hassle and cost of frequent lamp replacement
	Waste sorting action	<ul style="list-style-type: none"> • Carry out waste classification work and require merchants to sort four types of waste • For domestic waste, kitchen waste, hazardous waste and renewable waste, designated personnel are arranged to carry out secondary sorting work • Waste recycling bins and used clothes recycling stations are placed inside the park, and unwanted materials are recycled
	Greening waste disposal	<ul style="list-style-type: none"> • Using green waste shredder to shred leaves and small branches and ferment them into organic fertilisers
	Construction waste disposal	<ul style="list-style-type: none"> • For the construction garbage generated by customer's renovation, the Group will provide a special storage location, require all construction garbage to be stored in bags, and engage qualified company to dispose of and process them

Analysis and Management of Material Issues

Target	Categories	Initiatives
	Hazardous waste management	<ul style="list-style-type: none"> • The hazardous waste warehouse shall be managed by designated persons, and the project service centre will inspect the hazardous waste warehouse on a regular basis • We establish hazardous waste ledger, keep true record of the type, quantity, utilisation, storage, disposal, flow direction and other information of the hazardous waste generated, and track and record the entire process of the internal operation of hazardous waste • Hazardous waste warehouses shall take protective measures in line with national standards, and set up anti-scattering, anti-loss, anti-leakage or other measures to prevent environmental pollution • When storing and transferring hazardous waste, we will proceed by category based on hazardous waste characteristics • The hazardous waste in the warehouse shall not be stored for more than one year in general, and the waste in the warehouse shall be recorded in the Group's records to keep track of the type and quantity of the hazardous waste stored at all times
	Hazardous waste treatment process	<ul style="list-style-type: none"> • Hazardous wastes are temporarily stored in hazardous waste warehouses after being properly packaged before being handed over to qualified suppliers for recycling and treatment • We will take appropriate safety protection and pollution prevention measures in the process of the collection and transfer of hazardous wastes • Personnel who take charge of the collection and transfer should be equipped with necessary personal protective gear, such as gloves, goggles, protective clothing, gas masks or masks, etc.

Case Study

1. At the beginning of the design and construction of the International Metropolis Plaza in Shanghai, water resource recycling has been already taken into consideration. An air conditioning condensate water recycling system was used during construction. This system recycles and reuses the condensate water produced during air conditioning refrigeration in the summer, thereby reducing the use of water resources.
2. In 2023, a project of comprehensive energy-saving transformation of the lighting system was carried out in the underground garages of the buildings and shopping malls under KWG Living's management, fulfilling the target set in 2022. A total of 43,309 lighting tubes were replaced, which was expected to reduce energy consumption by more than 50% compared to the conventional tubes used in the past.
3. The upgrade of the timed and automated control system for the pantries on each floor: At the beginning of the construction of the International Metropolis Plaza in Shanghai, the design of the hot water boilers on each floor were set to a constant temperature for 24 hours. However, the equipment only needs to operate during the office operating hours from 9:00 am to 6:00 pm, and not necessary to be constantly turned on for 24 hours. Therefore, International Metropolis Plaza in Shanghai has added a timed and automated control system. In Building 2 and Building 3, we have set up 34 boilers in total. Based on the power load of 3kW per boiler, if reducing the operating time by 15 hours per day, total energy saved would amount to: $3\text{kW} \times 34 \text{ boilers} \times 15 \text{ hours} = 1,530\text{kWh}$.

Tenants environment-friendly operation management

We also promote the concept of energy conservation and environmental protection to the tenant operation of commercial property and public facilities level:



1. The engineering department requires the tenants to comply with the national energy-saving regulations across the negotiation of lease terms, the review of decoration drawings and the subsequent operation;
2. At the stage of negotiating the leasing terms, we impose limitation on the unreasonable demand of tenant for electricity use, cooling and heating capacity of air conditioning;
3. At the stage of reviewing decoration drawings, we review the tenant's decoration drawings in strict accordance with the relevant national environmental protection and energy saving requirements;
4. At the stage of store operation, tenants are required to control the temperature of indoor air conditioners in accordance with relevant government regulatory documents;
5. We encourage the use of energy-saving electrical appliances (such as LED energy-saving lighting fixtures) during the decoration of stores to achieve energy-saving purposes;
6. We encourage stores to turn off in-store lighting and store signage lighting at night to achieve energy-saving purposes;


Analysis and Management of Material Issues

7. We encourage stores to provide heating/cooling by time slots during business hours to achieve energy-saving purposes.

2.1.3 Environment and Natural Resources

The Group continues to pay attention to the impact of its actions on the environment and natural resources, and strictly implements energy-saving and emission reduction measures. In addition, we will also strengthen the utilisation of natural resources through other technologies.

Policies	Examples and projects	
Water usage		<ul style="list-style-type: none"> At the beginning of the design and construction of the International Metropolis Plaza in Shanghai, water resource recycling has been already taken into consideration. An air conditioning condensate water recycling system was used during construction. This system recycles and reuses the condensate water produced during air conditioning refrigeration in the summer, thereby reducing the use of water resources Yunshang Retreat in Chengdu has switched from using tap water to natural river water for greening and cleaning water Guangzhou Knowledge City U Fun has installed a rainwater collecting system to store rainwater for watering plants
Greenification		<ul style="list-style-type: none"> Greening works are carried out on each project with a greening rate ranging from 10% to 40% according to the needs of different projects Yunshang Retreat in Chengdu carries out two green planting and replenishing activities every year, with a planting area of 400 sq.m. each time The outdoor carpark located in the North Court of Summit in Guangzhou has increased soil coverage, resulting in better lawn growth and an additional 5,500 sq.m. of green space. Inner nurseries have been built in the 1st, 2nd, 3th and 5th districts of Summit to collect fallen leaves and produce organic fertiliser through fermentation. By planting and insertion, 20,000 flowers and 10,000 green plants are produced, which has reduced the production circulation and energy consumption


Policies	Examples and projects
<p>Maintaining the local ecosystem</p>	 <ul style="list-style-type: none"> • In responding to government policies, Yunshang Retreat in Chengdu has been implementing a fishing ban in their rivers and artificial lake from March to June each year. As for the existing forests in the Retreat, logging and hunting are currently prohibited • Artificial bird nests have been built in The Summit to protect the habitat for birds • Foshan Oriental Bun actively cooperates with the relevant notices issued by the street community regarding local water resources and soil management and protection. It provides feedback to the owner group and prints relevant posters and posts them inside the property project and on bulletin boards to raise awareness among more owners about the importance of water resources and soil management and protection

2.1.4 Taking Action on Climate Change

In line with international trend and national zero-carbon development direction, KWG Living has always been committed to exploring and striving for symbiosis with nature by upholding the concept of sustainable development throughout the entire business chain. We endeavour to implement the concept of green operation, shoulder social responsibilities, proactively practise environmental protection and sustainable development, and support resource intensification, optimisation and energy saving through professional and efficient services. In the future, we will be more professional and standardised to empower China's zero-carbon mission and work for the sustainability of the planet.

Analysis and Management of Material Issues

We have referred to the Task Force on Climate-related Financial Disclosures (TCFD) framework of the Financial Stability Board and identified the following issues and countermeasures that are relevant to the Group:

		Types of Risks	Segmentation of Risks	Key Initiatives
Resilience and adaptation to climate change		Physical risks	Flooding	<ul style="list-style-type: none"> Strictly implement the Group's safety management and emergency measures, and be well prepared for flood prevention and typhoon warning in accordance with regulations
			Typhoon	<ul style="list-style-type: none"> Increase building design and equipment in response to heavy rainfall and typhoons Regular review of "four duties and one service" (i.e. security, cleaning, landscaping, repairing and customer service) management and operation services
		Transition risk	Policies and laws	<ul style="list-style-type: none"> Closely monitor the promulgation of climate-related policies and measures
			Marketplace	<ul style="list-style-type: none"> Closely monitor news and regulations on sustainability ratings in the capital market Actively communicate with stakeholders to understand their needs

Climate change presents the Group with many opportunities as well as risks and challenges. As concerns about climate change grow, energy conservation and efficiency have become key aspects of property management. We have introduced advanced energy-saving technologies and systems, such as intelligent lighting, high-efficiency air-conditioning systems and energy-saving lighting control systems, to reduce energy consumption and carbon emissions. This not only helps reduce operating costs, but also enhances the sustainability of our properties. At the same time, as the market increases the demand for green and sustainable buildings, we are actively pursuing green certification to enhance our properties' excellent performance in environmental, energy efficiency and social responsibility, to build up our brand image and attract more tenants and investors.

Extreme weather incidents and natural disasters brought about by climate change pose new challenges to property management. However, they also provide us with opportunities to minimise potential losses through enhanced risk management and adaptive planning. For example, through measures of establishing disaster contingency plans, improving infrastructure resilience, and enhancing maintenance and monitoring, it will ensure that our property management services can recover and adapt quickly when facing climate risks. In addition, we proactively provide value-added services such as energy management, waste recycling and water resource management to meet the property owners' needs for sustainable and environmentally friendly services.

The Group actively captures opportunities for innovating its service and business models. For example, we have partnered with a data intelligence service provider to develop a smart property management model. Through the smart property management model, we optimise various aspects of property management, including equipment maintenance, cleaning and janitorial services, security monitoring and control, etc. This not only improves the efficiency of property management and reduces labour costs, but also helps to reduce human errors and failures and improve the stability of property operations. Convenient and personalised services can meet the different needs of tenants, commercial tenants and residents. Through the intelligent system, the property owners can easily and conveniently report maintenance requests, enquire property information and manage personal bills. This will enhance their satisfaction and loyalty, and help us stand out in a competitive market and achieve long-term sustainable development. In the future, we will strengthen our partnerships with governments, non-governmental organisations, research institutes and others to promote sustainability and climate change response measures together. These partnerships will provide us with technical support, funding and policy guidance, helping us better respond to the challenges and opportunities brought about by climate change.

The Group's proactive response to climate change is not only out of discharging its responsibility to protect the environment, but also brings multiple benefits to its own property management services. In accordance with the development of the projects, the Group has implemented a series of management measures aimed at mitigating, transferring, accepting or controlling climate-related risks, thereby reducing the losses and risks arising from climate change and safeguarding the safety and value of property assets. Based on the different identified climate risks, the Group has formulated and continuously optimised relevant prevention and mitigation strategies to ensure effective risk management.

In the meantime, the Group is committed to improving the management of its greenhouse gas emissions data by releasing the Company's greenhouse gas emissions data to the public on an annual basis in accordance with the development of national and regional policies, as well as its own business needs, and in compliance with the relevant guidelines of the Hong Kong Stock Exchange. These initiatives not only enhance the transparency and credibility of the Company and attract more investors and partners who are concerned about sustainable development, but also help build up a good corporate image and demonstrate its leading position in environmental protection and sustainable development, thereby enhancing its brand influence and competitiveness. Looking ahead, the Group will continue to optimise its climate risk management indicators and targets to ensure sound and sustainable corporate development, setting a model of sustainable development for the property management services industry.

Analysis and Management of Material Issues

• Chapter 3: Practitioners of Social Responsibility

3.1 For Employees: People-oriented and Grow Together

3.1.1 Employment and Labour Standards

KWG Living has always adhered to the business philosophy of people-oriented, attached importance to talent training, and cared about the well-being of employees, to maintain excellent competitiveness of the Group and promote the sustainable development of the business. In the process of employees recruitment and management, we strictly abide by the Recruitment Management System of KWG Living Group (《合景悠活集團招聘管理制度》). In terms of handling of personnel transfers by the Group, we also strictly abide by policies such as the Management Measures for Employment, Dismissal, Regularization and Change of Employees of KWG Living Group (《合景悠活集團員工入離職、轉正、異動管理辦法》) and the Management Measures for the Promotion of KWG Living Group (《合景悠活集團晉升管理辦法》) to handle all situations in a flexible and fair manner. In addition, the Employee Handbook of KWG Living Group (《合景悠活集團員工手冊》) also covers relevant regulations on the employment system, remuneration and benefits, and performance appraisal for employees' reference at any time, and is committed to improving the transparency of operation and the sense of belonging.

The Group strictly complies with the relevant laws and regulations to eliminate child labour and forced labour at source, with strict control on employment, regular inspections of the employment situation of the Group and its subsidiaries are conducted in accordance with the Labour Law Implementation and Supervision and Control Procedures (《勞動法執行與監督控制程序》). In case a negligent use of child labour is found, the Company would stop their work immediately and escort the child to a hospital for a medical examination to ensure that their health is not affected by the work; after full payment of all their salaries, they would be escorted home and handed over to their guardians; at the same time, the causes of misuse of child labour are rigorously investigated, corrective measures are formulated, and the process of discovering child labour and remedial measures are reported to the labour authorities and customers who so request. In addition to strict requirements for ourselves, we also strengthen communication with suppliers in order to eliminate the use of child labour by observing and understanding their employment conditions.

We understand and respect different cultures, adhere to the principle of equal employment and merit, treat all employees equally, and will never offer any discrimination or differential treatment against candidates based on any non-job-related factors such as gender, hometown, belief and appearance. In terms of remuneration and benefits, all employees will receive corresponding treatment based on the principle of equality and the results of performance appraisal.

According to state regulations, the Group provides social insurance, housing provident fund and other statutory employee benefits for eligible employees. In addition to statutory holidays, we also provide employees with paid sick leave, work injury leave, causal leave, official leave, marriage leave, bereavement leave, prenatal leave and maternity leave.

3.1.2 Recruitment and Promotion

KWG Living Group follows the recruitment principles of open recruitment and selection in selecting talents. We hold regular job fairs, including “KWG Glamour — Trainee Recruitment Programme” (「悠引力—實習生招聘計劃」), “KWG Excellence 1.0 plan — Campus Recruitment” (「悠等生1.0計劃—校園招聘」), job fairs, etc. We expand the scope of recruitment through our online recruitment platform and encourage internal employees to make referrals. Depending on the needs of the project, we may also post street flyers from time to time or hold job fairs in the street. Meanwhile, we make use of the DHR system and Beisen recruitment management system to identify and prevent employment-related compliance risks such as child labour and missing the signing of labour contracts upon expiry effectively and proactively.

In order to fully activate internal talents and enhance the strength of the management team, we have implemented the “Internal New Blood Scheme” in conjunction with the demand for phrasal vacancies and the need for internal talents developments, organised internal recruitment/promotion presentation in order to help strengthen the construction of the reserved management team and gradually enhance the function of internal organisation and new blood generation. Meanwhile, the Group conducts annual talent inventory and performance appraisal activities, with priority selection of internal talents to participate in various training programmes, and so provides project rotation opportunities for internal talents to ultimately achieve promotion goals. Through these channels, employees can understand the Group’s multi-channel career development path and plan their own career paths in accordance with their own attributes and preferences.

3.1.3 Health and Safety

KWG Living attaches great importance to the occupational safety and physical and mental health of our employees. The Group strictly complies with the Emergency Response Law of the People’s Republic of China (《中華人民共和國突發事件應對法》), the Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) and other laws and regulations to provide employees with a good working environment, so as to prevent or eliminate potential risks in occupational positions.

We have formulated the “Quality and Safety Management Measures (《質安管理辦法》)”, “Residential Property Safety Operation Manual (《住宅物業安全生產操作手冊》)” and other rules and regulations. Each project should be carried out monthly or quarterly safety inspections, with special risk plans. The quality and safety officers of the regional branch offices nationwide and employees at different professions are required to conduct monthly or quarterly safety management meetings on a regular basis, and organise half-yearly safety training and drills for the project staff to improve their safety awareness and the abilities in crisis response. Safety training drill is in place every six months to enhance safety awareness and crisis response capability of project staff. The Group also provides facilities and equipment related to health and safety for employees and requires staff to hold the work permits for operations to ensure that they are not exposed to occupational safety and health risks. Each of the project departments has also complied with the characteristics of the work and published a Practice Guide (《作業指導書》). In addition, the Group has also set out the basic requirements of the operation positions to ensure that the Group’s employees have the corresponding experience and qualifications to carry out the relevant operations, so as to minimise the potential risk of injuries to the employees. For example, for projects involving water supply operations, the Group requires that employees must be at least 18 years of age, free from any illnesses or physical defects that would prevent them from engaging in the relevant work, hold a valid work permit for electrical work, and attend corresponding safety training and possess relevant safety knowledge before taking part in the project.

Analysis and Management of Material Issues

The Group has put in place a series of key measures for the security risks that its employees are likely to encounter, as described below:

Types of Risks	Key Measures	
Order	<ul style="list-style-type: none"> • There is a possibility that traffic accidents may occur as a result of non-compliance with traffic regulations by orderly patrol vehicles in the course of patrolling; • Failure of staff to wear reflective clothing during car park inspection resulted in a traffic accident; 	<ul style="list-style-type: none"> • Speed limit signs are in place and Car park patrol and night duty guards at car park entrance/exit are required to wear reflective clothing; • Regulate daily inspection, usage and handover to improve staff safety awareness.
Environment	<ul style="list-style-type: none"> • Employees may misuse pesticides or other harmful chemicals, which can cause poisoning or burns to the skin and eyes; • Failure of the relevant staff to correctly place warning signs in the greening areas, resulting in poorly configured working tools and the potential for personal injury; • There is a risk of electric shock as staff will enter and exit the pump room and come into contact with the water source when carrying out water supply operations; • There is a chance that the glass may not be able to withstand the weight of the concerned personnel when they are cleaning the glass, resulting in glass breakage and affecting personal safety; 	<ul style="list-style-type: none"> • Staff should wear rubber gloves when using special chemicals such as strong acids and alkalis. When using volatile cleaning agents, staff should open the windows for ventilation; • The Property Management Service Centre will issue a notice to inform customers in advance and remind others to stay away from the work site; • Operators strengthen the management of equipment rooms, acquire the basic electrical safety knowledge and operate the equipment in strict accordance with the operating procedures; • When cleaning glass at height, the staff must check the stability of the safety belt/rope (if required) carefully before use.

Types of Risks	Key Measures
Engineering	<ul style="list-style-type: none"> • In the course of maintenance works, there is a chance for staff to be injured as a result of electric shock due to mishandling of the works; • Lack of proper safety precautions when carrying out works in confined spaces which endangers personal safety; • Employees mishandle the use of power tools, such as sanders, cutters, etc.; • Forget to put up warning tapes and warning signs when carrying out lift maintenance poses a potential safety hazard; • Aging equipment and wiring may lead to leakage and risk of electrical shock. <ul style="list-style-type: none"> • It is strictly prohibited to operate isolation switches under load (e.g. capacitor cabinet isolation switches, high voltage cabinet isolation switches, etc.). Otherwise, it will lead to short circuit between phases, arc injury and other accidents; • Supervisors (or foremen) will post obvious warning signs in small spaces such as equipment and pipelines while enhancing the safety training; • The floor trailing cable must be fitted with an earth leakage switch. The temporary use of mobile mechanical equipment (such as cutting machines, grinders, etc.), in the case of insulation damage, improper protection grounding, it is easy to cause electric shock hazards. The supervisor (or shift supervisor) should urge the operator to conduct regular inspections of the relevant equipment and facilities to check that the tools are in good condition. Unqualified supplies will be disposed in a timely manner; • Supervisors (or foremen) strengthen the relevant training and require operators to put up warning tapes and signs when carrying out lift inspections and repairs, and to ensure a safe working distance in order to avoid accidental injury to customers; • Welding machine's housings must be well grounded, and its power supply should be equipped with a separate switch, which should be placed in a rainproof gate box and should be operated sideways with gloves. Welding clamps and wires must be well insulated and firmly connected. The wire and ground wire should not be in contact with the wire rope nor use the wire rope or electrical equipment to replace the neutral wire. The supervisors (or foremen) and the operators should always check and maintain good contact between the cable and the welding machine's terminal block and keep the nuts strong and well insulated.

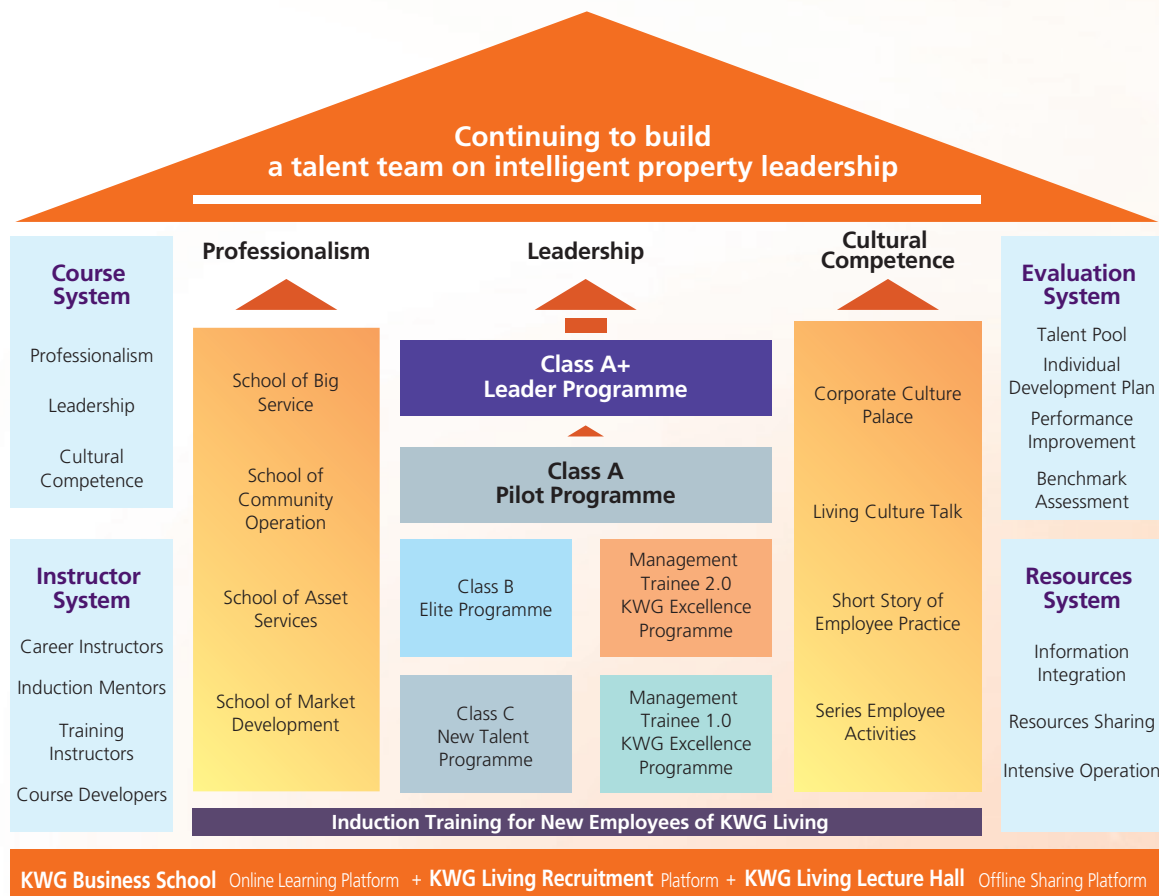
Analysis and Management of Material Issues

Types of Risks	Key Measures
<p>General Safety Risk</p>	<ul style="list-style-type: none"> • Adverse weather conditions, such as rain and snow, can make the workplace wet and slippery, increasing the risk of falls and injuries; • Improper use or handling of tools may result in accidental injury; • Lack of proper safety precautions when working at height may result in injury to staff carrying out the works; • Improper handle or control heavy objects during lifting work may result in hurt or bodily injury; • Working outdoors in high temperatures may result in heatstroke for employees conducting activities outdoors; • Dislodged buildings or billboards could result in a falling object accident, causing injury to employees in the vicinity of the facility; • Disaster weather and rescue efforts may result in employee injury or death; • Rust and insecurity of well cover plates or doors may cause them to fall off, increasing the risk of bodily harm to employees; <ul style="list-style-type: none"> • If the floor is slippery, the caution sign clearly showing “Beware of Slippery Floor” and anti-slip items such as carpets will be put in place; • The supervisor (or shift supervisor) should strictly control the use of machines by operators who are overly tired, and require more than two people to work on site; • Workers should strictly follow the safety regulations for work at height. They should wear safety helmets and safety belts. When the supervisor (or foreman) finds that the worker is in poor mental condition, he/she is prohibited from working at height; • Remind employees to ask for help in lifting heavy objects and equip them with the necessary aids; • The Property Management Services Centres regularly provide green bean porridge and other cooling drinks; • Increase patrol attention to check for and remove suspended or loose objects, and educate customers not to drop objects from heights; • Avoid staff working in bad weather; • Place a “Danger” sign in a conspicuous place next to the manhole cover plate.

In 2023, the number of work-related deaths of the Group was 1 (2021: 1; 2022: 0) and the number of working days lost due to work-related injuries was 3,865 (2021: 3,408; 2022: 2,295). We will further enhance our safety management and occupational health protection measures to ensure the safety and health of our employees. We undertake to keep on improving the system of occupational health and safety management for our employees in the future, require professionals from regional companies to regularly inspect and check the effectiveness of our safety training, strive to improve the Group’s safety training programme and raise the level of importance attached to safety management in various projects. At the same time, the Group requires project managers to be responsible for the safety management of their projects and to assign safety managers in accordance with different professions in order to minimise the occurrence of safety accidents. The Group remains committed to creating a safe, healthy and harmonious working environment in order to minimise the occurrence of accidents and injuries and to protect the lives and health of its employees.

3.1.4 Training and Development

Employees are the driving force of the Group’s development. We provide employees with comprehensive training to let them meet a better version of themselves, and we are stepping up to the next level with the help of more talented employees. KWG Living has built a complete “1343 Talent Development System”, “1343” represents “1 target, 3 capabilities, 4 systems, 3 platforms”:



Analysis and Management of Material Issues



Meanwhile, we have built a series of training activities for different employees:

Training Programme	Training Objective
<p>Promote Health and Wellness Without Barriers</p>	<p>To raise staff's awareness of their own health by knowledge exchange sessions while popularising the wellness knowledge related to health</p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Unlock21 Happy Slimming</p>	<p>Launch of the employee exercise programme of "21 Days of Happy and Healthy Diet + Quality Sleep + Proper Exercise" to improve staff's physical fitness level</p> 

Training Programme	Training Objective	
<p>Health Talk on Cervical Spondylosis</p>	<p>Medical experts and doctors were invited to explain the causes of cervical spine disease and the daily maintenance of cervical spine to the staff. On-site traditional Chinese massage is arranged for employees</p>	
<p>Housekeeping academy training</p>	<p>The Group attaches great importance to the implementation of its corporate culture and strategy. In respect of the front-office positions of housekeepers and other customer service staff, the Group has implemented the six-dimensional values and eight behavioural norms to help the corporate culture penetrate into people's hearts</p>	

3.1.5 Communication with Employees

In addition to protecting the physical health of our employees, we are also concerned about the psychological well-being of our employees. We organise regular meetings to communicate with our employees with sincerity, listen to their voices and provide them with the help they need. Meanwhile, the Company is setting up a public mailbox to provide a channel for anonymous voices for our employees, encouraging them to express their views honestly and provide constructive suggestions at any time and in any place.

Analysis and Management of Material Issues

Case Study

The sustainable growth of KWG Living is inseparable from the dedication and contribution of each and every employee. During the 2023 work review meeting and 2024 work planning meeting, the Group set up a number of awards, including the Golden Idea Award, the Most Beautiful Series Award, the Service Talent Award, the Business Achiever Award, and the Outstanding Manager Award, to honour the business teams and employees who have demonstrated a high degree of professionalism and excellent working ability in the course of their work. The Group presented medals to the winners and encouraged all staff members to strive for excellence and improve their service standards, so as to bring a better living experience to our thousands of homeowners.



3.1.6 Employee Activities

Every employee is not just a working partner, but also an important member of the KWG Living family. We concern about the physical and mental health and sense of belonging of employees. Through a series of employee activities such as birthday parties, sports gala, movie viewing parties and awards ceremonies, we express our appreciation to employees for their hard work, so that employees can release their work pressure and fully feel care and warmth of the Company. The Company has set up a charity foundation to help employees with special financial difficulties caused by serious illnesses or accidental disasters.

Case Study

Every year during traditional festivals such as the Lunar Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, we distribute welfare supplies to employees:



On Women’s Day (8th March), we give flowers to female employees:



We treat every employee as a family member, and the Company holds quarterly birthday parties for employees:



A cheering station was established to provide mid-year and year-end employee care:



During the Lunar Chinese New Year, Labour Day, and National Day holidays, the Company’s functional departments visited the project sites to express condolences to employees:



Analysis and Management of Material Issues

3.2 To the Community: Sincere Dedication to Create Harmony

KWG Living creates a wonderful living experience for our customers with “operation and service with heart”. Meanwhile, it also sincerely contributes to society to build harmonious communities. We have carried out a series of community work and charity activities, striving to create a more fulfilling community.

3.2.1 Caring for the Community and the Society

KWG Living is the first in the industry to promote the artistic and humanistic community culture of “reading life, enjoying health and advocating wisdom”, and carried out a series of cultural activities for community and service projects by integrating tradition and modern culture to navigate the new beautiful life. Through these activities, we strengthened the connection and communication with property owners, tenants and customers and improved customer satisfaction, thereby laying a solid foundation for better service to owners.

Case Study

Huancai Lighting Festival (煥彩燈光節)

As a pioneer of green ecology, KWG Living has brought low-carbon and environmental protection concepts into the community and has organized the “Huancai Lighting Festival” event for seven consecutive years. The 2023 “Huancai Lighting Festival” was themed with “Reunion and Light • Thousands of Wonders (團圓拾光 • 美好萬千)”, focusing on the concepts of reunion, harmony and environmental protection. More than 150 community projects with more than 100,000 people participated in the event, creating over 200 lighting art pieces. Hundreds of lights converged into infinite light and warmth, turning waste into treasure with green creativity, and decorating life with ingenuity. KWG Living embarked on the journey of low-carbon and environmental protection in the community.



Project activities

Project name	Activity
<p>Foshan Oriental Bund</p>	<p>The project team leads occasional activities such as cleaning floor mats, fans, knife sharpening, etc on an irregular basis so as to provide a better home experience to the residents</p> <p>Thanksgiving Day, Mother’s Day, Children’s Day, Festival of Lights, Lunar New Year’s Shopping Festival and other colourful community activities are carried out to instil the concepts of “neighbourly love, mutual assistance and love”, so that the whole project is filled with harmony and contributes to the stability of the grassroots of society.</p> 
<p>The Horizon in Nanning</p>	<p>In order to protect the personal safety of community residents, the project team conducts regular armed patrols, fire training and fire drills to enhance the emergency response capability of the public, so that they can respond to dangers and disasters with appropriate means in case of emergencies.</p> 
<p>International Finance Place in Guangzhou</p>	<p>In order to promote recycling and raise environmental awareness, the project team organised environmental public service activities to make office workers aware of the importance of waste separation and recycling. At the same time, the project team also set up recycling facilities and collected recyclable waste to promote low-carbon and environmental awareness.</p> 

Analysis and Management of Material Issues

3.3 To Business Partners: Fairness and Transparency, Integrity and Honesty

3.3.1 Sustainable Supply Chain

Quality and sustainable supply chain is of the essence for KWG Living to continuously provide high-quality services. We consider various aspects and make long-term arrangements, fully consider the issues of concern to all stakeholders, and balance the relationship between economic growth and environmental protection and social impact. We incorporate supply chain management into the scope of risk assessment, and make emergency plans for possible problems in advance to prevent accidents from happening as expected.

We have established internal regulatory documents such as supplier management systems and service standards. The cooperating units meet the core terms such as the quality of service rendered and the rights and obligations of both parties in accordance with the agreed terms and requirements. In addition, each cooperating supplier is required to sign the Integrity Cooperation Agreement, adhere to the bottom line of integrity cooperation between both parties, clarify that both parties should abide by various responsibility requirements of integrity and fairness and specific provisions on termination of cooperation, and set up a hotline and email for monitoring integrity reports. We shall be committed to transparent cooperation and earnestly fulfil social responsibilities. The Group has formulated and implemented the System for Management of Material Companies and Suppliers in accordance with the Urban Real Estate Administration Law of the People's Republic of China, the Regulation on Realty Management and other laws and regulations, so as to maintain the stability of the supply chain.

The Group's suppliers are selected through a scientific authorization process, and sufficient background checks are conducted before appointment. After appointment, we will communicate with them regularly to ensure the quality of services rendered. At the same time, we mobilize various professional departments, supervision departments or cross-regional departments within the Group to conduct random inspections and unannounced inspections, regularly assess the qualifications and capital of suppliers, conduct rating, and disuse substandard units to eliminate risks.

In order to make suppliers more aware of our mission, vision, planning and specific management measures and requirements, we regularly hold regional or group-wide supplier professional training, integrity publicity and supplier cooperation conferences for empowering the Group's business development, deepening cooperation, and jointly promoting the improvement and exchange among the peers.

In 2023, the Group was not aware of any major incidents involved in the supply chain. The Group currently maintains a good cooperative relationship with a total of 1,614 suppliers:

Region	Number of suppliers
Greater Bay Area	435
Yangtze River Delta Region ⁽¹⁾	497
Central and Western Region and Hainan ⁽²⁾	491
Bohai Economic Rim ⁽³⁾	191

Notes:

(1) Including Shanghai, Zhejiang, Anhui and Jiangsu Provinces.

(2) Including Sichuan, Yunnan, Hubei, Hunan, Jiangxi, Guangxi Zhuang Autonomous Region, Guizhou, Henan, Fujian, Hainan, Xinjiang Uygur Autonomous Region and Chongqing.

(3) Including Beijing, Tianjin and Shandong Province.

3.4 To the Society: Clean and Honest, Build and Share Together

3.4.1 Uphold Integrity Discipline

Anti-corruption

In order to regulate its own behaviour, discover and review problems in a timely manner, the Group has established a supervision centre. Since its establishment, the Supervision Centre has adhered to the anti-corruption work concept of "Prevention first, combat next.", constantly innovated work style and methodology, and formed a special supervision system with characteristics, including system improvement of prevention work, publicity and implementation, joint supervision of different divisions and specific case handling work. The monitoring system mainly includes:

1. Continuously adopting and optimizing the anti-fraud corruption: the relevant complaint and reporting system, multi-dimensional and all-round reporting channels, supervision and management system and related rules, employee handbook, integrity responsibility statement, the Regulation on Conflict of Interest for Staff Members, gift and cash management methods, and signing integrity agreements with suppliers, etc.
2. Continuing to carry out extensive and highly professional integrity courses and publicity: produce online and offline courses, and carry out publicity and education for management, employees, suppliers, etc.; we carry out in-depth publicity tour on bidding and procurement department, multiple operation department and other departments with high corruption risks, produce case warning films and micro films about integrity, and invite external lecturers from public security inspection agencies to give lectures, forming a deterrent effect.
3. Interaction and information exchange with key departments: promote rectification through investigation, promote standardization through prevention, communicate and exchange information with various departments through investigation and handling of typical cases, and promote integrity risk prevention through joint supervision model, sorting out suppliers in bidding and procurement, supervision of various business plans and supervision of property owners' services.
4. Deploying personnel to different regions for delving deeper into business operations and the grassroots: personnel are assigned in different regions to establish a regular communication mechanism with the management, participate in local management meetings, form a model of "frequent communication, more participation", keep abreast of the latest policies and trends of business departments, identify potential new corruption events, take preventive measures in a timely manner, and reduce the possibility of risk occurrence. We carry out project visits and investigations in confidence for the grassroots and increase information personnel to grasp reliable intelligence, and eliminate signs of corruption in a timely manner. In the event of a case, the Company will recover embezzled property and losses in a timely manner to avoid causing greater losses to the Company.
5. Establishment of Property Companies Alliance to combat corruption: We organized and established the Greater Bay Area Companies Supervision Alliance to communicate regularly and understand the advanced experience in preventing corruption risks in the industry. We formed a blacklist system, sharing the list of dishonest employees and dishonest suppliers to avoid certain risks to the Company due to the entry of or cooperation with such personnel and suppliers.

Analysis and Management of Material Issues

The Group attaches great importance to self-examination and self-correction capabilities and opens a reporting channel for staff. In 2023, no case regarding employee corruption of the Group was concluded.

Integrity Education

- In order to prevent the occurrence of corruption, the Group continues to carry out extensive and highly professional publicity and integrity courses: to produce online and offline courses, and to carry out publicity and education for the management, employees and suppliers; to carry out in-depth publicity, produce case warning films and micro-films about integrity for the bidding and procurement departments with high corruption risks, and invite external lecturers from public inspection agencies to give lectures, forming a deterrent effect. During the Year, 420 people in aggregate, comprising a total of 1 director, 389 employees and 30 business partners of the Group, participated in the training activities with the theme of integrity and anti-corruption, with a maximum training of 10 hours. The activities aimed to educate employees on integrity standards, and train employees on operation with integrity, self-discipline, creating a fair working atmosphere.

3.4.2 Caring for the Elderly and the Young, and Devoting to Charitable Causes

Our services have penetrated into all aspects of society, ranging from residential properties to office buildings, from shopping malls to schools, from hospitals to sanitation and cleaning services, and KWG Living expects to warm society with our own actions. At the same time, we keep our eyes on remote areas or charitable agencies to spread our love to the further end.

Case Study

Love Together Charity Exhibition

On 5 September 2023, the 8th statutory "China Charity Day" was celebrated in China. On this occasion, the Group assisted KWG Art Museum, in collaboration with Wilber Foundation in Guangzhou and Vuitton's LoVe Project, to organise the "Love Together Charity Exhibition (愛在一起公益展)" in Guangzhou KWG International Finance Plaza. The event, which ran from 5 to 8 September, ended with a successful outcome amidst much acclaim. By raising funds for children with serious illnesses in the form of a charity painting exhibition and charity sale, the "Love Together Charity Exhibition" uses the power of charity to protect the future of every child.



Laws and Regulations

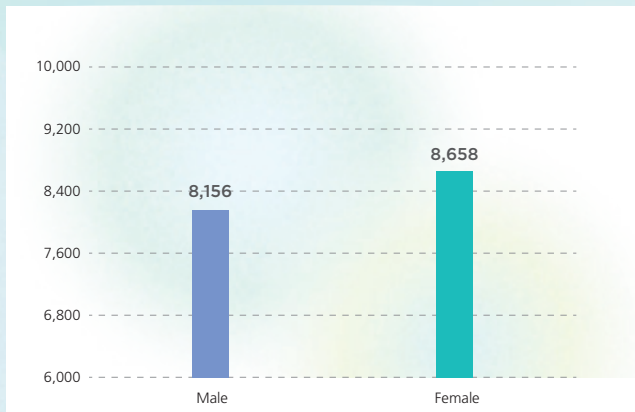
ESG scope	In compliance with laws and regulations/policies
Environment	<p>National Catalogue of Hazardous Wastes</p> <p>the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution</p> <p>the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</p> <p>the Environmental Protection Law of the People's Republic of China</p> <p>the Environmental Impact Assessment law of the People's Republic of China</p> <p>the Law of the People Republic of China on Energy Conservation</p>
Employment	<p>the Labour Law of the People's Republic of China</p> <p>the Labour Contract Law of the People's Republic of China</p> <p>the Employment Promotion Law of the People's Republic of China</p> <p>the Social Insurance Law of the People's Republic of China</p> <p>the Provisions of the People's Republic of China on the Prohibition of Using Child Labour</p> <p>the Law of the People's Republic of China on the Protection of Minors</p>
Health and safety	<p>the Labour Law of the People's Republic of China</p> <p>the Fire Control Law of the People's Republic of China</p> <p>the Production Safety Law of the People's Republic of China</p> <p>the Law of the People's Republic of China on Prevention and Control of Occupational Diseases</p> <p>the Regulation on Work-Related Injury Insurances</p> <p>the Regulation on Work Safety Production License</p> <p>the Provision on the Administration of Occupational Health at Workplaces</p> <p>the Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</p>
Supply chain management	<p>the Bidding Law of the People's Republic of China</p>

ESG scope	In compliance with laws and regulations/policies
Product liability	<p>the Trademark Law of the People's Republic of China</p> <p>the Advertisement Law of the People's Republic of China</p> <p>the Patent Law of the People's Republic of China</p> <p>the Fire Control Law of the People's Republic of China</p> <p>the Product Quality Law of the People's Republic of China</p> <p>the Law of the People's Republic of China on Protection of Consumer Rights and Interests</p>
Anti-corruption	<p>the Company Law of the People's Republic of China</p> <p>the Anti-Money Laundering Law of the People's Republic of China</p> <p>the Anti-Monopoly Law of the People's Republic of China</p> <p>the Anti-Unfair Competition Law of the People's Republic of China</p> <p>the Prevention of Bribery Ordinance of Hong Kong</p>

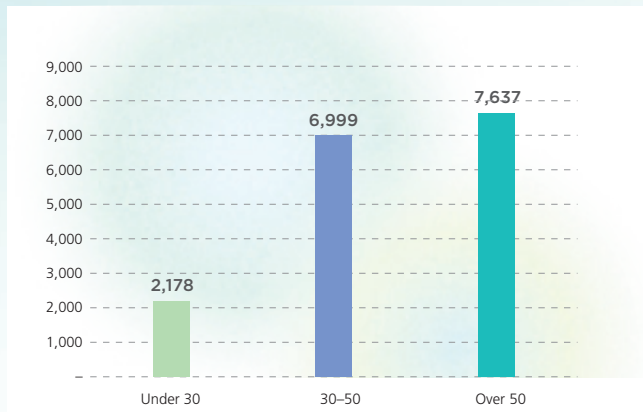
Data Summary

In 2023, the total number of employees of the Group was 16,814. Data are categorised as below:

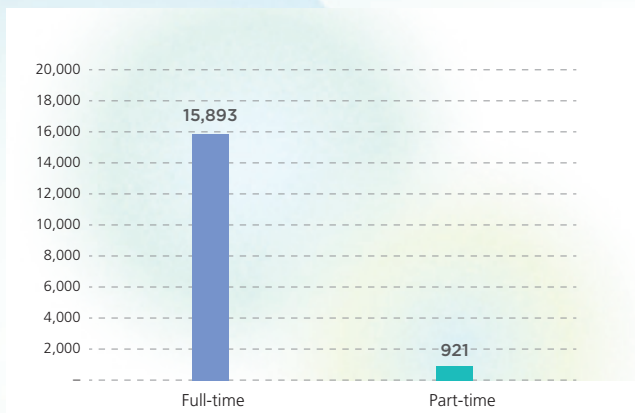
Number of employees by gender



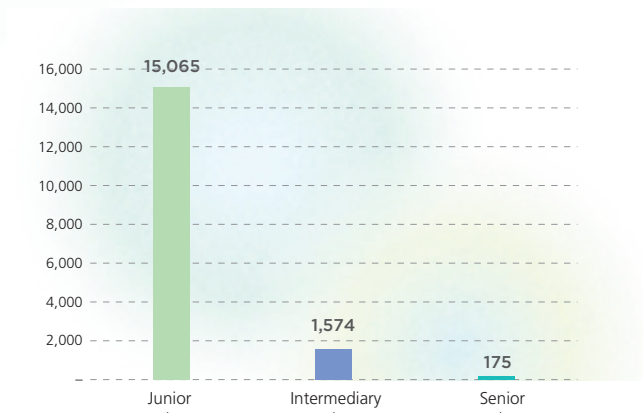
Number of employees by age



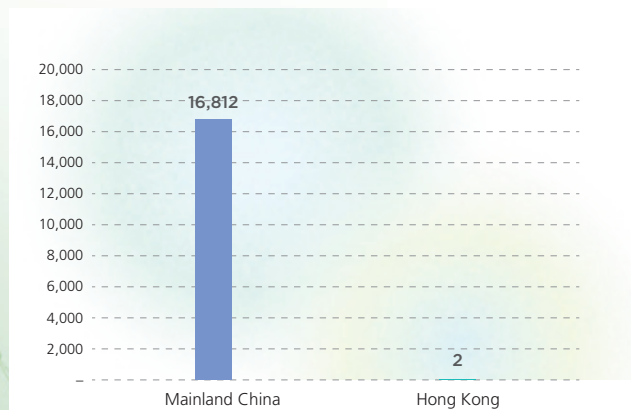
Number of employees by employment type



Number of employees by rank



Number of employees by region

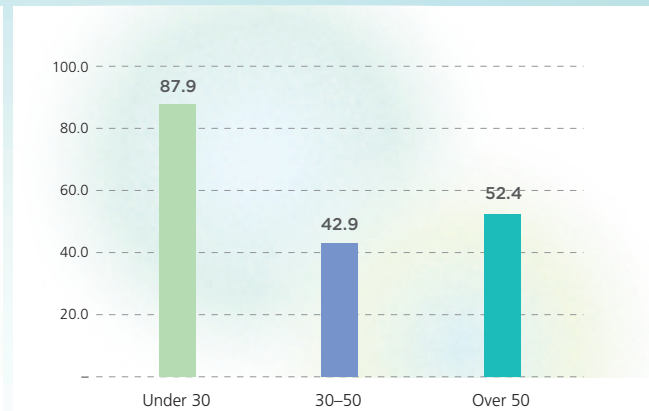


In 2023, the Group's employee turnover rate was 53.0%. Data are categorised as below:

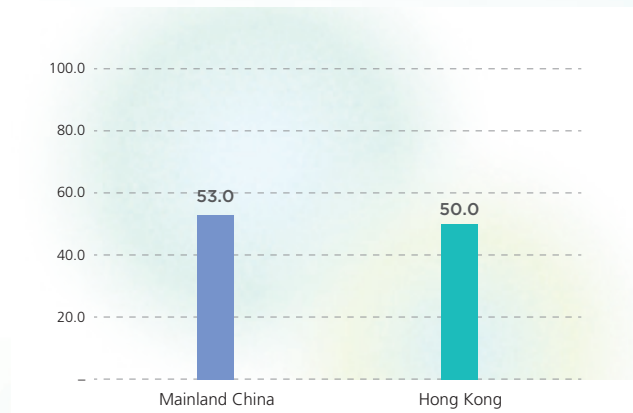
Turnover rate by gender (%)



Turnover rate by age (%)



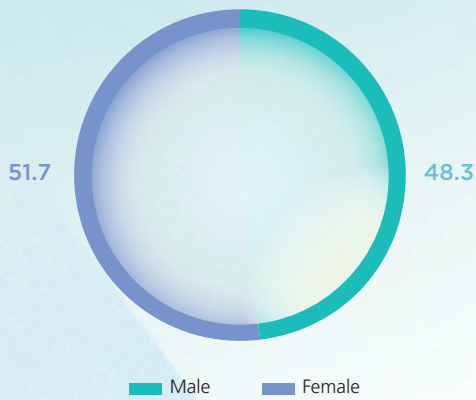
Turnover rate by region (%)



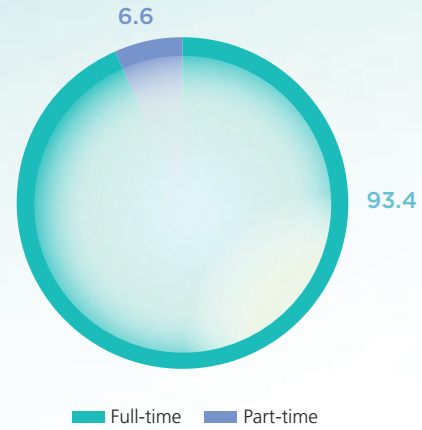
Data Summary

In 2023, the average percentage of employees trained in the Group was 141.8%. Data are categorised as below:

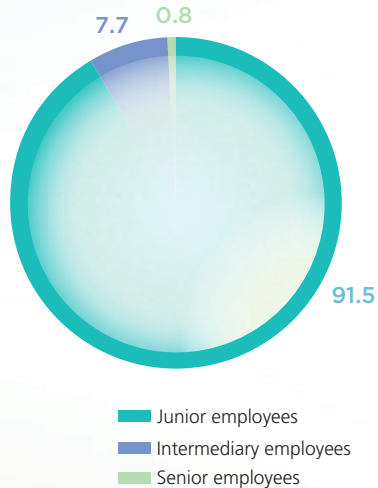
Training rate by gender (%)



Training rate by employment type (%)

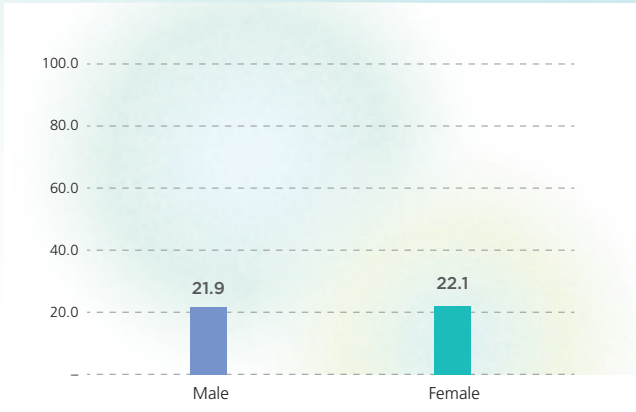


Training rate by rank (%)

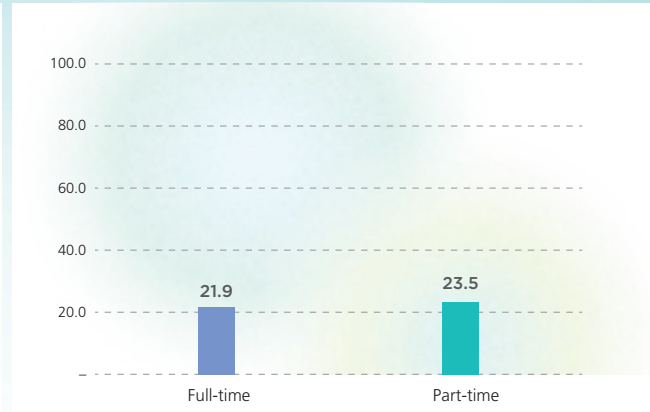


In 2023, the average training hours of the Group’s employees was 22.0 hours. Data are categorised as below:

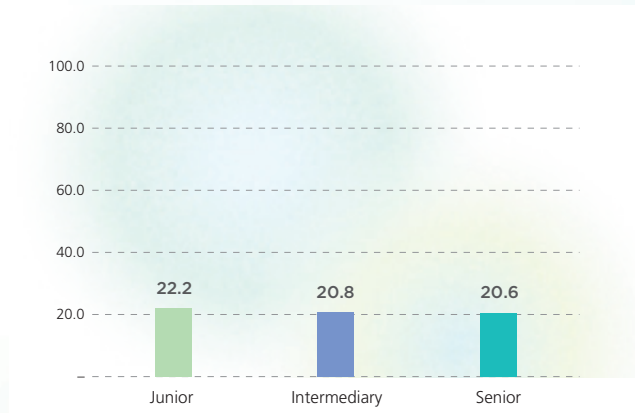
Average training hours by gender



Average training hours by employment type



Average training hours by rank



Data Summary

Environmental Key Indicators

No.	Key performance indicators	Unit	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾
A1.1	Nitrogen oxides emissions (NOx) ⁽²⁾	kg	788.69	572.55	406.69
	Sulphur oxides emissions (SOx) ⁽²⁾	kg	35.10	30.19	20.97
	Particulate matter emissions (PM)	kg	46.24	31.72	21.93
A1.2	Scope 1: direct emissions	tonne	2,093.12	1,509.60	1,171.15
	Scope 2: indirect emissions	tonne	37,029.61	36,725.08	30,378.32
	Scope 3: other indirect emissions	tonne	651.27	525.78	428.83
	Total greenhouse gas emissions	tonne	39,774.00	38,760.46	31,978.30
	Intensity of total greenhouse gas emissions	tonne/employee	1.70	2.20	1.91
A1.3	Total hazardous waste ⁽³⁾	tonne	1.65	0.51	0.44
	Intensity of hazardous waste emissions	tonne/employee	0.0001	0.00003	0.00003
A1.4	Total non-hazardous waste	tonne	213.38 ⁽⁴⁾	421.05 ⁽⁴⁾	54.3 ⁽⁴⁾
	Intensity of non-hazardous waste emissions	tonne/employee	0.009	0.024	0.140
A2.1	Direct energy consumption	kWh in'000s	11,936.36	8,515.97	6,648.48
	Indirect energy consumption	kWh in'000s	62,871.23	63,751.48	52,763.94
	Total energy consumption	kWh in'000s	74,807.59	72,267.45	59,412.42
	Intensity of energy consumption	kWh in'000s/ employee	3.20	4.11	3.55
A2.2	Total water consumption	cubic metre	1,107,219.79 ⁽⁵⁾	931,732.01 ⁽⁵⁾	746,172.15 ⁽⁵⁾
	Intensity of water consumption		47.45	52.95	44.64
A2.5	Total packaging material used for finished products ⁽⁶⁾	tonne	0	0	0

Description of environmental key performance indicators:

- (1) During the Year, the Group has applied the "Appendix 2: Reporting Guidance on Environmental KPIs" of the revised "How to Prepare an ESG Report" published by the Stock Exchange in March 2022. The data conversion methods and coefficients are mainly with reference to the revised "Appendix 2: Reporting Guidance on Environmental KPIs", the Ministry of Ecology and Environment of the People's Republic of China, the Energy Statistics Manual issued by the International Energy Agency, and the Emission Factors For Greenhouse Gas Inventories issued by the U.S. Energy Information Administration and the U.S. Environmental Protection Agency. In the current year, we have adopted the same data conversion methods and coefficients as those used in 2022. In order to better enable our stakeholders to understand the Group's performance, we have standardised the data collection channels in the current reporting year, and the scope of the statistics on the use of energy and resources, such as water and electricity, relates to the generation of energy and resources by the Group when the Group commenced its property operation business and excludes the data on the use of households, tenants and commercial tenants, so that meaningful comparisons of data over time can be made.

- (2) Nitrogen oxides and sulphur oxides mainly come from the vehicle emissions controlled by the Group and the gas used in the canteens of the Group's projects. During the year, due to the impact of higher winter temperatures compared to previous years, the use of town gas in the canteens of the Group's projects was lower, resulting in lower emissions of nitrogen oxides (NOx) and sulphur oxides (SOx).
- (3) The types of hazardous wastes disposed of by the Group are mainly batteries, lamps, bulbs, paints and ink cartridges, and we ensure that all hazardous wastes have been properly disposed of in accordance with the internal guidelines of the Group. During the year, the Group's projects optimised hazardous waste management measures, implemented cost reduction and energy saving controls, and strengthened controls over non-essential areas in tandem with reduced procurement of materials, resulting in a reduction in the production of hazardous waste such as batteries, fluorescent tubes and light bulbs. During the year, the Group's projects optimised hazardous waste management measures, implemented cost reduction and energy saving controls, and strengthened controls over non-essential areas in tandem with reduced procurement of materials, resulting in a reduction in the production of hazardous waste such as batteries, fluorescent tubes and light bulbs.
- (4) The types of non-hazardous waste disposed of by the Group are mainly garden waste, office waste and non-hazardous construction waste, etc. As some of the residential projects operated by the Group centrally collect food waste from households and employees, the data for food waste was excluded and revised in 2023 in line with that of 2022. The decrease in the Group's non-hazardous waste in the current reporting year was mainly due to a decrease in the amount of timber waste from some residential projects in the current year, as extensive tree pruning work had been carried out in 2022. In addition, the amount of cement waste decreased due to the decrease in construction activities of some commercial projects in the current year. For other non-hazardous waste, the Group has always attached importance to minimising the environmental impact of its operations. We will continue to enhance our paperless operations and reuse of paper, among other means, to minimise unnecessary waste of resources.
- (5) During the year, we have implemented a standardized statistical caliber for water consumption. The scope of water consumption statistics includes the water usage of the Group's own properties, specifically in office and public areas, excluding water consumption by residents, tenants, and business operators. The displayed water consumption data covers the water usage generated by the 13 projects disclosed by the Group during the year. There was a slight change in statistical caliber of the water consumption for the report for 2022. It mainly involved the inability to separate the water consumption data for Foshan Oriental Bund from the residents in the 2021 statistics, which has been rectified and excluded from the figures reported in the 2022 annual report.
- (6) As a comprehensive property management service provider, the Group rarely uses packaging materials for our finished products, and the total consumption of which is minimal.

Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section	
A. Environmental			
Aspect A1: Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NO_x, SO_x, 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>	2.1.2 Green Management System	
	KPI A1.1	The types of emissions and respective emissions data.	Data Summary
	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).	Data Summary
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Summary
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Summary
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1.2 Green Management System
	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.	2.1.2 Green Management System

Subject Areas, Aspects, General Disclosures and KPIs	Corresponding section
<p>Aspect A2: Use of Resources</p> <p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p> <p>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).</p> <p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p> <p>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.</p> <p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<p>2.1.2 Green Management System</p> <p>Data Summary</p> <p>Data Summary</p> <p>2.1.2 Green Management System</p> <p>2.1.2 Green Management System</p> <p>Data Summary</p>
<p>Aspect A3: The Environment and Natural Resources</p> <p>General Disclosure</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p> <p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>2.1.3 Environment and Natural Resources</p> <p>2.1.3 Environment and Natural Resources</p>
<p>Aspect A4: Climate Change</p> <p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p> <p>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.</p>	<p>2.1.4 Taking Action on Climate Change</p> <p>2.1.4 Taking Action on Climate Change</p>

Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on:	3.1 For Employees: People-oriented and Grow Together
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	KPI B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Data Summary
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Data Summary	
Aspect B2: Health and Safety	General Disclosure Information on:	3.1.3 Health and Safety
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.1.3 Health and Safety
	KPI B2.2 Lost days due to work injury.	3.1.3 Health and Safety
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.1.3 Health and Safety	

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section
Aspect B3: Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	3.1.4 Training and Development
	<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	Data Summary
	<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	Data Summary
Aspect B4: Labour Standards	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	3.1.1 Employment and Labour Standards
	<p>KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.</p>	3.1.1 Employment and Labour Standards
	<p>KPI B4.2 Description of steps taken to eliminate such practices when discovered.</p>	3.1.1 Employment and Labour Standards

Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure	3.3.1 Sustainable Supply Chain
	Policies on managing environmental and social risks of the supply chain.	
	KPI B5.1 Number of suppliers by geographical region.	3.3.1 Sustainable Supply Chain
	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.	3.3.1 Sustainable Supply Chain
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3.1 Sustainable Supply Chain
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3.1 Sustainable Supply Chain	

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	1.1.1 Service Quality Control
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	1.1.7 Communication with Customers
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	1.1.7 Communication with Customers
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	1.2.2 Intellectual Property Right Protection
	KPI B6.4 Description of quality assurance process and recall procedures.	1.1.7 Communication with Customers
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.2.3 Customer Information and Privacy Protection

Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding section
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.4.1 Uphold Integrity Discipline
	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.	3.4.1 Uphold Integrity Discipline
	KPI B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	3.4.1 Uphold Integrity Discipline
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	3.4.1 Uphold Integrity Discipline
Community		
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.	3.2 To the Community: Sincere Dedication to Create Harmony
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.2 To the Community: Sincere Dedication to Create Harmony
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	3.2 To the Community: Sincere Dedication to Create Harmony

The background features a gradient from light purple to white. Large, semi-transparent circles in shades of purple and orange are scattered across the page. In the top right and bottom left corners, there are network diagrams consisting of interconnected nodes and lines. A vertical striped pattern is visible on the right side of the page.

KWG LIVING GROUP HOLDINGS LIMITED