

# LOGAN

龙光集团

Environmental, Social and  
Governance Report

# 2023



# LOGAN GROUP

## Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3380)



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# ABOUT THE REPORT

Logan Group Company Limited (the “Company”, together with its subsidiaries, “Logan”, the “Group” and “We”) is a leading integrated city services provider in China who supports the national strategy in building an ecological civilization in Chinese society. The Group has spared no effort to fulfill corporate social responsibility in the past 28 years with a view to carving out the future and kindling hope. We are pleased to present the 8th Environmental, Social and Governance (“ESG”) Report (the “Report”) of Logan Group to illustrate our progress and achievements in sustainable development throughout 2023 and share our journey towards a more sustainable future with you.

## REPORTING SCOPE

This Report covers the ESG performance of the Group from 1 January 2023 to 31 December 2023 (the “Reporting Period”, or the “Year”). The Board has determined to report our core real estate business in Mainland China based on the revenue significance and geographical presence of our principal businesses.

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

This Report includes information from the headquarters of the Group, its subsidiaries and other core operating units in China. For the full list of our major subsidiaries, please refer to the section headed “CORPORATE AND GROUP INFORMATION” of the 2023 annual report. Unless otherwise stated, the environmental data of our operations in the Hong Kong Special Administrative Region and overseas regions are not included in this Report, as they are considered immaterial to the Group as a whole.

## REPORTING STANDARDS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). We also disclosed measures and processes related to the goals in accordance with the United Nations Sustainability Development Goals.

ABOUT  
THE REPORT

## REPORTING PRINCIPLES

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

The infographic consists of four horizontal bars, each with a colored icon on the left and a text box on the right. The bars are green, orange, teal, and red from top to bottom. Each bar represents a reporting principle.

- MATERIALITY**  
Based on our stakeholder engagement and materiality assessment, we have identified, prioritized and reported the issues that potentially have material impacts on Logan Group, or issues which Logan Group would directly or indirectly cause material impacts on the environment, society and stakeholders across all sectors. This Report, the preparation of which is based on the results of the materiality assessment, aims to provide meaningful and valuable information so that readers can better understand our commitments to the ESG performance.
- QUANTITATIVE**  
In addition to measuring key performance indicators set out in the Environmental, Social and Governance Reporting Guide, we seek to present information about other aspects in a quantitative manner with accompanying explanations, which presents easily understood information and improves the readability of the Report. The standards adopted for data calculation, assumption or calculation tools used, and emission factors are all clearly explained in the section headed “STATISTICS SUMMARY”.
- BALANCE**  
We strive to ensure an accurate and objective disclosure of major ESG issues, and take into consideration the short-term and long-term impacts of related issues. As such, we outline the full impact of Logan Group in materiality aspects to enhance operating transparency and build trust.
- CONSISTENCY**  
We continue to ensure the reporting scope, reporting principles, data collection and calculation methods are consistent with those adopted in previous years, and disclose changes in the above standards to assist readers in making meaningful comparisons.

## APPROVAL BY THE BOARD

The information disclosed in this Report has been provided and reviewed by the senior management of the relevant departments and reviewed and approved by the Board of the Group in March 2024 so as to ensure that the contents of the Report accurately, timely and truly reflect the ESG performance of the Group.

## FEEDBACK

If readers have any questions or comments on this Report, please send your feedback to [i.r@logan.com.cn](mailto:i.r@logan.com.cn).

## MESSAGE FROM THE BOARD

In 2023, Logan Group adhered to its development philosophy of “Shaping Cities and Homes with Responsibility and Sincerity”, resolved to fulfill its corporate social responsibility and remained committed to its mission of being “pragmatic, innovative, sunshine, efficient”. With a primary focus on the well-being of the public, the Group tapped into its corporate strength to continuously improve its sustainability strategy, concurrently striving to develop communities while protecting the environment and addressing the needs of its employees and community, with a commitment to stay true to its original aspirations and forge ahead. Through the fulfillment of corporate social responsibility in all aspects, Logan will continue to achieve a new milestone in its sustainable development and fulfil its sustainability commitment to “building a better life and an Evergreen Logan”.

As a promoter for Logan Group’s sustainability strategy, the Board of Directors attaches great importance to the implementation of sustainable development within the Group. The responsibilities regarding ESG matters of the Board are as follows:

- assessing the impact of the ESG matters on the Group’s business model and related impacts
- developing management policies and strategies for ESG matters, including assessing, prioritizing, allocating resources, and managing significant ESG-related issues (including impact on the Company’s business and climate-related risks and opportunities)
- reviewing processes and progress related to ESG objectives, evaluating their relevance and impact on the Company’s business, and ensuring the consistent implementation of policies

We continued to improve our level of sustainability governance, by demonstrating the Group’s mission and determination to build a pleasing residential environment in every decision. We remain accountable to all internal and external stakeholders, striving to understand their concerns and meet their immediate needs through various online and offline communication channels. Logan Group’s sustainability development in all aspects earned high praise from the communities, which is evidenced by its receipt of numerous awards and certifications over the years, and has substantiated the Group’s stellar performance in philanthropy, environmental protection, product and service quality, and corporate governance. In 2023, Logan Group was upgraded to an “A” ESG rating by MSCI, putting the Group at the forefront of the real estate industry.

In terms of public welfare and charity, despite the challenging business environment of the real estate industry in 2023, Logan Group remained committed to giving back to society by actively and persistently participating in welfare undertakings, including poverty alleviation, education, voluntary services, and community development. In 2023, the Group stayed true to its philanthropic mission, with a cumulative total of 21,120 individuals receiving services from volunteers and over 50,280 hours of volunteer services, as well as over RMB1 million of philanthropic donations. Taking warm-hearted actions with society, we strove to build a happy homeland featuring mutual assistance in pleasant residences with all walks of life.

## MESSAGE FROM THE BOARD

In terms of environmental protection, the Group is committed to delivering green building projects and “sponge city” and incorporating various environmental and energy-saving elements to building planning and designs. In 2023, Logan added 3 new green building projects, all of which received national Green Building One-Star or higher certifications. Over the years, Logan has made consistent efforts to develop green buildings with a total gross floor area of over 40 million square meters. In addition, the Group organized a wide range of environmental public welfare activities, hosting nearly 2,000 events in 2023, with an impressive participation of nearly 1.4 million individuals.

In terms of corporate governance, in addition to compliance, the Group places great emphasis on employee well-being and strives to create a warm workplace environment. In 2023, the head office of the Group conducted a total of 120 safety risk assessments and regularly held safety training sessions and various accident drills to strengthen occupational health and safety. Furthermore, we highly recognize the efforts and contributions of our employees, who are essential assets to the Group. We also grant awards to our outstanding, loyal, and accountable employees, including the service award and the outstanding Logan award. We also organize various employee activities such as team building events, birthday celebrations and holiday parties to foster a sense of belonging within the Logan family.

In terms of product and service quality, we incorporated a wide range of technological applications, including the internet, big data, and smart technology, into our smart construction solutions and property management, and further upgraded the Monolith Cloud Engineering Quality Management System, attracting a total of 10,776 active users. In addition, we promoted the Logan Treasury (龍光寶) online sales platform, Loganhui (龍光薈) application, property information platform, and IoT cloud platform to ensure facilities for the daily life of the property owners. The Loganhui (龍光薈) application, as a part of our service portfolio, has processed a total of over 4.50 million work orders, with over 410,000 registered users. Our Logan Construction 2.0 was implemented to achieve a comprehensive application of smart construction solutions and other technologies. In November 2023, Logan Group underwent the national classified protection of cybersecurity, and the national classified protection of cybersecurity level 3 obtained by Logan Treasury, making our business operations more secure. At the same time, we focused on community renewal and integration by organizing 8,003 diverse community cultural and recreational activities in 2023. Our community effort enriched over 5.8 million residents' leisure activities and created a friendly living atmosphere.

Looking into the future, we wish to continue improving our performances in environmental, social, and governance aspects, and resolutely shoulder more ESG responsibilities on top of maintaining the comprehensive strength of Logan Group. Furthermore, we will further integrate our sustainability philosophy into various areas across our governance and operation activities, while joining forces with our investors, customers, business partners and other stakeholders to promote sustainable development and build a brighter future.

MESSAGE  
FROM THE BOARD**MISSION**

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

**VISION**

To Build a Better life and an Evergreen Logan

**LOGAN**  
龙光集团

**CORE VALUES**

Pragmatic, Innovative,  
Sunshine, Efficient



# ABOUT LOGAN GROUP


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

In pursuit of the development strategy of “regional focus + city penetration” since its establishment in 1996, Logan Group continues to strategically consolidate its national market presence by introducing four business engines, namely, property development, urban renewal, asset operations, and industry chain services, while developing the urban service ecosystem to boost urban development. In 2023, Logan focused on property development and property operation. Besides striving to build a commercial civilization driven by development concepts such as innovation, coordination, greenness, openness and sharing, Logan Group continues its commitment to a better urban life by integrating social values.

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



**1** **Property Development**  
Development and sales of residential properties and retail shops;



**2** **Property Operation**  
Lease of office units, retail shops and hotels to generate rental income and gain from property appreciation in the long term.



## ABOUT LOGAN GROUP

### BUSINESS LAYOUT

Logan synchronizes its own development with city development by focusing on the most valuable core areas in China, such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Region metropolitan area, and the southwest and central city clusters. During the year, Logan Group further optimized the project development schedule and land reserve structure in key cities, especially in Shanghai, Shenzhen, Guangzhou, Foshan, Dongguan, Nanjing, Wenzhou, Ningbo, Suzhou, Chengdu, Changsha, Nanning, and Shantou.



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## CORPORATE EVENTS

<b>2023</b>	Included as a constituent stock of the Hang Seng Composite Index ESG rating upgraded to “A” by MSCI
<b>2022</b>	Maintained “BBB” ESG rating by MSCI 2022 Super Product Competitiveness of Chinese Real Estate Companies: Product Competitiveness Top 14 (中國房企超級產品力TOP14)
<b>2021</b>	ESG rating upgraded to “BBB” by MSCI Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 19th consecutive year) Ranked 161st in the list of Top 500 Enterprises in China (中國500強企業排行榜) Ranked 748th in the list of Forbes Global 1,000
<b>2020</b>	Included in Hang Seng Composite Index Large Cap ESG rating upgraded to “BB” by MSCI 2020 Top 18 China Real Estate Enterprises by comprehensive strength, and 2020 Top 15 China Real Estate Brand Value Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 18th consecutive year) Ranked 22nd in Top 100 Chinese Real Estate Enterprises (for 10th consecutive year) Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 9th consecutive year, ranked 3rd) “Logan Property Holdings Company Limited” officially changed its name to “Logan Group Company Limited”
<b>2019</b>	Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 17th consecutive year) Ranked 23rd in Top 100 Chinese Real Estate Enterprises (for 9th consecutive year) Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 8th consecutive year)
<b>2018</b>	Ranked 26th in Top 100 Chinese Real Estate Enterprises (for 8th consecutive years) Top 100 Chinese Real Estate Enterprises — Top 10 in Profitability (for 7th consecutive year) Ranked 3rd in China Mainland TOP 10 Real Estate Company Listed in Hong Kong by Investment Value Guangdong Top 20 Creditworthy Real Estate Enterprises (廣東地產資信二十強) (for 16th consecutive year) Ranked 266th in the list of Top 500 Enterprises in China (中國 500強企業排行榜) Entering the Yangtze River Delta market by establishing strategic footprints in a one-hour living circle around Shanghai. Logan • Acesite Park was awarded 2018 Typical Projects of China Real Estate Developers.

## ABOUT LOGAN GROUP

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

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REVIEW FOR 2023

Total revenue for the year	RMB47.17 billion
Total assets	RMB248.38 billion
Saleable floor area	1.339 million square meters
Sales amount	RMB19.05 billion
Total GFA of short and medium term land reserve	25.615 million square meters
City coverage	36

SUSTAINABILITY PERFORMANCE FOR 2023

New certified green building area	137,330 square meters
New green building certification	3
Customer satisfaction	85 points
Charity donation	RMB113.5 thousands
ESG rating	MSCI ESG rating “A”
Public sustainable development policies	18



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## INDUSTRY AWARDS AND RECOGNITION

Industry awards	Awarding bodies
“Caring Enterprise” under Public Welfare Subscription Program by the Periodical Office of the Chinese People’s Political Consultative Conference in 2023 (2023年度中國政協雜誌社《公益贈閱》「愛心企業」)	The Periodical Office of the Chinese People’s Political Consultative Conference
2022 Collaboration between Advanced Private Enterprises in Guangdong and Guangxi on the Development of Thousands of Enterprises and Villages (2022年粵桂協作萬企興萬村先進民營企業)	The United Front Work Department of the CPC Guangxi Committee, Guangdong Federation of Industry & Commerce, Guangxi Federation of Industry & Commerce (廣西壯族自治區工商業聯合會), Rural Revitalization Bureau of Guangxi Zhuang Autonomous Region, and Guangdong-Guangxi Cooperation Working Group (粵桂協作工作隊)
2022 Annual Delivery Reputed Brands (2022年度交付美譽品牌企業)	China National Radio
2022 Annual Delivery Satisfaction Benchmark Enterprises (2022年度交付滿意度標竿企業)	China Times
2022 Top 10 Delivery Brand Benchmark Projects of Chinese Real Estate Companies (2022中國房企交付品牌標竿項目十強)	EH Consulting
2022 China Real Estate Quality Products Award (2022年度中國房地產優質產品獎)	Times Media Group
2022 Outstanding Cases of ESG Practices by Chinese Enterprises (2022年度中國企業ESG實踐優秀案例)	China.com.cn (中國網)
Ranked 11th among the 2022 China Top 100 Property Service Enterprises	China Index Academy
The 52nd place for Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry	Sina Finance and ‘Great Country’s Brand’ by CCTV-1
2021 ESG Pioneers (2021年度ESG先鋒企業)	International Finance News of the People’s Daily

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Industry awards	Awarding bodies
2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)	Institute of Enterprise Research under the Development Research Center of the State Council  Institute of Real Estate Studies, Tsinghua University  China Index Academy
The 4th place in 2020 Top 10 Chinese Real Estate Listed Companies by Governance	Institute of Enterprise Research under the Development Research Center of the State Council  Institute of Real Estate Studies (Tsinghua University)  China Index Academy
Hong Kong Corporate Governance Excellence Awards	The Chamber of Hong Kong Listed Companies  The Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University
2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021中國地產年度鄉村振興樣本企業)	Hosted by Leju Finance, and co-hosted by Sina Finance, China Entrepreneur, Fangchan.com, and China Property Management Research Institution
“Outstanding Charity Project Award” for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021中國地產時代百強榜「優秀公益項目獎」)	Time Media Group, China Real Estate Association, Institute of Enterprise Research under the Development Research Center of the State Council  Institute of Real Estate Studies (Tsinghua University), China Index Academy
2021 Socially Responsible Property Developers (2021年度社會責任地產企業)	21st Century Business Herald
2021 Socially Responsible Real Estate Enterprises (2021年度社會責任房地產企業)	Guandian Index Academy (觀點指數研究院)
The 9th place in the 2021 China Charity Enterprises Ranking	Guided by the Ministry of Civil Affairs and organized by China Philanthropy Times
Anti-pandemic Pioneer Enterprises of the Year (年度抗疫先鋒企業)	Guangzhou Bureau of Civil Affairs, Guangzhou Daily Group, and Guangzhou Charity Federation
2020 Guangdong Real Estate Targeted Poverty Alleviation & Outstanding Contribution Enterprise	Guangdong Real Estate Association
2020 Targeted Poverty Alleviation Contribution Award (2020年度精準扶貧貢獻獎)	Economic Media Association of China, and China Times
2020 Contributing Enterprise of Corporate Social Responsibility	International Finance News of the People's Daily

## ABOUT LOGAN GROUP

Industry awards	Awarding bodies
2020 Best Social Responsibility Award	Gelonghui
Social Responsibility Contribution Award for Pandemic Fight (抗擊疫情社會責任貢獻獎)	Hosted by Nanfang Daily, and co-hosted by Shenzhen Charity Federation
The 6th place in Shenzhen Charity Donation Ranking for 2020	Shenzhen Bureau of Civil Affairs, Shenzhen Charity Alliance
"Ten Best Charity Institutions" under Shenzhen Project Care	Shenzhen Bureau of Civil Affairs
Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award (廣東省扶貧濟困紅棉杯金杯)	People's Government of Guangdong Province
Targeted Poverty Alleviation and Rural Revitalization Contribution Award (精準扶貧和鄉村振興貢獻獎) Gold Award for Outstanding Contribution (突出貢獻金獎) 2019 Charity Star (Five Start) (2019年度愛心慈善之星(五星)) Targeted Poverty Alleviation Award (精準扶貧貢獻獎)	Shantou Government
Guangdong-Guizhou Poverty Alleviation Collaboration Advanced Private Enterprise (粵桂扶貧協作先進民營企業)	Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, Guangdong Federation of Industry and Commerce, Rural Village Revitalization Bureau of Autonomous Region

ABOUT  
LOGAN GROUP

## SUSTAINABILITY DEVELOPMENT HIGHLIGHTS

### ESG rating upgraded to “A” by MSCI

Adhering to the brand philosophy of “Shaping Cities and Homes with Responsibility and Sincerity”, Logan has long been committed to implementing ESG development strategies. The Company was among the first in the industry to establish the Sustainability Committee, comprehensively enhancing its corporate governance capabilities. By incorporating green and healthy concepts into its business development strategies, Logan continues to build green and low-carbon buildings and healthy communities, becoming one of the first real estate companies in response to the national “3060” dual-carbon goals. The Company continues to enhance its “3+6” full-cycle risk control system, systematically strengthening quality assurance procedures for its products to make quality deliveries. We have been repeatedly acclaimed by the society for our active performance of corporate social responsibility in an effort to build a harmonious society.



On 3 February 2023, Morgan Stanley Capital International (MSCI), the largest index company, released its latest ESG rating report, where the ESG rating of Logan Group (3380.HK) was upgraded from “BBB” to “A”, placing it among the top in the real estate industry.

### Recognition of public welfare efforts

In order to fulfil its sustainability commitment to “building a better life and an Evergreen Logan”, Logan has consistently allocated various resources over the years to assist underprivileged groups in society, including the establishment of Logan Book Courts (龍光書苑), building of beautiful villages and launch of educational poverty alleviation projects. In addition, the Group is dedicated to organizing community public welfare activities of different scales, attracting and facilitating the participation of employees, property owners and individuals from all walks of life in public welfare in different forms, leading and fostering a public-spirited society.

In 2023, Logan was awarded the “Caring Enterprise” under the Public Welfare Subscription Program by the Periodical Office of the Chinese People’s Political Consultative Conference in recognition of the Group’s development in public welfare.





# BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Loyalty and incorruptibility play a fundamental role in our development.

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



## ESG issues



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



# BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

ESG issues	Logan's responses
 <p><b>1 Prevention of bribery, fraud and money laundering</b></p>	<p>Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and has shared anti-corruption consulting and blacklists with various branded enterprises. In the meantime, our audit inspection office carries out inspections through the applications of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies. We have established a complete reporting and whistleblowing mechanism, and set up whistleblowing rewards.</p> <p>In addition, we regularly organize incorruptibility training sessions for our employees. In 2023, the Group held over 60 incorruptibility and anti-corruption training sessions, accommodating 1,440 attendees. At the same time, we strengthened third-party incorruptibility management, and conducted 450 incorruptibility culture campaigns for suppliers in 2023.</p>
 <p><b>2 Compliance and business ethics management</b></p>	<p>The Group assesses the overall compliance risk of the Group each year, so as to comb and optimize the legal, risk, compliance and internal audit management structures adopted in the past. We also set out rules and regulations on the intranet, requiring the senior management of the Group to sign the Management Responsibility Letter (管理責任書) to hold them accountable for the unethical conduct of our employees and subordinates. In addition, we disseminate incorruptibility information on the Group's public account, and circulate the Company's latest policies by internal emails.</p>
 <p><b>3 Personal privacy and information protection</b></p>	<p>The Group observes various laws and regulations in Mainland China, and complies with the principles of data protection in the following six aspects: 1. the purpose and method of personal data collection; 2. the accuracy and retention time of personal data; 3. the use of personal data; 4. security of personal data; 5. information to be generally available; and 6. access to personal data.</p>

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

ESG issues	Logan's responses
 <p data-bbox="183 672 497 737"><b>4 Prevention of child and forced labour</b></p>	<p data-bbox="571 426 1410 789">The Group's Human Rights Policy ensures that recruitment of child labour and forced labour is prohibited, and stringent identity verification and background checks are carried out during recruitment. For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), pursuant to which the labour wage management commissioner checks whether employees are legal workers and ensures that wages are paid accurately and payment records can be traced, while random inspections are conducted at the sites of our subsidiaries and penalties are imposed on negligent managers.</p>
 <p data-bbox="183 1080 536 1108"><b>5 Intellectual property rights</b></p>	<p data-bbox="571 858 1410 1073">The Group has applied for more than 100 trademarks for its brands, and its employees are required to refrain from sharing the Company's resources externally, and prohibited from all forms of personal use, and avoid the use of unauthorized tangible and intangible assets. At the same time, we have set up an internal audit system to prevent our employees from infringing on the patent rights of others.</p>

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

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

## GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

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

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



### The Board

**The governance of the Board is an important factor in addressing ESG matters. The Board of the Company possesses diverse experience, skills and management styles. A well-functioning and effective Board can protect and create corporate value. The responsibilities regarding ESG matters of the Board of the Company are as follows:**

- assessing the impact of the ESG matters on the Group's business model and related impacts;
- developing management policies and strategies for ESG matters, including assessing, prioritizing, allocating resources, and managing significant ESG-related issues (including impact on the Company's business and climate-related risks and opportunities);
- reviewing processes and progress related to ESG objectives, evaluating their relevance and impact on the Company's business, and ensuring the consistent implementation of policies.

With regard to sustainability-related risks and opportunities, the Board authorizes the Sustainability Committee to oversee that climate-related risks and opportunities are taken into account when formulating strategies, making significant transaction decisions, establishing risk management processes, and developing relevant policies. This involves weighing the related risks and opportunities, setting relevant objectives, monitoring the progress towards achieving those objectives, and ensuring the effective and consistent implementation and enforcement of policies.



### Sustainability Committee

**The main responsibilities of the Sustainability Committee are:**

- overseeing opportunities and risks, including climate related risks, to ensure that the Group's operations are aligned with its sustainability strategy;
- reviewing the sustainable development of the Group, responding to the expectations from our stakeholders, as well as formulating feasible mid-term and long-term sustainable development policies, action plans, and specific targets;
- supervising the sustainability performance and progress of the Group based on the action plan and predetermined indicators over the course of maintaining effective ESG risk management and internal control system;
- reviewing information related to the ESG report;
- promoting a top-down culture that ensures the integration of ESG considerations into the business decision-making process, risk management, and corporate transparency related initiatives.

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



### Sustainability Working Group

It is composed of dedicated personnel from the Group's operation center and external professional consultants, which are responsible for proposing sustainable development goals to assist the Sustainability Committee in dealing with related matters, including implementing and promoting the sustainable development goals established by the committee, managing daily work, and reporting to the committee, as well as connecting to various business departments.



### Business Departments

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

## SUSTAINABILITY STRATEGY

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

BUSINESS PRINCIPLES OF  
SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
<p><b>Corporate governance</b></p>	<p>We are committed to maintaining excellent and efficient corporate governance practices, and creating long-term and valuable growth for the stakeholders of Logan Group by upholding the principles of integrity, openness, transparency and accountability. We will make sure:</p> <ul style="list-style-type: none"> <li>to set up a robust corporate governance structure, including a high-level management team and control system;</li> <li>to strictly comply with all applicable laws and regulations;</li> <li>to adhere to high-standard business ethics and maintain professional codes.</li> </ul>	<div data-bbox="960 461 1082 577"> </div> <p>16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>
<p><b>Labour relations</b></p>	<p>We respect and care for every employee, and strive to build a sustainable elite team, so that employees can work together to achieve leapfrog growth with Logan Group. We will make sure:</p> <ul style="list-style-type: none"> <li>to implement human resources policies to effectively promote the practice of our core values of “Pragmatic, Innovative, Sunshine, Efficient”;</li> <li>to create a diverse, fair, and inclusive working environment;</li> <li>to provide various training resources to develop potential for employees and take care of their overall physical and mental well-being.</li> </ul>	<div data-bbox="960 1069 1082 1185"> </div> <p>3. Ensure healthy lives and promote well-being for all at all ages</p> <div data-bbox="960 1220 1082 1336"> </div> <p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <div data-bbox="960 1427 1082 1543"> </div> <p>5. Achieve gender equality and empower all women and girls</p> <div data-bbox="960 1578 1082 1694"> </div> <p>8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <div data-bbox="960 1789 1082 1905"> </div> <p>10. Reduce inequality within and among countries</p>

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
<p><b>Quality project</b></p>	<p>Adhering to quality, we strictly control the quality of the projects for the purpose of providing comfortable, innovative and exquisite products and services, forming a model of a pleasing residential environment, and meeting customer needs in all directions. We will make sure:</p> <ul style="list-style-type: none"> <li>the quality, design and safety standards of the project keep pace with the times and outperform the market;</li> <li>customer satisfaction is paid attention, and the operation process could be continuously optimized to provide better products and services;</li> <li>sustainable supply chain will be established.</li> </ul>	<div data-bbox="962 461 1082 577">  </div> <p>9. Reduce inequality within and among countries</p> <div data-bbox="962 676 1082 793">  </div> <p>12. Ensure sustainable consumption and production patterns</p>

BUSINESS PRINCIPLES OF  
SUSTAINABLE DEVELOPMENT

Sustainability topics	Development strategy	United Nations' SDGs
<p><b>Green environmental protection</b></p>	<p>In order to empower green and environmentally friendly lifestyle, we incorporate environmental protection elements into our daily operations and project planning, and strive to reduce pollution and carbon emissions, save energy and reduce waste emissions and enhance energy efficiency, so as to build a civilized environment, and live in harmony with nature. We will make sure:</p> <ul style="list-style-type: none"> <li>to adopt the latest green measures and technologies in construction, operation, management and purchase, and continuously evaluate and promote environmental performance;</li> <li>to actively respond to and adapt to climate change;</li> <li>to deliver environmental awareness to the public, communities and business partners.</li> </ul>	<div data-bbox="960 461 1082 577"> <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p> <div data-bbox="960 620 1082 737"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <div data-bbox="960 780 1082 896"> <p>13 CLIMATE ACTION</p> </div> <p>13. Take urgent action to combat climate change and its impacts</p> <div data-bbox="960 940 1082 1056"> <p>15 LIFE ON LAND</p> </div> <p>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
<p><b>Community investment</b></p>	<p>We are committed to the communities and the social groups. By actively giving play to our advantages, we contribute to the society, and have always been enthusiastic in public welfare affairs and dedicated warmth to those in need. We will make sure:</p> <ul style="list-style-type: none"> <li>to develop an effective community investment strategy so that resources could be used properly;</li> <li>to participate in community affairs in many ways and expand the scope of community investment;</li> <li>to improve employees' civic awareness to participate in public welfare affairs together.</li> </ul>	<div data-bbox="960 1269 1082 1386"> <p>1 NO POVERTY</p> </div> <p>1. End poverty in all its forms everywhere</p> <div data-bbox="960 1429 1082 1545"> <p>4 QUALITY EDUCATION</p> </div> <p>4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>



BUSINESS PRINCIPLES OF  
SUSTAINABLE DEVELOPMENT

## ESG Corporate Honor Ranking

- “Caring Enterprise” under Public Welfare Subscription Program by the Periodical Office of the Chinese People’s Political Consultative Conference in 2023 (2023年度中國政協雜誌社《公益贈閱》「愛心企業」)
- 2022 Collaboration between Advanced Private Enterprises in Guangdong and Guangxi on the Development of Thousands of Enterprises and Villages (2022年粵桂協作萬企興萬村先進民營企業)
- The 52nd place for 2021 Top 500 Outstanding Chinese ESG Enterprises, and the 5th place in the real estate industry
- 2021 ESG Pioneers (2021年度ESG先鋒企業)
- 2021 China ESG Responsible Real Estate Enterprises (2021年中國 ESG責任地產企業)
- 2021 ESG Leading Model Enterprises in Real Estate Industry (2021年度房地產行業ESG領先樣本企業)
- 2021 ESG Green Company Star (2021 ESG綠色公司之星)
- Best ESG Award
- Most Valued Property Developers
- 2020 Chinese Property Developers with Outstanding ESG Performance (2020中國房地產ESG發展優秀企業)



**BUSINESS PRINCIPLES OF  
SUSTAINABLE DEVELOPMENT**

**STAKEHOLDER ENGAGEMENT**

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

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

<div style="background-color: #92d050; padding: 10px; margin-bottom: 10px;">  <p><b>Customers and Consumers</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Group website and official WeChat account Customer service hotline and email Customer survey Interviews with customers</p> </div>	<div style="background-color: #f4a460; padding: 10px; margin-bottom: 10px;">  <p><b>Media and the Public</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Group website official WeChat account Press release Community development Public welfare activities Enquiry hotline and email</p> </div>
<div style="background-color: #4db6ac; padding: 10px; margin-bottom: 10px;">  <p><b>Government and Regulatory Authorities</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Government regulation website Public consultations Publicity and notice Project partnership</p> </div>	<div style="background-color: #e57373; padding: 10px; margin-bottom: 10px;">  <p><b>Investors and Shareholders</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Annual general meetings Annual reports and interim reports Press release and announcements Enquiry hotline and email</p> </div>
<div style="background-color: #d9c47e; padding: 10px; margin-bottom: 10px;">  <p><b>Suppliers and Business Partners</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Business meetings Performance evaluation On-site investigation Training and seminars</p> </div>	<div style="background-color: #546e7a; padding: 10px; margin-bottom: 10px;">  <p><b>Employees</b></p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <p>Internal emails and publications Training and seminars Employee activities Performance assessment and staff awards Satisfaction survey</p> </div>

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Since 2020, the Group has published 18 sustainable development policies on its official website, presenting stakeholders with the Group's commitment and management methods to sustainable development. We conduct an annual review of our sustainable development policy and a revision every three years. Our press release also provides an English version on the official website, further broadening information coverage.



## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### MATERIALITY ASSESSMENT

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

#### Identify Material Issues and Stakeholders

We analyze the dependence and influence of the stakeholders on the Group together with the operation and management departments, and identify our major internal and external stakeholders as employees, investors and shareholders, customers and consumers, suppliers and business partners, government and regulatory authorities, media and the public.

We collected opinions from stakeholders and conducted research on industry development trends, international reporting standards, peer performance, etc. to produce a list of ESG issues concerned by the public so as to ensure the list of issues effectively reflected the latest sustainability risks and opportunities of the Group.

#### Materiality Assessment

We invited stakeholders from the six categories to supplement and prioritize the list of ESG issues in our online questionnaires, 27 responses were received from such stakeholders for the Year and the responses of such questionnaires were consolidated and reviewed by the management before the materiality matrix for the Year was prepared.

#### Analysis and Confirmation

Given the nature of our business and the urgency of the issues, our management classified the 33 issues into three levels of materiality, namely, "high", "medium" and "low". The materiality assessment results were reviewed and confirmed by the management of Logan Group.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



Corporate compliance

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

Labour relations

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

Project quality

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

Green environmental protection

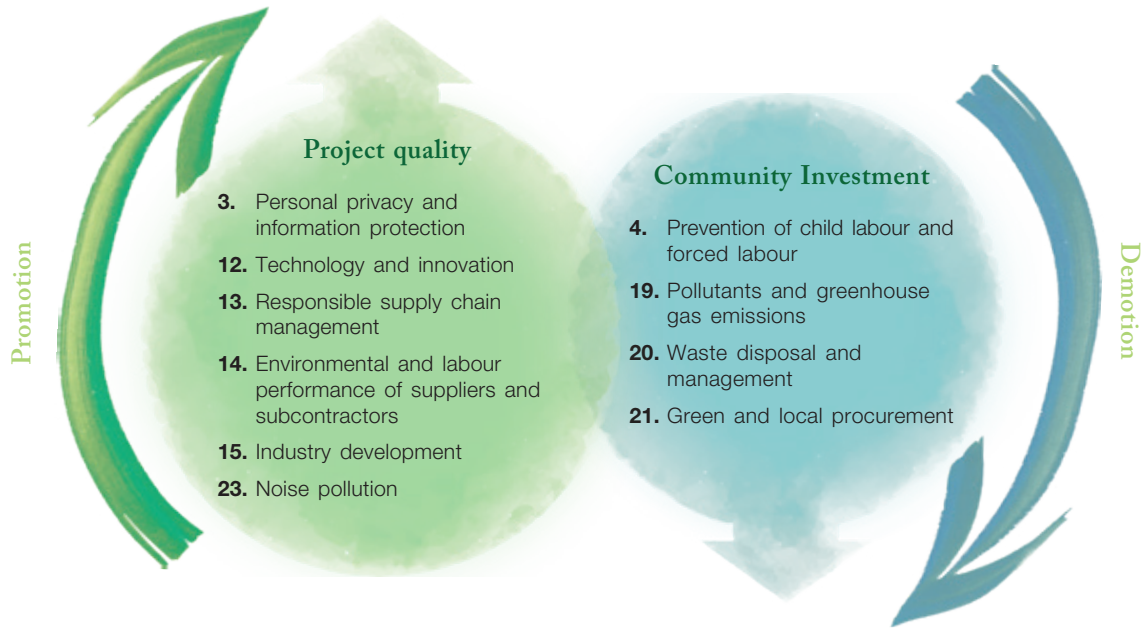
- 17. Environmental impact of construction
- 18. Climate change
- 19. Pollutants and greenhouse gas emissions
- 20. Waste disposal and management
- 21. Green and local procurement
- 22. Green building construction and renovation
- 23. Noise pollution
- 24. Energy use
- 25. Promotion of environmental awareness
- 26. Use of water resources
- 27. Biodiversity
- 28. Renewable energy use
- 29. Building technology and innovation
- 30. Corporate climate resilience

Community investment

- 31. Stakeholder engagement
- 32. Community charity and investment
- 33. Heritage of traditional culture

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Compared with 2022, the materiality of some issues has changed:



In 2023, facing a weak real estate market, Logan Group placed particular emphasis on sustainable development and sought to enhance the Group’s competitiveness through researching innovative building technologies, engaging stakeholders to discuss industry development and maintaining responsible supply chain management. On the other hand, benefiting from a solid foundation of sustainable building practices established in earlier years, the Group consistently reduced its environmental impact, including greenhouse gas emissions and waste disposal, each year. As a result, the Group adjusted downwards the materiality of related matters for the current year and made greater efforts to address other ESG issues of higher concern to contribute more to society.

## COMPLIANCE AND BUSINESS ETHICS MANAGEMENT

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

### Sustainability Risk and Compliance Management

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

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

In 2020, the Group has sorted out and optimized the legal, risk, compliance and internal audit management structure adopted in the past, and divided the audit legal center into a risk control office and an audit inspection office, while imposing stricter requirements on the three lines of defense and responsibilities, and improving management standards, to strengthen the Group's risk and compliance management performance in a full manner from early warning of risks, process inspection and post-event supervision.

### Three lines of defense of Logan Group



#### Risk control office

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

The Business Legal Office is responsible for the Group's operational litigation and non-litigation legal matters, including formulation and review of contracts, assistance in handling litigation cases and regular legal risk assessments and providing legal professional consultation and advice to various departments. In addition, it is also responsible for studying and analyzing the impact of laws and regulations on the Group, establishing a knowledge base including compilation of real estate laws and regulations and its cases, advocating the relevant legal knowledge, and assisting the business centers to conduct training on laws and regulations.

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Audit inspection office

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



#### Full-process supervision

The entire processes of all of our businesses are included in our supervision.



#### Full coverage

The supervision covers the headquarters, branches, subsidiaries and third-party business partners.



#### Full supervision

All employees, from senior management to ordinary employees, are subject to supervision.



The audit inspection office, which is responsible for internal audit and integrity-related inspections and publicity work, will determine the key monitoring and audit scope based on the Group's risk assessment results to conduct various audits and inspections. The work completed in 2023 includes:



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

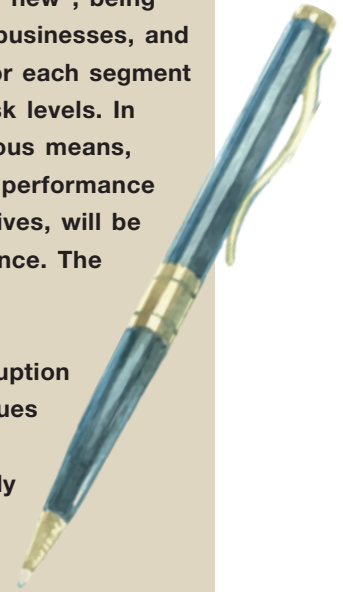


## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### 2024 Working Plan by Audit Inspection Office

**In terms of monitoring, the Group will further strengthen the management of target plans and clarify the targets to be achieved and their achievability in each period. In addition, we will take the initiative to strengthen the mechanisms of communication and coordination with legal departments and superior directors in key work areas, enhance communications with the audit department, and intervene in doubtful issues identified during an audit in advance.**

**In terms of auditing, the Group will fully implement the audit frequency requirements for “three new”, being new companies, new leaders and new businesses, and define audit risks and sampling ratios for each segment and business line based on different risk levels. In addition, during the audit process, various means, including planning target management, performance appraisal, project follow-up, and incentives, will be adopted to enhance the work performance. The audit inspection office will also actively cooperate with other departments and coordinate with IT to build an anti-corruption model to prevent the occurrence of issues at source through early warning or big data auditing, which would systematically resolve recurring problems.**



### Robust internal control system

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

### Building a culture of compliance

The Group’s internal rules and regulations, including the Ten Prohibitions on Integrity Construction of Logan Group (龍光集團廉政建設十不准), Code of Conduct for Position (職務行為準則) and Regulations on Employees’ Incorruptibility in Work (員工廉潔從業規定), are listed on our intranet for inspection by employees, while the Group also clarifies the terms of reference for our employees and partners and our supervisory measures in our Anti-corruption Policy (反腐政策) on our official website. All employees must abide by the professional ethics and standards in their daily work, such as compliance with laws and regulations, incorruptibility, and protection of company interests. In addition to publishing requirements of “Ten Nos” principles at the office premises, we

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

have set out other requirements in the Employee Handbook (員工手冊), including no abusing power to seek personal gains, no committing corruption or bribery, and no divulging trade secrets, etc., so that the employees will abide by the incorruptibility requirements of the Group.

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

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

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

## PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING

### Big data monitoring

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

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Starting from the end of 2020, our audit inspection office planned to build a comprehensive business data platform to aggregate all-round business data of all subsidiaries for a comprehensive overview of the data. The platform has been in place for several years and has been playing a crucial role in the Company, assisting us in achieving more accurate data mining, key indicators calculation and in-depth analysis. This further enhances Logan's effectiveness in the field of big data monitoring.

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

### Whistleblowing mechanism

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

All reporting channels and information have been uploaded to the official website and intranet of the Group, posted at conspicuous locations of administrative offices and construction sites, and are displayed outside all construction sites to raise public awareness. Relevant information will also be mentioned in the new employee induction training and regular integrity training sessions, and included in the Incorruptibility Statement (廉潔告知書) of business partners. To encourage whistleblowing, the Group will award the whistleblowers, and promise to keep the whistleblowing completely confidential and protect the interests of the whistleblower from being damaged. Furthermore, any reprisal will be strictly prohibited, and wherever necessary, the Group will provide legal counsel and support to the whistleblowers. In 2023, the Group accepted a total of 23 whistleblowing cases.

### Incorruptibility training

Logan Group attaches great importance to building a corporate culture of incorruptibility and anti-corruption. Logan Management Academy (龍光管理學院) holds incorruptibility training sessions for all employees (including part-time employees) every quarter, and the deputy director of the audit inspection office and above position are invited to explain and strengthen integrity awareness to all management and employees, including the president and executive director of the Group, using the livestreaming, so as to clarify the red line for corporate violations. All business centers and subsidiaries must also hold incorruptibility and anti-corruption training

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

sessions for employees every year, while the Hong Kong subsidiary invites ICAC representatives to provide incorruptibility training every year. The induction training for new employees held every two months also includes incorruptibility and self-discipline courses, and employees are required to pass the exams to ensure that they understand the Group's requirements on incorruptibility and self-discipline.

In 2023, the Group held a number of incorruptibility and anti-corruption training sessions:



Duration of the 60 anti-corruption trainings provided to directors and employees:  
**2,880** hours

Number of participants in anti-corruption training provided to directors and employees:  
**1,440**

Investment in anti-corruption training provided to directors and employees:  
RMB **270,000**

### Third-parties incorruptibility management

We promote Logan's value and spirit of incorruptibility and cooperation to our suppliers and contractors on a regular basis, and learn from our suppliers about the incorruptibility and self-discipline of our employees. In 2023, we organized over 450 trainings on incorruptibility culture among our suppliers. All cooperating partners are required to sign our Incorruptibility and Cooperation Agreement (廉潔合作協議), Honest Performance Undertaking (誠信履約承諾函), Incorruptibility Statement (廉潔告知書) and other agreements to understand the Group's requirements on business ethics, integrity, anti-corruption, fair competition, conflicts of interest, prohibition of gifting and hospitality, etc., while publishing whistleblowing channels for reporting of fraudulent activities. Partners shall be blacklisted and its engagement shall be terminated in case of any issues on incorruptibility which have been audited and confirmed.

We have been in strict compliance with the major commercial laws and regulations in Mainland China, including the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法), the Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定), and the Criminal Law of the People's Republic of China (中華人民共和國刑法) etc., so as to ensure compliance with legal requirements, curb any form of illegal and criminal acts, and safeguard business ethics. Based on the above measures, during the Reporting Period, we were not aware of any material violation of the aforementioned laws or other laws and regulations relating to anti-corruption and bribery, fraud and money laundering.

## PERSONAL PRIVACY AND INFORMATION PROTECTION

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Principle 1 — purpose and manner of collection of personal data

Personal data must be collected for a lawful purpose. All personal data shall only be collected and used for our business operation, but not excessive in relation to that purpose. When collecting personal data from individuals, we will notify them of the purpose/use of such information.

### Principle 2 — accuracy and duration of retention of personal data

Data users must ensure that the data held are accurate and up-to-date. If there is doubt as to the accuracy of the data, we should stop using the data immediately. We should not keep the data any longer than is necessary for the purpose for which the data were collected.

### Principle 3 — use of personal data

Unless personal data are used with the consent of the data subject, we will not use such data for any purpose other than the one mentioned at the time the data were collected (or a directly related purpose). Logan Charity Fund (龍光慈善基金會) pays great attention to the privacy and portrait rights of service targets and will not publish the privacy information of such data subject when carrying out public welfare activities. Prior consent must be obtained when using their image data.

### Principle 4 — security of personal data

Appropriate security measures shall be taken to protect personal data. Our customer data is stored in the internal system and has multiple passwords and electronic security clearances. Only qualified officers in specific departments can access, request for or modify these data. Employees are also required to follow internal guidelines when handling customer personal data to prevent data leakage due to improper manual handling. We also regularly review the protection measures for personal data to ensure that the storage and use of data meets the requirements to prevent occurrence of any potential divulgence.

### Principle 5 — information to be generally available

We have formulated a “Privacy Policy Statement”, which specifies information such as the accuracy, retention period, security and use of the data as well as measures taken regarding data access and data correction requests.

### Principle 6 — access to personal data

A data subject is entitled to ask a data user whether or not we hold any of his/her personal data, and to request a copy of such personal data. If it is found that the data contained therein is inaccurate, the data subject has the right to request the data user to correct the record. We will process the relevant request within a prescribed period.

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

In order to ensure the effective and safe operation of the business systems, in January and December 2023 the Group held a total of 2 penetration tests or attack and defense drilling for different business systems, including Logan Treasury (龍光寶), Sales Information Platform, Expense Control Contract System, Non-Engineering Procurement System, and Human Resource Sharing System. In November 2023, the Group completed the national classified protection of cybersecurity, and obtained the national classified protection of cybersecurity level 3 for Logan Treasury (龍光寶), so that our operations are more secure.



### Cybersecurity training

In 2023, the Group held several cybersecurity training sessions, including: In 2023, the Group held several cybersecurity training sessions, including:

- Online information security awareness training in the first half of the year
- Three offline training sessions in the second half of the year



### Monitor and Respond to Data Breaches and Cyber Attacks

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

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

## BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

### Prevention of Child and Forced Labour

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

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

In case that any violation is identified, the Company will organize an internal investigation. If a such violation is corroborated, corrective measures will be taken, and the relevant responsible units and personnel will be audited and held accountable by the audit and supervision department. If no violation is found, objections and administrative review may be addressed in respect of the administrative penalties.

### Intellectual Property Rights

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

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

Based on the above measures, during the Reporting Period, we were not aware of any material violation of the aforementioned laws or other laws and regulations relating to the protection of human rights, privacy and intellectual property rights.

# EMPLOYEE CARE AND GROWTH

Cohesion produces strength, and happiness comes from the team.

Logan's members join forces to work hard and strive for goals.



## ESG issues

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





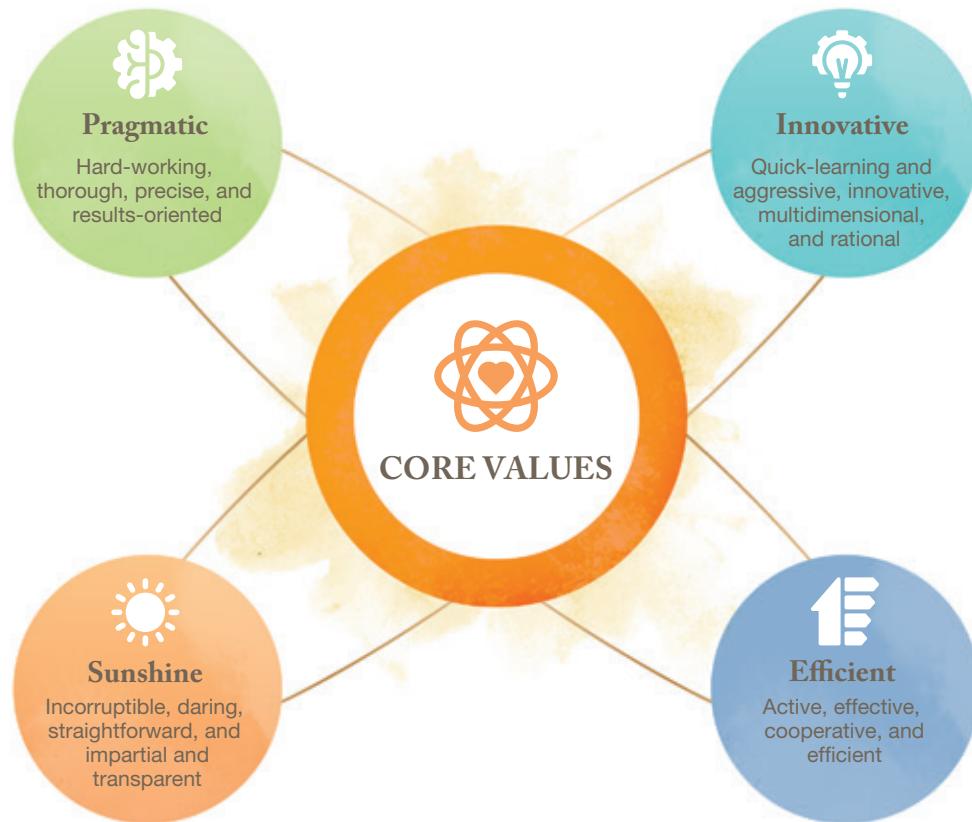
## EMPLOYEE CARE AND GROWTH

ESG Issues	Logan's response
 <p><b>6 Occupational health and safety</b></p>	<p>The Group has formulated safety rules and regulations and an internal evaluation mechanism for safety indicators, which regulates the conduct of our employees and contractors, and ensures that the performance of relevant management personnel is linked to occupational health and safety performance. In addition, the Group pursues certification of safety management systems for systematic safety management and conducts safety qualification selection for all partners.</p> <p>In addition to safety drills, we take into account the needs of female employees (especially pregnant or breastfeeding women) and physically challenged employees by providing health and safety-related auxiliary facilities. To promote the physical and mental health of our employees, the Group regularly organizes various recreational activities.</p>
 <p><b>7 Employee policy</b></p>	<p>Logan Group has formulated detailed policies for the human resources system, compensation and benefits, and employee communication and inclusiveness. In recognition of the stellar performance of certain employees, for instance, we granted awards to a total of 267 outstanding employees in 2023, encouraging these employees to pursue better performance.</p>
 <p><b>8 Equal opportunities and anti-discrimination</b></p>	<p>The Group has standardized selection criteria and management procedures for recruitment, promotion, employee treatment and other areas, and has implemented the principle of equality in all aspects of human resources management. In 2023, we held training sessions in respect of equal opportunities, anti-discrimination and anti-harassment for all employees.</p>
 <p><b>9 Development and training</b></p>	<p>The Group has formulated the Training Management System of Logan Group (龍光集團培訓管理制度) and other internal rules and regulations, which strictly manages the planning and implementation of training activities, and assigns assessment tasks to our employees to ensure performance. The Group organizes training activities at Logan Training Academy and other institutions, providing diversified career development courses and abundant training resources. In 2023, a total of 23,220 trainees spent 80,366 hours attending 400 training sessions.</p>

## EMPLOYEE CARE AND GROWTH

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

The following important elements are contained in our core values:



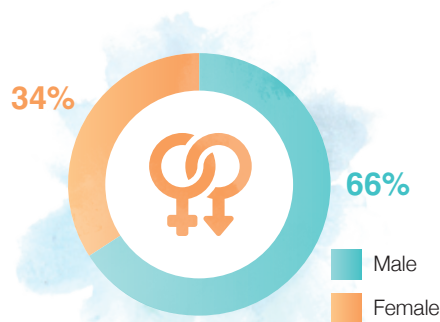
We have established the human resources department with comprehensive human resources policies and procedures in place. We strictly comply with the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Administrative Regulations on the Work Safety of Construction Projects (建設工程安全生產管理條例), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), the Law on Prevention and Control of Occupational Diseases of the People's Republic of China (中華人民共和國職業病防治法), the Regulation of Guarantee for Farmers Migrant Workers' Wage Payment (保障農民工工資支付條例), the Regulations of Guangdong Province on Population and Family Planning (廣東省人口與計劃生育條例), the Notice of Shenzhen Municipal Housing and Construction Bureau on Strictly Implementing the Project Payment Guarantee System and Guaranteeing the Full Wage Payment to Migrant Workers (深圳市住房和建設局關於嚴格落實工程款支付擔保制度及保障農民工工資足額支付工作的通知) and other labour-related laws and regulations in Mainland

## EMPLOYEE CARE AND GROWTH

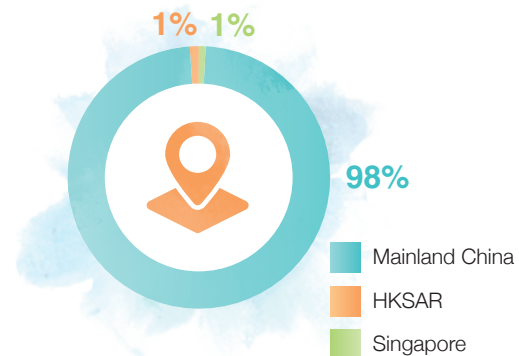
China to ensure the compliance with legal requirements. We internally organize a study seminar for the actual impacts and compliance promotion of the Regulation of Guarantee for Farmers Migrant Workers' Wage Payment (保障農民工工資支付條例) and the amendments to the supporting policies in Shenzhen, as well as the publicity and implementation of the relevant compliance matters. In addition to conducting internal discussions on laws and regulations, we have also engaged external counsels and experts to deliver presentations on laws and regulations and to provide special training sessions on labour law and labour disputes to the relevant department of the Group so that we maintain high standards of labour treatment and provide a safe and healthy workplace for our staff. Furthermore, we regularly undergo supervision and guidance from the labour department and regulatory authorities. During the Reporting Period, we were not aware of any serious violation of the above or other labour-related laws and regulations.

As of 31 December 2023, we have a total of 2,238 staff in Mainland China, Hong Kong Special Administrative Region and Singapore, more than 99% of which are full-time staff. Below are our employee data:

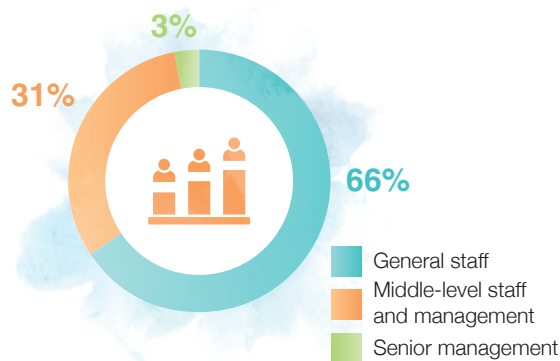
### Employee gender ratio



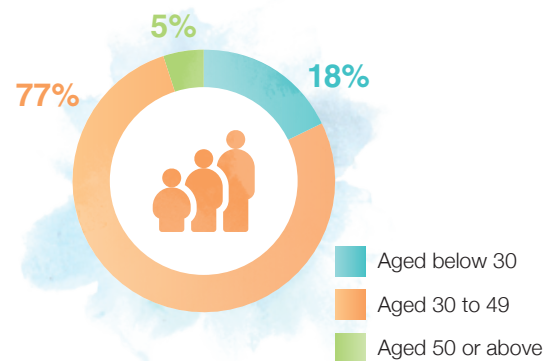
### Distribution of employees by region



### Distribution of employees by position



### Distribution of employees by age



## EMPLOYEE CARE AND GROWTH

### OCCUPATIONAL HEALTH AND SAFETY

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

#### Health and safety management system

The Group's engineering management center, administration center and human resources center jointly manage the occupational safety of its employees, and the chief of these centers will submit a report to the chairman of the Board and president. The report contains monthly safety accidents, construction site safety/safety accidents of contractor workers, quality accidents, etc., which will be reported immediately upon their occurrence. We have formulated safety rules and regulations, including the Management Rules for the Safety of Construction Sites (工地安全管理制度) and Uniform Standards for Safe and Civilized Construction Measures (安全文明施工措施統一標準), to regulate the safety-related matters of our employees and contractors, and set out management requirements for site safety in the sub-contracting agreement. We have established an internal evaluation mechanism for safety indicators where internal personnel and third parties regularly monitor and evaluate the safety performance of different operations, including fire prevention at construction sites, safe use of electricity, safety facilities, large-scale machinery and equipment, compliant construction, daily safety management behaviors, safety information. Quarterly safety assessments over all projects will be carried out so as to keep track of the completion status of safety targets. The performance of relevant management personnel will be linked to the occupational health and safety performance, and bonus will be given to those with outstanding management performance. The management personnel are from the project management center, the branch project management department, and the project department management personnel, with the ranks covering the project grassroots to management personnel.

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



#### Bi-weekly Online Construction Site Safety Conference

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

## EMPLOYEE CARE AND GROWTH

### Health and safety goals

We expect to minimize the probability of accidents and continue the safety performance of zero fatalities. In 2023, we have set the following targets for the occupational health and safety of our employees:

Targets	Status	Progress in 2023
Zero death for construction site employees of fatal accidents due to work	●●●	The work-related fatality rate of ordinary construction site employees in 2023 was 0%
Zero occupational disease rate	●●●	In 2023, the occupational disease rate of construction site employees (including employees of the Group and contractors) was 0%

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

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

### Five safety management rules

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



## EMPLOYEE CARE AND GROWTH

# 1

## First: Prevention and planning

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

### Safety management specialists

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

- In the planning process, the contractor must assess the hazards of construction sites, make plans for the site layout and engineering steps, prepare for alert signs, early warning and protection, and obtain approval from the supervisor and personnel from the Group.



- All of our employees in high-risk positions are required for physical examinations to ensure that they satisfy the physical quality requirements of the position, and the photo IDs and identity details of qualified operators are attached to the machines for verification.

EMPLOYEE CARE  
AND GROWTH

## 2

Second:  
Use of safety  
equipment


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



## EMPLOYEE CARE AND GROWTH

# 3

## Third: Training and drills

- Safety training sessions for new and existing employees will be provided at construction sites, so that employees can understand the hazards of the site, the way to wear safety equipment, emergency treatment methods, safe construction procedures, etc. Workers must pass the examination before taking up the position.
- 
- |        |                |
|--------|----------------|
| 玖玖玖玖山苑 |                |
| 施工区域:  | 大门             |
| 施工内容:  | 消防演练           |
| 验收时间:  | 2023.06.10 星期六 |
| 天气:    | 阴 28°C         |
| 地点:    | 郑州市·郑东新区       |
- We develop safety themes every month, and arrange engineering staff from our subsidiaries to provide training sessions at construction sites. The engineering staff from the headquarters hold online safety training sessions for engineering staff, site leaders and workers from all subsidiaries each quarter. A record of attendance to these training sessions shall be kept. Safety training is organized in conjunction with site safety meeting, once every two weeks, a total of 24 meetings one year, with each meeting receiving over 1,200 attendees.
  - The construction site will hold daily safety morning meetings and morning exercises to explain recent safety risks and safety risks during construction, such as treatment methods for heatstroke and food poisoning in summer. In 2023, a total of 36,339 safety training sessions were held at various construction sites.
  - Quarterly safety drills are also held at the site, which involve dangerous accidents such as falling from height, fire and electric shock.
  - The number of attendees (including our employees, contractors' employees, supervisors, and other site employees) to site safety training sessions exceeded 15,000 in 2023.



EMPLOYEE CARE  
AND GROWTH

## 4

Fourth:  
Emergency  
management

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

EMPLOYEE CARE  
AND GROWTH

5

Fifth:  
Safety inspection  
and audit



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

## EMPLOYEE CARE AND GROWTH

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

### Office

We pay particular attention to the health and safety of our employees in office premises. In 2023, a total of 120 safety risk assessments were conducted in the Group’s offices. Property management officers conducted safety assessments and inspections over offices, elevators, buildings, parking lots, etc., and formulated management and contingency plans for potential fire, electric shock and other safety risks. We also conducted fire drills for all employees every six months.

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

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

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

## EMPLOYEE CARE AND GROWTH

### Recreational activities

In addition, we are committed to promoting physical and mental health of our employees by organizing various recreational activities including employee games, while encouraging the headquarters and subsidiaries to actively hold other sports activities to promote a healthy lifestyle.



Quarterly Birthday Party

Chinese New Year  
Gathering



Sports  
Contest



Health Seminar



## EMPLOYEE CARE AND GROWTH

### EMPLOYEE POLICY

#### Human resources system

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



The Group formulates its human resources management plan every year, and coordinates recruitment according to the demands for talents of each business segment and its subsidiaries.

We recruit staff through public recruitment, internal recommendation, campus recruitment and other channels to form a diverse, professional and efficient team.

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

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

#### Compensation and benefits

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

## EMPLOYEE CARE AND GROWTH



### Long-term business partnership plan

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

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



#### Benefits for Logan's members include:

- Statutory Holidays
- Marriage Leave
- Maternity Leave & Paternity Leave
- Breastfeeding Leave
- Annual Leave
- Paid Sick Leave, etc.
- Medical Insurance
- Pension Scheme
- Unemployment Insurance
- Work Injury Insurance
- Transportation Allowances
- Meal Allowances
- Housing Allowance
- Health Check-up Allowances
- Allowances For High-temperature Conditions
- Other Special Benefits

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

We also grant awards to our outstanding, loyal, and accountable employees. Our awards include ten-year service award, twenty-year service award, outstanding Logan award, etc. In 2023, a total of 267 outstanding employees have received these awards, which are aimed to motivate them to pursue better performance.

## EMPLOYEE CARE AND GROWTH



### Annual Commendation Conference

To recognize outstanding employees who have taken into consideration the overall development of the Company by fully utilizing their expertise and professional practices of regulations to overcome various difficulties and complete various work tasks assigned by the Company and leadership, Logan Group held an annual commendation conference to motivate its employees to continue their efforts and promote mutual learning.

### Employee communication and inclusiveness

We hold a variety of employee activities every year, including annual gathering and employee birthday parties and festival activities, to enhance interaction between staff. Besides providing a comfortable workplace, we strive to provide a happy and healthy on-the-job experience to our staff. During the Year, we organized 1,380 sessions of cultural and recreational activities for our staff.



### Logan Forum

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

## EMPLOYEE CARE AND GROWTH



### Logan Birthday Party

During the Year, Logan held 7 Logan Birthday Parties at its headquarters, where the employees received flowers, cakes, gifts and custom- made birthday cards. Practical gifts include compact irons, thermal cups, foldable electric kettles that fit in any suitcase, battery banks and travel kits, conveying a message that the Company cares about the wellbeing of our employees at work.





## EMPLOYEE CARE AND GROWTH

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

Human resource activities	Potential risks	Points to consider	Measures
<b>Recruitment process</b>	<ul style="list-style-type: none"> <li>Hiring incompetent and unfit employees</li> <li>Adopting inappropriate practices to recruit new candidates</li> </ul>	<ul style="list-style-type: none"> <li>Is there a proper screening process prior to hiring potential employees?</li> <li>Has the human resources department made undeliverable promises to candidates?</li> <li>Did the candidate sign the policy and employment contract prior to employment?</li> </ul>	<ul style="list-style-type: none"> <li>There will be various interviews and background checks before hiring to ensure that the results of the screening are relatively accurate</li> <li>The human resources department shall not make undeliverable promises to candidates</li> <li>Candidates generally sign the employment contract and some policy agreements upon induction after the employment is confirmed</li> </ul>

**EMPLOYEE CARE  
AND GROWTH**

Human resource activities	Potential risks	Points to consider	Measures
<b>Promotion and development</b>	<ul style="list-style-type: none"> <li>Promote inappropriate employees</li> <li>Training sessions do not meet business development requirements</li> </ul>	<ul style="list-style-type: none"> <li>Whether promotion eligibility is strictly scrutinized and who has the authority to decide on promotions?</li> <li>Is there a fair and open assessment process?</li> <li>Is the corporate strategy taken into account when designing the training program?</li> </ul>	<ul style="list-style-type: none"> <li>Promotion qualifications shall be reviewed by the personnel in the appropriate rank in strict compliance with the Company's promotion management system</li> <li>We give promotions in a fair and transparent manner according to the "notification – registration – screening – interview – employment" procedures</li> <li>Talent training is based on the Company's 5-year strategy, and market demand design</li> </ul>
<b>Reimbursement and benefits</b>	<ul style="list-style-type: none"> <li>Potential financial misappropriation</li> </ul>	<ul style="list-style-type: none"> <li>Who has the authority to sign up for such reimbursements and benefits?</li> </ul>	<ul style="list-style-type: none"> <li>All reimbursements are initiated by our employees, and the front-line leaders and department heads will approve it before verification and approval by the financial sharing personnel</li> </ul>

## EMPLOYEE CARE AND GROWTH

### EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

As an employer who promotes equal opportunities, we strongly oppose discriminatory behaviors and are committed to building a fair, equitable, and diverse working environment for all staff. We adopt the principle of equality in the management of human resources, including recruitment, promotion, and welfare packages, which also contain standardized selection criteria and management procedures. The employment terms for our staff are also set out in labour contracts in accordance with laws and regulations. We currently have a pay ratio of 1:1.55 for female to male employees, lower than that of pay ratio of 1:1.74 in 2022. In the future, Logan will continue to ensure that only the experience, expertise and performance will be taken as the scoring criteria for all selection processes and that the employee remuneration determination process is objective and fair, so as to ensure that employees are treated equally.

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

#### Anti-discrimination, diversity and gender equality

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

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

### DEVELOPMENT AND TRAINING

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

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

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

## EMPLOYEE CARE AND GROWTH

Upon completion of the training, the Group assigns assessment tasks to the employees, and assesses training effectiveness based on the achievement rate of the training activities, the satisfaction survey of each training session and the completion rate of the employee assessment tasks, which also constitute part of the performance indicators of each business center and subsidiary. Our average training satisfaction score for the year was 98.5.

Our employees are provided with ample training resources, including more than 1,082 in-house lecturers, and 30% of these lecturers are department heads or above level and facilitate the transfer of knowledge. Our Logan E-learning platform and expertise management system contain a large number of online self-learning textbooks, and our employees are sponsored for third-party professional training programs to acquire the latest real estate market knowledge. Our training models also include face-to-face seminars, online live streaming, adventure events, job rotations, on-the-job practices, action learning, instructor guidance, case studies, group seminars, and leadership commentaries, which help broaden our employees' horizons and strengthen their market competitiveness.

Our employees are provided with training sessions that cover management skills, expertise, and systems and standards, so that they can better discharge their job responsibilities. At the same time, human rights training and corporate citizenship training are provided to our employees so that they can improve their awareness of rights and responsibilities. Our talent training programs were available throughout the year for all employees of the Group, providing training on management skills, business awareness, strategic planning and other training to more than 500 employees with leadership potential, which help them advance to the management level. We also provided training on professional knowledge, business expertise, team building and other training to more than 1,000 employees with outstanding work capability, which help mold them into professionals. In 2023, a total of 23,220 trainees spent 80,366 hours attending 400 training sessions.

To strengthen the monitoring of human resource development performance, the Group set targets for the following indicators related to human development and training in 2023:

Target	Status	Progress in 2023
Over 30 hours of average number of training hours of employees	● ● ●	The average number of training hours for employees was 36 hours
More than 98% of trained employees	● ● ●	100% of our employees were trained
100% completion rate of annual training plan	● ● ●	100% completion rate of the annual training plan was achieved

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

## EMPLOYEE CARE AND GROWTH



### Marketing Middle and Senior Management Talent Development

To cultivate marketing management talent, we have established one Reserve Marketing Master Training Class and two Reserve Marketing Manager Training Classes, with internal and external professional mentors appointed to assist our employees in the marketing system improve their workplace skills and promote their career development through classroom teaching, on-the-job coaching, etc.



### Reserve department manager training

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



### Skills Improvement Workshop

To improve the expertise of our employees across functional departments, we have established a “Skills Improvement Workshop”, where business scenarios and key issues around the headquarters center and front-line companies are centralized for market analysis, strategy studies, case studies, and benchmarking learning so that excellent experiences and achievements can be learnt. At least two courses are offered every quarter to assist our employees in familiarizing themselves with and mastering relevant professional workplace skills.

## EMPLOYEE CARE AND GROWTH



### Perfect Delivery Series Training

To achieve the Company's annual delivery targets, we have launched the Perfect Delivery Series Training program that focuses on various areas, including project operation, engineering management, fine decoration, landscape design, and customer relationship management. This program has enhanced the collaboration and professionalism of delivery work, ensuring that our products are delivered on time with delivery quality and customer satisfaction at the industry benchmark level.

#### **“Lean Cost Management for Efficiency Enhancement” Training**

To promote organizational efficiency, we have launched the “Lean Cost Management for Efficiency Enhancement” Training program that focuses on bidding and procurement, marketing management, lean cost management, and financial sharing. This program has laid a solid foundation for improving the operating efficiency of the Company and enhancing its comprehensive competitiveness.

#### **Standardization Training**

To implement group-wide standardization management, we have launched the Standardization Training program that organizes various business lines to learn core work standards, systems, and processes. The implementation of standardization training includes five stages: learning of regulations, systematic training, consolidation through examination, case studies, and on-the-job practices. A total of 152 core work standards have been promoted and implemented, covering 2,105 trainees and 2,006 examinees. Each business line also provided case studies in standardization training.

#### **New employee training**

New employees are provided with training on Logan's corporate core values, “Logan Eight Operation Concepts”, professionalism, career objectives and job requirements, etc. 480 trainees spent a total number of 2,010 class hours attending 24 training sessions.

#### **Front-line company training**

The front-line companies conducted massive training on business skills and professional capabilities based on actual work. Among them, 8,672 trainees spent a total of 41,305 class hours in participating in and completing 350 training sessions of different types.

# URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

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



## ESG issues

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



# URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

## ESG issues

## Progress in 2023



### 10 Product quality and safety

In order to ensure the quality of delivery, the Group actively organized construction site open day activities in 2023, during which customers are guided to preview their new homes in all aspects, and any questions raised by customers during the tour will be addressed in advance before delivery. At the same time, the Group fully applied technologies such as the internet, big data and smart technology to smart construction solutions. For instance, the Group launched the Logan Construction 2.0 and designed the “Monolith” cloud engineering system「[磐石]雲工程系統」.



### 11 Service quality

Besides the establishment of the “Three Sales Guarantees”, the Group trained sales employees, and adopted the practices of “unannounced visits by mysterious customers”, and “preliminary planning and design consultancy services” to ensure sales quality. To handle complaints and feedback, we make various platforms and channels available for our customers to file their complaints, and conduct customer satisfaction surveys through independent third parties every year. In 2023, the overall customer satisfaction reached 85.0 points, and the satisfaction for service delivery reached 84.4 points, representing an improvement of 14.9 points compared to that in 2022. Benchmarked against the industries, housing quality, quality of public areas, product design, warranty service, and property management service are all higher than the industry average.

We ensure high-quality property services, and our property management team successively obtained the certificates for ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management. In addition, in order to enrich the leisure activities of the property owners, we organized 8,003 sessions of diversified community recreational activities in 2023, attracting over 5.80 million residents.







### 12 Technology and innovation

The Group has adopted high-tech applications in health pass, global security and intelligent systems, so as to maintain its leading advantages in product innovation and smart community ecological creation. For instance, Foshan Logan • Lakeview Garden was awarded the “China Smart Ecological Community Award” (中國智慧生態社區獎). Logan Smart Services provides property owners with multiple product lines such as Logan Cloud, Loganhui application, property information platform and IoT cloud platform, and a new retail department has been established. “Logan Convenience Centers” of our self-operated brand have been established in various locations, including Shenzhen, Foshan, Nanning, and eastern Guangdong, while the community e-commerce platform “Pinpinwang” now has nearly 3 million members. At the same time, the monitoring center of Logan Smart Services Headquarters has achieved the intelligence and integration of property service management.



URBAN RENEWAL AND HARMONIZATION  
BETWEEN HUMAN HABITATION AND NATURE

ESG issues	Progress in 2023
 <p><b>13 Responsible supply chain management</b></p>	<p>In 2023, the Group conducted more than 3,020 supply chain site visits to understand the supply status and material quality of suppliers and contractors. At the same time, a third-party independent institution was appointed to conduct external audits for the Group's suppliers and contractors. In addition, we conduct internal control audits on the procurement and cost management departments of the Group and branches every year, the scope of which covered 69 business processes in 2023, representing an increase of approximately 3.3 times over 2022.</p>
 <p><b>14 Environmental and labour performance of our suppliers and subcontractors</b></p>	<p>In accordance with the principle of fair and equitable procurement, the Group assigns an average of 6 supervisors to bidding activities. During the year, we had higher technical and qualification requirements for suppliers and contractors, and priority will be given to advanced environmental businesses. In terms of supplier management, we assess suppliers and contractors, and determine the follow-up cooperation plan according to the assessment results, namely, grades A, B and C, and cease cooperation with suppliers that are in serious violation, who are added to the blacklist, and violations will be rectified.</p>
 <p><b>15 Industry development</b></p>	<p>The Group's leaders and representatives from corporate departments involved in construction and supervision for some projects in progress participated in the meetings and discussed the development landscape of the industry.</p>
 <p><b>16 Community renewal and integration</b></p>	<p>The Group has led the establishment of hundreds of property owners' associations and organized various community activities. In 2023, the Company touched the hearts of property owners through meticulous services by carrying out a total of 2,487 sessions of convenience service activities throughout the year, with the aim to provide a more convenient lifestyle for property owners of the Logan communities. Among these activities, it conducted cleaning for 2,671 units of air conditioner, sharpened 15,288 pairs of scissors, provided haircuts for 23,232 persons, offered nail services to 430 persons, applied screen protectors to 497 mobile phones, distributed 10,793 items for pest eradication, repaired 3,377 small home appliances, washed 10,642 cars, and provided 26,431 other convenience services.</p>

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### PRODUCT SERIES

Despite grand transformation from “Sunshine”, “Joy” and other urban lifestyle collections to three major product lines of “Jiu”, “Tian” and “Jiangnan” collections, Logan Group has always persisted in the brand philosophy “To Build a Better Life” and committed to creating a high-quality smart and beautiful city lifestyle. In recent years, the Group created and launched a new “Modernization” collection that introduces a new residential lifestyle driven by health technology. Logan Group’s products have won numerous awards in the industry, fully demonstrating its industrial standard and advantages in innovative design, construction quality, living experience, and residential value.



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

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

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Modernization

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

### Tian

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

### Jiangnan

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

### Jiu

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### LOGAN COMMERCIAL

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



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

Guangming Blue Whale World is a regional shopping mall integrating shopping, dining, leisure, entertainment, tourism, and social networking, with a total gross floor area of approximately 100,000 square meters. Positioned as an “urban center of aesthetic life”, the project strives to project its core brand value of “first impression” and “aesthetic life”. Based on its inherent “landmark” attribute, the project adopts the concept of fluidity and the curved design to accentuate the maximum dynamic beauty of the space, creating an immersive experience. At the same time, the unique theme park style combines nature and art to create a unique commercial atmosphere where “each store has its own distinctive feature, and each step takes you to a different view”. Blue Whale World emphasizes the compound functions of the Transit-Oriented Development (TOD) practice. The shopping mall, together with the themed street, selected hotels, exquisite residential areas, ecological parks, and other formats, forms a TOD urban complex with a site area of approximately 750,000 square meters. Within an 800-meter walking range, the project creates an urban space that integrates with various functions, including commerce, business, culture, parks, and residences.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



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

The 381-meter-tall Nanning Logan Century Center (南寧龍光世紀中心) has a gross floor area of approximately 390,000 square meters, which is comprised of two ultrahigh towers and a commercial podium with the main structure having 81 floors. Its exterior design appears as a hydrating lotus integrated with the local culture and folk customs of Nanning. Located in the ASEAN Business District, China's international window to ASEAN, this project, which is comprised of premium offices, shopping malls and hotels, represents a comprehensive business landmark providing business, office and living services to top domestic enterprises settled in Nanning, as well as to regional governments and business institutions from ASEAN countries and other countries. As a new face of Nanning, Nanning Logan Century Center is operated with the core value of providing an esteemed business experience. The building attracts renowned enterprises in the finance, internet technology, industry, and service sectors at home and abroad, including over ten Fortune 500 companies, such as Huawei, China Telecom, Ping An Insurance, China Communications Construction Company, and Schneider Electric. This demonstrates Nanning's rapid internationalization process.



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

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

Recognized as a recommended destination for the night economy in the ASEAN business district for promoting regional tourism, the hotel becomes a business card for urban investment attraction, showcasing the brand strength and service quality of Logan's Na Lotus Hotel, A Luxury Collection Hotel in Nanning. Through various innovative management strategies, the hotel has created a multi-dimensional business format that combines "mini vacation for urban families" and "high-altitude art exhibition", further enhancing the accommodation experience that enables different target customer groups to enjoy the luxury quality.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### CITY DEVELOPMENT

#### Urban Renewal Projects

Urban renewal is the continuing theme of urban development. By improving hardware and software facilities, revitalizing inefficient construction land and promoting industrial upgrading and transformation, our projects will assist to revamp and vitalize cities that enjoy a long development history. The Group has been carrying out a forward-looking investment strategy, under which, we have so far developed a total of more than 100 urban renewal projects across 11 cities, with a renovation area of nearly 17.15 million square meters, promoting sustainable and healthy city development.



#### Foshan Acesite Park (佛山玖龍臺)

Foshan Acesite Park (佛山玖龍臺) is located in Lvhu Island District, Foshan, covering an area of 82,000 square meters, with a total gross floor area of 700,000 square meters. The location where the project lies was formerly a worn electrical appliance factory with problems such as noise pollution and traffic congestion. The community land planning failed to meet the required demand of the public. The Group's urban renewal transformed old communities, improved the spatial structure of human settlements, restored natural ecology and strengthened urban infrastructure to comprehensively improve the city quality. After the transformation, Foshan Acesite Park (佛山玖龍臺) project has improved the community space for more than 14,000 community residents, provided more than 7,000 sets of residences, approximately 40,000 square meters of shopping centers and emerging industry bases, equipped with 5,500 parking spaces and gardens, thereby comprehensively satisfying the demand of residential life.



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

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



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Supporting urban facilities

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

### Government-subsidized housing

We cooperate with local governments to develop government-subsidized housing to solve the housing difficulties of low- and middle-income families. By 2023, we have developed 31 subsidized housing projects in 12 cities, including Shenzhen, Guangzhou, Shanghai, Foshan, Chengdu, Zhongshan, Zhuhai, Nanning, Ningbo and Wenzhou providing 11,170 government-subsidized housing units, so that people from all walks of life in our communities can lead happier lives. Logan Group has undertaken to constantly address the housing needs of the society in the future, support the national housing policy and promote the high quality of the city.

Geographical Distribution of Subsidized Housing Units:

City	Saleable (unit)	Non-saleable (unit)
Shenzhen	961	1,607
Foshan	163	1,252
Guangzhou	211	0
Liuzhou	0	266
Nanning	1,293	2,762
Chengdu	0	858
Zhongshan	0	919
Zhuhai	0	46
Jiaxing	33	1
Shanghai	0	373
Ningbo	0	39
Wenzhou	386	0

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



### Pingshan District, Shenzhen — Acesite Elegance (玖譽雅築)

Logan Acesite Elegance is located in Ping Shan District, Shenzhen, and provides a total of 541 housing units in 4 residential buildings, including 186 housing units in a decorated building for talents. Adjacent to Dashanbi Park and a lake-circling greenway with a length of approximately 6 kilometers, the project creates a living environment that offers easy access to fresh air in the natural ecosystem. It is also close to the Ping Shan Sports Center, Ping Shan International Tennis Center, and the Maluan Cultural Service Center (currently under construction). Logan Acesite Elegance has completed its first batch of deliveries in October 2023, providing residents with a beautiful and comfortable living experience.





URBAN RENEWAL AND HARMONIZATION  
BETWEEN HUMAN HABITATION AND NATURE

## Guangming District, Shenzhen — Logan Auspice Mansion (玖瑞府)

The Shenzhen Guangming Auspice Mansion Project was acquired by the Group through a land auction in May 2021, with a total of 428 housing units. Among which, 138 government-subsidized housing units accounts for one-third of all housing units, with over 10,000 square meters of comfortable accommodation to 138 highly-educated families. Located in the core area of Fenghuang City in Guangming Science City, the center of northern Shenzhen, the project, as part of the strategical urban development project in Shenzhen, provides its easy accessibility in terms of transportation. Adjacent to Guangming High-speed Railway Station, the project is conveniently located with easy access to Shenzhen North Station/Humen Station with one stop, and two stops to Futian Station/Guangzhou South Station, and three stops to Hong Kong West Kowloon Station. It is approximately 700 meters away from the planned Line 13 (to be opened in 2025) of Guangmingcheng Station, which is planned to run through the north and south of Shenzhen, and starts from the Shenzhen Bay Port and connects to Houhai, High-tech Park, and Xili. Logan Auspice Mansion is adjacent to the Baihua Garden Flower Theme Park (formerly Qilinshan Park, under construction) with a site area of approximately 260,000 square meters, a high-value landscape project in Guangming District. Within a radius of about 2 kilometers, Xincheng Park with a site area of approximately 570,000 square meters, as well as new sites endorsed by social media influencers such as Hongqiao Park, and Dadingling Mountain Park, provides a green and oxygen-rich lifestyle.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



### Foshan — Logan Tianying

Located in a central business district in Shunde, and adjacent to the Desheng Newtown in Daliang (also known as Golden Phoenix), Logan Tianying is comprised of new Chinese-style riverside courtyards along the linear river with a gross floor area of approximately 280,000 square meters. Within Shunde's billion-dollar municipal Desheng Central Business District, this project enjoys five major business districts receiving millions of visitors. With the road network consisting of seven vertical and five horizontal lines, and three metro lines and two highways crisscrossing the Greater Bay Area, the project offers seamless connection to prestigious private schools and international-level education resources. Logan Group continues to maintain its business presence in the Greater Bay Area and give back to society. The project consists of 11 high-rise residential buildings (including 2 government-subsidized housing units) and 41 villas. The product portfolio covers high-rise duplexes with an area ranging from 97 square meters to 148 square meters, riverside villas with an area ranging from 369 square meters to 443 square meters, and government-subsidized housing units with an area ranging from 75 square meters to 151 square meters. Among which, government-subsidized housing units have been delivered, improving the living environment of 184 households in Foshan.



### Nurturing start-up talents

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### PRODUCT QUALITY AND SAFETY

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

<p><b>Project Planning</b></p>	<p>Prior to the commencement of the construction project, the project team, strategic development team, marketing team, design team, cost control team, and procurement team jointly prepare a project plan to confirm the design drawing, construction arrangement, personnel and resources allocation, major obstacles and solutions. The Group will also pay the costs related to the quality management of the project, which is clearly stated in the sub-contracting agreement.</p>
<p><b>Construction Works</b></p>	<p>The construction team is required to strictly follow the construction plan. In case any emergency occurs which would cause delay to the construction work or damage the project quality, they should report to the management immediately, and work out solutions as soon as possible.</p>
<p><b>Project Supervision</b></p>	<p>The Group would hold regular meetings with contractors, supervisors and suppliers to follow up on project progress and its quality and safety performances. The Group has more than 200 site quality officers who inspect the site on a daily basis and provide guidance and training to site personnel. Any event involving material non-compliance risk will be reported when it occurs.</p>
<p><b>Independent testing</b></p>	<p>The Group engages a third-party independent organization to conduct quarterly inspections on construction sites and hold quarterly meetings on the quality of construction sites where the heads of all business partners must attend. The Group will rank the quality performance of the construction sites and reward outstanding units at the meeting. Those who are not qualified must be rectified.</p>
<p><b>Quality Inspection</b></p>	<p>The Group has established a sound quality control and inspection mechanism, and the Group and its frontline companies have dedicated positions in place to monitor and inspect the quality and safety of each project, ensuring that all ongoing projects are subject to monthly inspection. The results of working procedure acceptance and materials acceptance of the projects are uploaded to the Monolith Cloud Engineering System to ensure that all project quality control is traceable and implementable.</p>

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

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

We also provide quality-related training to our employees to ensure the quality of project construction. A total 10,572 hours of quality-related training was provided to more than 10,000 employees in 2023.

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

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

### Quality Delivered

Being well aware of the customer’s good expectation for their future homes, we organized open days for the construction site prior to delivery, allowing our customers to enter the site, and providing an opportunity for them to understand the construction details. The procedures and methods were put on display for openness and transparency.



### Construction Site Open Day Activities

We actively organized construction site open day activities in 2023, during which customers are guided to preview their new homes in all aspects from the entrance of the community, the garden, and building lobbies to indoor households, showing various construction details, including leak-proof and anti-cracking process, water and electricity engineering craftsmanship and construction control measures. Regarding the questions raised by customers during the visit process, we will address them in advance before delivery.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

To ensure the customers' experience in acceptance services, we will hold special meetings to deploy a full delivery process and carry out training and exercises for all employees prior to delivery, so as to improve the experience in all aspects of acceptance services. At the delivery site, each customer will receive high-touch service from the dedicated professional inspector, who will give a complete introduction about the property and complete the inspection and acceptance for the new home based on the customers' acceptance requirements. At the delivery site, professional maintenance resources will be sufficiently allocated to address any issues raised by customers in a prompt and expeditious manner. Maintenance personnel will take photos and record every step of the maintenance process, and customers can check the progress of the maintenance through the Logan Treasury's official WeChat account.

We pay particular attention to maintenance services after delivery. Within the standard defect liability period, all projects will be assigned professional aftersales personnel to provide customers with free and timely maintenance services. We have set up maintenance service standards and regulations, which explicitly stipulate the timing of responses and handling timeframe.



### Customers' satisfaction over general delivery performance of the Group

In 2023, the Group continued to conduct customer satisfaction surveys to understand customer feedback and improve deficiencies.

- 53,000 units delivered in 2023.
- Various business indicators of the Group: in 2023, the overall customer satisfaction reached 85.0 points, and the satisfaction for service delivery reached 84.4 points, representing an improvement of 14.9 points compared to that in 2022. Benchmarked against the industries, housing quality, quality of public areas, product design, warranty service, and property management service are all higher than the industry average.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Logan Construction 2.0

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

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



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

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



The cloud system and application program provide a one-stop project management platform for the Group, project constructors, supervisors and designers, with six major functions including online on-site inspection, actual measurement, working procedure acceptance, material acceptance, spot and special checks and management behavior to enhance the onsite efficiency, accumulate big data of construction and assist Logan Group in standardized management. In 2023, the Monolith Cloud Engineering System had a total of 10,776 active users.

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

URBAN RENEWAL AND HARMONIZATION  
BETWEEN HUMAN HABITATION AND NATURE

PRODUCT  
DESIGN

LEISURE



CHILDREN'S  
AMENITIES



NURSING  
SERVICES



SPORTS



COMPANIONSHIP



SOCIAL  
NETWORKING



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### SERVICE QUALITY

#### Sales and Customer Relationship Management

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



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

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



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE



### Preliminary Planning and Design Consultancy Services

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

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

### Complaints and Feedback

The customer relationship department would adhere to the principles of customer-oriented, timeliness, and efficiency so as to collect and handle the complaints. We have developed the Guidelines on the Risk Classification and Control of Customer Complaints (客訴風險事件分級管控工作指引) to deal with complaints from our customers, under which the customer relationship department has built a specialized risk management team and the 400 call center. The 400 call center will process customer complaints received by the Group, while the specialized risk management team will be responsible for coordinating with relevant departments to analyze and formulate solutions to address the causes of these complaints, as well as overseeing and facilitating the complaints handling.

Customers could express their views by telephone, email, Logan Treasury’s official WeChat account, and in person. We would take a responsive action within 24 hours and response with our preliminary handling recommendations within one week. The customer relationship department has established a traceability and follow-up mechanism to ensure timely and efficient handling of complaints.

We attach great importance to customers’ opinions on our services and product quality, and the customer relationship department of each subsidiary will collect the defected projects on a quarterly basis, and then relay the same to the design department to continuously improve product and service quality as much as possible.

### One-stop Online Customer Service Platform — Logan Treasury (龍光寶)

To accommodate the current user preferences, we have built a new one-stop online customer service platform — Logan Treasury, where customers can check the project progress in real-time, complete the formalities of ownership, file repair requests and complaints, and sign up for customer activities online. Our efficient and convenient standardized services provide customers with a high-quality customer service experience.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Customer Satisfaction Survey

The Customer Relationship Department has upgraded the customer satisfaction survey system, covering all owners every quarter through the official WeChat account, SMS, phone, face-to-face interviews, and other methods to collect customer feedback. From the perspectives of products and services, we analyze customer feedback in real-time and provide customer-side suggestions for the Company's continuing operations.

We place special emphasis on improving the satisfaction of property owners upon their occupancy. To achieve this, we have engaged a third-party mystery shopper to conduct regular inspections on the service qualities of the communities that have already been delivered. From the perspective of property owners' experiences, we focus on the implementation of service processes and professional interfaces directly related to property owners, with the aim to effectively alleviate negative impacts arising from front-end services and products through improved back-end services, which in turn improves satisfaction.



### Outstanding Delivery

#### Shenzhen Auspice Mansion (深圳玖瑞府)

As a key project rooted in the local area of Shenzhen, Shenzhen Auspice Mansion has achieved centralized delivery despite the owner group complaints received by surrounding projects, with a delivery rate of 99% upon customers' visit, and an overall delivery rate of 81%, showcasing excellent performance in terms of delivery.

#### Nanning Glory City (南寧玖譽城)

Nanning Glory City was delivered to nearly 2,000 households in 2023. Prior to the delivery, the project made full use of "Customer Ambassador" by actively communicating with and caring for its customers, understanding and following up on their personalized handover requirements. The project achieved a delivery rate of 100% upon customers' visit, as well as an overall delivery rate of 95%. Within 1 month after delivery, 100% of the maintenance issues were rectified with the satisfaction rate of delivery reaching 95 points.

### Property services

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

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

- Security services: the services include automatic vehicle identification system, electronic pulse alarm device, and infrared and closed circuit surveillance system. The entire community will constantly conduct 24-hour patrol with a Sky Eye CCTV system and security shields. In combination with technical and human security measures, the community establishes an all-round, multi-level, and zero-interference security system, which is a comprehensive security system to protect the homes and travel of our homeowners;
- Safety: full-scale fire drills are held twice a year to raise awareness of fire safety among community members;
- Sanitation: high-caliber professional companies are appointed for environmental sanitation management. A strict assessment and evaluation mechanism is formulated according to the quality standard requirements. Our standardized detailed management ensures the cleanliness of the communities at all times, creating a high-quality ecological environment;
- Maintenance: our efficient and high-level emergency response, with year-round high-frequency maintenance and meticulous maintenance services, will help our homeowners rest assured. Our seasoned staff implement a device management responsibility system to ensure zero equipment malfunctions;
- Housekeeper: we strive to create warm and welcoming communities by providing professional, standardized, and intelligent services to homeowners through our superior housekeeper service system and intelligent management platform. Our goal is to enable homeowners to experience Logan's premium services;
- Community activities: a variety of cultural and recreational activities are held in the community to enrich property owners' leisure activities and create a friendly living atmosphere.

In the traditional property service sector, Logan Smart Services focuses on property owners' living experience and provides community services including engineering maintenance services, cleaning and afforestation services, security management systems, and community cultural activities. Featured service models including "Stellar Butler" (優管家), "Morning and Evening Greetings", "Ten-Minute Response" and "Three Steps of Services", as well as six major series of themed campaigns including "Logan Festival Celebration Series", "Care for Women Campaign", "Care for Growth Campaign", "Happy Family Festival", "Logan Impression Cultural Festival" and "I Love My Family Community" public interest campaign, and "You Li Jie" (優里節) community activity IP, were operated throughout the year. In 2023, 8,003 sessions of diversified community entertainment and recreational activities attracted over 5.80 million property residents owners enriched their leisure activities, and ensured more comfortable residences.

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

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

### Safety

In 2023, the Logan Communities sincerely, professionally, and skilfully safeguarded the safety of residents by conducting 9,070 night patrols (including E-control data), 451 aerial inspections, 384 fire drills, 19,248 armed patrols, and 10,060 military drills.

### Environment

In 2023, the Logan Communities carried out a total of 9,987 disinfection activities throughout the year, and 8,678 rounds of "I Love My Family" Cleaning Action ("我愛我家"大清潔活動). Our careful, meticulous, and professional services are aimed at safeguarding excellent residential conditions for the Logan Communities.

### Customer services



#### Convenience initiative

In 2023, the Company touched the hearts of property owners through meticulous services by carrying out a total of 2,487 sessions of convenience service activities throughout the year, with the aim to provide a more convenient lifestyle for property owners of the Logan communities. Among these activities, it conducted cleaning for 2,671 units of air conditioner, sharpened 15,288 pairs of scissors, provided haircuts for 23,232 persons, offered nail services to 430 persons, applied screen protectors to 497 mobile phones, distributed 10,793 items for pest eradication, repaired 3,377 small home appliances, washed 10,642 cars, and provided 26,431 other convenience services.

#### Community entertainment and recreational activities

8,003 sessions of diversified community entertainment and recreational activities were organized to enrich leisure activities of property owners and ensure more comfortable residences. The number of residents participating in these activities exceeded 5.80 million.

Over the years, the Group's efforts in creating a "warm community" with compassion have been widely recognized and generously praised by property owners and various sectors of society. In 2023, the Company received 755 silk banners, 243 commendations from the 400 call centers, 77 acknowledgments through the application, 8,378 praises via WeChat, and 168 letters of thanks.

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Digital Transition Goal: Build a Future-Oriented Smart Enterprise

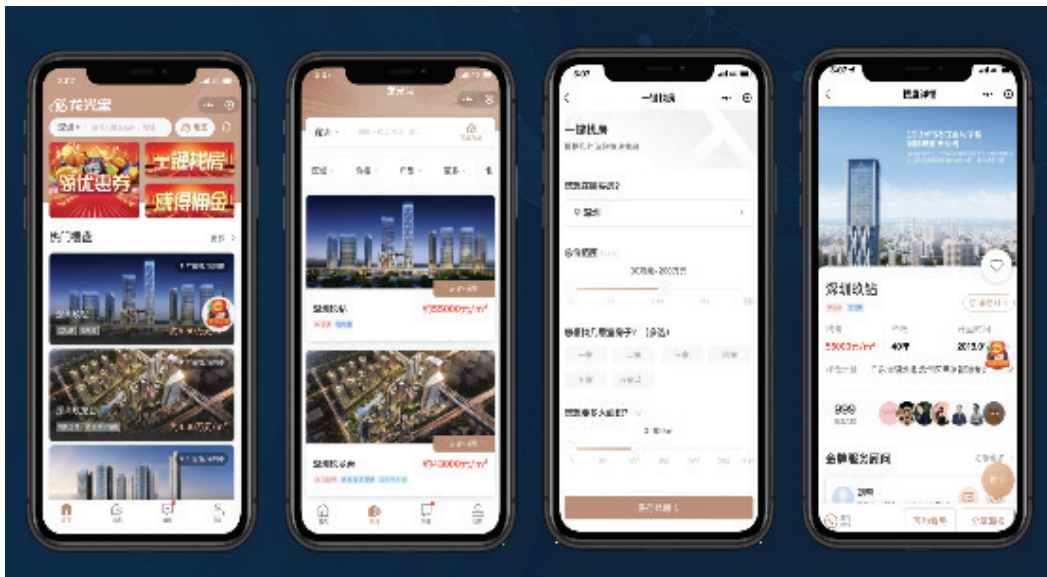
Logan is actively transitioning into digitalization. Based on the data-driven and scientific decision-making principle, it aims to empower all front-end, middle- and back-end businesses. With data used to assist in decision-making, Logan will enhance effectiveness and reduce costs in management, decision-making, customer service, and planning for the future, so as to become a smart enterprise integrated with “business digitization” and “transformation of data into business”. In 2023, the Company achieved certain results in our digital transformation:

- In the development and management sector, the focus was mainly on system operation and maintenance and deepening of a few businesses, with a total of 3 business platforms deepened throughout the year, largely distributed in financial and marketing areas;
- The monthly system visit rate remained stable at 95%, with the highest daily page views reaching 184,000 times;
- The Loganhui (龍光薈) application in the service sector has processed a total of over 4.50 million work orders, with over 410,000 registered users;
- We improve the standard of property services through on-going data acquisition and analysis. Over 700,000 items of property management fees were collected through the application. Over 9,300,000 items of parking fees were collected online. Smart access control system registered over 10 million door openings. Throughout the year, more than 200 users gave the property management a five-star rating.



### Online Marketing Platform — Logan Treasury (龍光寶)

Logan builds and maintains a one-stop marketing service platform to meet the online growth of its marketing business, promote data-based marketing management, and visualize business indicators. In 2023, the total number of users of Logan Treasury (龍光寶) reached 2.82 million, with associated referral transaction volume amounting to RMB2.0 billion.



## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### SUSTAINABLE SUPPLY CHAIN

In order to ensure the quality of the Group's supply chain, we have a dedicated procurement and cost management department with more than 200 employees to manage and supervise the supply chain operation of the Group and our subsidiaries. We provide monthly in-house training sessions for our procurement officers to continuously improve their professionalism.

#### Supply chain risk assessment

We carry out plant inspections or organize business meetings, facilitating communications with the frontline employees and senior officers of new and existing suppliers and contractors to understand the supply status and product quality. We have conducted more than 3,020 supply chain site visits in 2023. We also engage a third-party independent agency to conduct external reviews on the Group's suppliers and contractors, including financial conditions, the proportion of customers' businesses, compliance and integrity records. Based on the above measures, we will establish corporate credit files for suppliers and contractors for management. The principals of our subsidiaries will report the on-site performance and fulfilment capabilities of suppliers and contractors to Group's headquarters every half month, and then the headquarters will assess and report the risks of the overall supply chain to the Sustainability Committee on a quarterly basis.

In addition, we conduct annual internal control audits on the Procurement and Cost Management Departments of the Group and Subsidiaries. The internal audit for 2023 covered 69 business processes, including inspection and selection of suppliers and contractors, procurement planning management, tender evaluation management, contracting process and performance assessment, rectification and improvement of which were completed during the Year.

The performance rate of our engineering and construction contracts was 93.67% in 2023. The Group makes an annual investment of RMB200,000 in supporting supply chain risk management activities to ensure a sustainable supply chain.

#### Selection of suppliers

We have adopted systems such as the Procurement Practices Management Policy (採購業務實現管理辦法), Practice Manual for Bidding and Evaluation (招評標實施指引), Selection Criteria for Professional Suppliers of Engineering Procurement (工程採購類專業入庫標準) to govern the procurement and bidding process in an impartial and fair manner, with an average of six supervisors for bidding activities, including managers and the management of the Group. During the Year, we conducted a total of 2,800 tendering and procurement activities.

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

## URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

### Supplier Management

We conduct risk assessments of all suppliers and contractors of the Group in terms of their compliance, quality, safety, environmental protection and labour performance during the entry and shortlisting stage in accordance with the Measures for Engineering Supplier Management (工程類供應商管理辦法). Based on the assessment results, we classify our suppliers and contractors into Class A, Class B and Class C to determine subsequent cooperation plans. The Group's headquarters and subsidiaries share the information about performance and business of the suppliers on a weekly basis. For suppliers with near-saturated production capacity or poor performance, the Group will suspend cooperation within a specified period of time, or even terminate the cooperation with those suppliers in serious violations, who will also be included to our blacklist. In 2023, 13 suppliers conducted the rectification for their violations as requested by the Group.

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

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

In recent years, our rapid development also depends on high-level cooperation of the supply chain. We welcome qualified and seasoned suppliers to become our partners, and continue to recruit suppliers by sending email, official WeChat account, and other means, to work with us. As a result of our ongoing expansion, as of 31 December 2023, we had 4,572 suppliers nationwide, representing an increase of 7% as compared to last year.

# ENVIRONMENT PROTECTION AND HARMONY

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



## ESG issues

17	Environmental impact of construction	23	Noise pollution
18	Climate change	24	Energy use
19	Pollutants and greenhouse gas emissions	25	Promotion of environmental awareness
20	Waste disposal and management	26	Use of water resources
21	Green and local procurement	27	Biodiversity
22	Green building construction and renovation	28	Renewable energy use
		29	Building technology and innovation
		30	Corporate climate resilience









# ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Progress in 2023
 <p><b>17 Environmental impact of construction</b></p>	<p>Prior to the commencement of any construction projects, the Group will appoint third-party experts, who shall ensure 100% of the items receive an environmental impact assessment, to assess the impact on the surrounding environment. In terms of environmental protection, the Group adopts the prefabricated construction that is superior to traditional construction, which improves production efficiency and building quality, reduces waste, and avoids noise and water pollution.</p>
 <p><b>18 Climate change</b></p>	<p>The Group provides the stakeholders with explanations as to climate-related financial impacts and our commensurate responses to assist them in making decisions from the perspective of “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets” by reference to the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD).</p>
 <p><b>19 Pollutants and greenhouse gas emissions</b></p>	<p>The Group adopts control measures for construction site emissions and pollution, including targets for the type and quantity of pollutant emissions; and real-time monitoring tools for pollution sources (for instance, all projects are installed with online monitoring systems for dust pollution to monitor pollutant emissions from sources on a real-time basis), which requires immediate reports to be submitted where contractors exceed the prescribed standard. In addition, the emissions of the construction site shall be compared to the target, and projects pending improvement shall be followed up. Furthermore, the entities incompetent in prevention and control shall be reported, and construction site inspectors shall be assigned on a regular basis to ensure that there are no violations.</p>
 <p><b>20 Waste disposal and management</b></p>	<p>Besides proper disposal of construction scraps during the construction process, the Group implements a number of waste reduction measures in the offices to reduce waste, including waste reduction at source and recycling.</p>
 <p><b>21 Green and local procurement</b></p>	<p>Prior to purchasing materials, the Group conducts environmental testing and sets green procurement standards at the same time. In 2023, the total amount of our green procurement was approximately RMB650 million. In addition, we highly implement the local procurement policy as part of our endeavor to support local suppliers in China. All of our suppliers are located in China during the year.</p>

## ENVIRONMENT PROTECTION AND HARMONY

ESG issues	Progress in 2023
 <b>22 Green building construction and renovation</b>	<p>The Group is committed to constructing environmentally friendly buildings by incorporating environmental protection and energy saving elements in its planning and design. During the year, we added 3 new green building projects, all of which met the requirements for green buildings with one star and above. As of the end of 2023, Logan has made consistent efforts to develop green buildings with a total gross floor area of over 40 million square meters.</p>
 <b>23 Noise pollution</b>	<p>The Group regulates noisy processes, with all construction activities carried out only during the daytime to prevent disturbance to residents, as well as with quieter construction machinery in use.</p>
 <b>24 Energy use</b>	<p>The Group uses highly efficient construction equipment in combination with green building design and processes to minimize engineering resource consumption and pollution. Apart from use of energy-efficient office and operating equipment, we also require our employees to consume electricity wisely when using office equipment such as computers, lighting systems, air conditioners, and printers.</p>
 <b>25 Promotion of environmental awareness</b>	<p>The Group starts to educate and promote the environmental awareness in such areas as daily operation, community building and volunteer services. In 2023, we organized a total of 1,926 sessions of environmental public welfare activities, in which over 1.37 million people participated, including children and teenagers, and were expected to carry on the concept of environmental protection.</p>
 <b>26 Use of water resources</b>	<p>The Group adopts various measures, such as high-efficiency variable frequency water pumps, micro-sprinkler greening irrigation technology, water-saving sanitary ware, rainwater reuse system, and sponge city facilities, to reduce domestic water consumption and save approximately 10% of the total annual water consumption.</p>

ENVIRONMENT PROTECTION  
AND HARMONY

ESG issues	Progress in 2023
 <p><b>27 Biodiversity</b></p>	<p>Prior to the commencement of any construction projects, the Group will appoint third-party experts to assess the impact on the surrounding environment. The assessment scope includes the natural habitat of animals. We are committed to maintaining biodiversity, and take necessary measures to restore the affected ecological resources. To prevent the disappearance of biodiversity, forest resources shall be conserved to prevent desertification and land degradation.</p>
 <p><b>28 Renewable energy use</b></p>	<p>The Group has increased the proportion of renewable energy usage in various sectors and buildings. In our commercial projects such as Cloud Valley (雲創谷) and Nanning Logan Century (南寧龍光世紀), we apply technologies such as solar photovoltaic systems and solar collectors with an annual solar photovoltaic capacity of nearly 600,000 kWh, gradually reducing our reliance on fossil fuels.</p>
 <p><b>29 Building technology and innovation</b></p>	<p>The Group continuously conducts research on building technology and innovation, incorporating intelligent elements into projects to enhance project quality. In recent years, the Group has made significant efforts in building intelligent bicycle charging piles, and facial recognition systems for self-identification of property owner's floors, as well as utilizing prefabricated construction method, with the aim to improve user satisfaction and promote environmental friendliness.</p>
 <p><b>30 Corporate climate resilience</b></p>	<p>The Group adopts energy-saving and carbon reduction measures, including strategies such as energy conservation, water conservation, and waste reduction, to improve its climate resilience. Indicators and targets are established to ensure continuous monitoring of environmental management performance. Through these measures, the Group is committed to reducing the impact of climate change and actively seeks opportunities for green transformation.</p>

Logan Group is committed to becoming a leading green property developer in China. In addition to providing its customers with a highly premier and comfortable living environment, the Group strives to protect the environment. We strictly comply with the relevant laws and regulations on environmental protection formulated by national, provincial and municipal governments of the People's Republic of China, including the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), Law of People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法), Measures for Public Participation in Environmental Impact Assessment (環境影響評價公眾參與辦法), Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Environmental Tort Liability Disputes (2020 Amendment) (最高人民法院關於審理環境侵權責任糾紛案件適用法律若干問題的解釋 (2020修正)), and Several Provisions of the Supreme People's Court on the Trial of Ecological Environmental Damage Compensation

## ENVIRONMENT PROTECTION AND HARMONY

Cases (Trial) (2020 Amendment) (最高人民法院關於審理生態環境損害賠償案件的若干規定(試行)(2020修正)). Furthermore, the Group has also established an environmental legal research group, which regularly organizes internal discussions and presentations on environmental laws for employees. By strengthening environmental monitoring and assessment, the Group promotes resource conservation and recycling, so as to ensure that the Group strikes a balance between its development and environment by complying with environmental requirements, in order to create a healthy and comfortable living environment for the next generation.

### ENVIRONMENTAL PROTECTION TARGETS

In order to further promote the environmental performance of Logan, we have set environmental targets with the following achievements made by the Group in 2023:

Target	Status	Progress in 2023
Zero material environmental pollution throughout the Year	●●●	In 2023, no material environmental pollution and related complaints were identified.

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

### OTHER ENVIRONMENTAL TARGETS:

Category	Quantifiable targets (target for 2027)	Implementation plan
Air emissions	Overall air emissions down 10% from 2022 (2023: 6,222 kilograms, a decrease of 36% as compared to 2022)	<ol style="list-style-type: none"> <li>Standardized dust prevention measures and equipment will be adopted at the construction site</li> <li>Construction waste and debris will be timely removed</li> <li>Greenery and visual improvement measures will be taken at the construction site</li> <li>New energy vehicles and equipment will be utilized</li> </ol>
Carbon emissions	Overall carbon emissions down 10% from 2022 (2023: 15,022 tonnes, a decrease of 30% as compared to 2022)	<ol style="list-style-type: none"> <li>We continue to promote green building</li> <li>The application of new techniques, new materials, and new systems will be increased</li> <li>The timeframe for operating construction machinery and equipment is reasonably interspersed with that for construction activities</li> </ol>

## ENVIRONMENT PROTECTION AND HARMONY

Category	Quantifiable targets (target for 2027)	Implementation plan
Wastewater emissions	Overall wastewater emissions down 10% from 2022 (2023: 352,910 tonnes, a decrease of 46% as compared to 2022)	<ol style="list-style-type: none"> <li>1. Management of construction wastewater is strengthened by recycling the innocuously treated wastewater back to the construction site</li> <li>2. The standard on-site restroom facilities of the project are installed to treat domestic wastewater that will be regularly cleaned up by specialized sewage cleaning vehicles</li> </ol>
Non-hazardous and hazardous wastes	Intensity of non-hazardous and hazardous wastes down by 8% from 2022 (2023: 0.048 tonne0 per square meter, a decrease of 19% as compared to 2022)	<ol style="list-style-type: none"> <li>1. Green building materials are selected</li> <li>2. Recyclable materials, reusable materials and waste building materials are selected</li> <li>3. Garbage sorting and collection sites are established properly, and domestic waste is classified according to hazardous waste, perishable waste, recyclable waste, and others</li> <li>4. Effective work on publicity and education about waste classification and collection and its implementation shall be carried out</li> <li>5. Hazardous wastes shall undergo harmless treatment</li> </ol>
Energy consumption	Intensity of energy consumption and corresponding greenhouse gas/air emissions down 30% from 2022 (intensity of energy consumption and corresponding greenhouse gas/air emissions was 1.39 tonnes in 2023, an increase of 41% as compared to 2022. This is primarily due to a significant reduction in the area of properties under development, which led to an increase in emission intensity, but overall energy consumption decreased.)	<ol style="list-style-type: none"> <li>1. High-efficiency and energy-saving air conditioning systems, fans, transformers, elevators, etc. will be installed</li> <li>2. The external protection and thermal insulation system will be optimize</li> <li>3. On-site space will be utilized to set up green land</li> <li>4. Renewable energy will be used</li> </ol>

ENVIRONMENT PROTECTION  
AND HARMONY

Category	Quantifiable targets (target for 2027)	Implementation plan
Water consumption	Intensity of water consumption and sewage down 10% from 2022 (intensity of water consumption for 2023 was 0.20 m <sup>3</sup> per square meter, an increase of 28% as compared to 2022; intensity of sewage for 2023 was 0.03 m <sup>3</sup> per square meter, an increase of 9% as compared to 2022. This is primarily due to a significant reduction in the area of properties under development, which led to an increase in emission intensity, but overall water consumption and sewage decreased.)	<ol style="list-style-type: none"> <li>1. Domestic water appliances rated at the level 2 and above in terms of water consumption efficiency are used to reduce water consumption</li> <li>2. The rainwater recovery system and reclaimed water system are installed to recycle water resources</li> <li>3. High-efficiency and energy-saving water pumps are installed to reduce loss</li> <li>4. Green irrigation adopts water-saving irrigation techniques such as micro-sprinkler irrigation</li> </ol>

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

## ENVIRONMENT PROTECTION AND HARMONY

### GREEN FINANCE

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



#### About ICMA

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

ICMA's objectives are:

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

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

ICMA currently has over 620 members active in all segments of international debt capital markets for sellers and buyers in 68 jurisdictions globally. Among our members are private and public sector issuers, banks and securities dealers, asset and fund managers and other investors, insurance companies, capital market infrastructure providers, central banks, and law firms.

#### Green Bond Principles

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

ENVIRONMENT PROTECTION  
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Our “Green Bond Framework” contains four components:

<p><b>Use of proceeds</b></p>	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond for eligible Green Projects. All designated eligible Green Projects should provide clear environmental benefits.</p>	<p>Set out below are our eligible green building projects.</p> <p><b>Green buildings</b> SDG 9, 11, 13</p> <p>New or existing residential or commercial buildings that are acquired, constructed, renovated and managed have achieved or are expected to achieve green building certification</p> <p><b>Renewable energy</b> SDG 7</p> <p>Renewable energy power generation is installed, such as photovoltaic systems</p> <p><b>Water management</b> SDG 6</p> <p>Rainwater recovery systems are installed</p> <p><b>Transportation vehicles</b> SDG 9</p> <p>Installation, operation and maintenance of electric vehicle charging stations and zero-emission personal mobility devices</p>
<p><b>Process for project evaluation and selection</b></p>	<p>The issuer of a Green Bond should clarify which are environmental sustainability objectives of the projects; the process by which such issuer determines how the projects fit within the eligible Green Projects categories; and the processes by which such issuer identifies and manages social and environmental risks associated with the relevant project(s).</p>	<p>Our Sustainability Committee will manage the process of identifying and evaluating potential eligible green assets. We will strive to ensure that all eligible green assets comply with international and national standards, as well as local laws and regulations.</p> <p>The Sustainability Committee will meet annually to reassess and review relevant green projects.</p>



ENVIRONMENT PROTECTION  
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<b>Management of proceeds</b>	The proceeds of the Green Bond should be tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for eligible Green Projects.	Net proceeds from the green bond issuance will be managed through an investment portfolio. We will establish an operations team that will report to the Sustainability Committee. The operations team will build a green asset portfolio and track the distribution of net green bond proceeds to eligible green assets.
<b>Reporting</b>	Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation of such proceeds, and on a timely basis in case of material developments.	We publish a transparent green bond report every year until the green bond is allocated. The report is based on our green asset portfolio and outstanding green bonds. The report will be made public on our website. For details, please visit <a href="http://www.logangroup.com/html/ir.php">http://www.logangroup.com/html/ir.php</a>

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

Issued in:	July 2021
Amount:	US\$300 million
Interest:	Calculated at 4.7% per annum
Duration:	5 years
Use:	We expect that the issuance of green bonds will bring to the Group the fund required in launching more green building projects.

## ENVIRONMENT PROTECTION AND HARMONY

### GOVERNANCE ON GREEN BUILDINGS

The Group's Sustainability Committee guides the construction departments of the headquarters and subsidiaries in the management of green buildings, building emissions, environmental protection objectives, etc. The Group has a total of nearly 9 green building professionals, who are jointly responsible for overseeing project planning and emissions of works. Through continuous learning, improvement and enhancement, the Group never stops promoting the development of green buildings.

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

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

Technical Guidance for Green Building

(綠色建築技術導則)

Evaluation Standard of Green Building

(綠色建築評價標準)

Regulations of the Shenzhen Special Economic Zone on the Energy Saving for Buildings

(深圳經濟特區建築節能條例)

Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zone

(夏熱冬暖地區居住建築節能設計標準)

Technical Specifications for the Application of Solar Energy Systems to Civil Building

(民用建築太陽能系統應用技術規範)

National Water Saving Action Plan

(國家節水行動方案)

National Integrated Wastewater Discharge Standard

(國家污水綜合排放標準)

Design Specifications for Water Supply and Drainage Engineering Structures

(給水排水工程構築物結構設計規範)

Standard of Environmental Noise

(環境噪聲標準)

Emission Standard of Air Pollutants

(大氣污染物排放標準)

Prefabricated Construction Evaluation Standards

(裝配式建築評價標準)

## ENVIRONMENT PROTECTION AND HARMONY

### GREEN CITIES

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



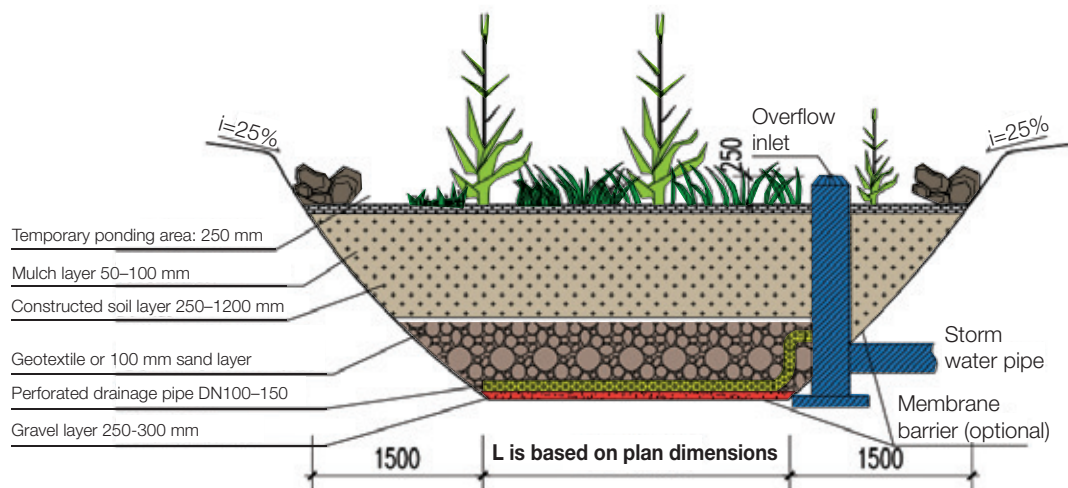
#### Sponge City

Sponge city is a new concept of rain flood management for modern cities, meaning that cities are as elastic as sponges and can absorb, store, and purify rainwater. When necessary, the stored water sources will be discharged and used. We actively promote the design concept of sponge cities, which can be applied to projects where feasible.

#### Phase III Construction Project of Logan • TianYing in Tianfu New District (天府新區龍光•天瀛)

This project mainly consists of residential buildings with hard roof surfaces, roads, and green spaces as part of the underlying surface. Outdoor green spaces are dispersedly arranged with a soil coverage range of 1.0 meters. Green spaces also disperse around the buildings, and the initial design adopts green measures such as sunken green spaces, rain gardens, permeable pavement and water storage reservoir. The rainwater runoff from the paved ground is guided and directed into the sunken green spaces and rain gardens due to the vertical height difference. A water storage reservoir is installed at the end of the community's stormwater drainage network to collect the remaining rainwater runoff. The project has a total catchment area of 25,624.23 square meters, with a total water storage capacity of the sponge facilities amounting to 276.88 cubic meters, a control rate of the total annual runoff amounting to 70.10%, and a pollutant reduction rate of 59.17%.

Illustration of rain garden structure:

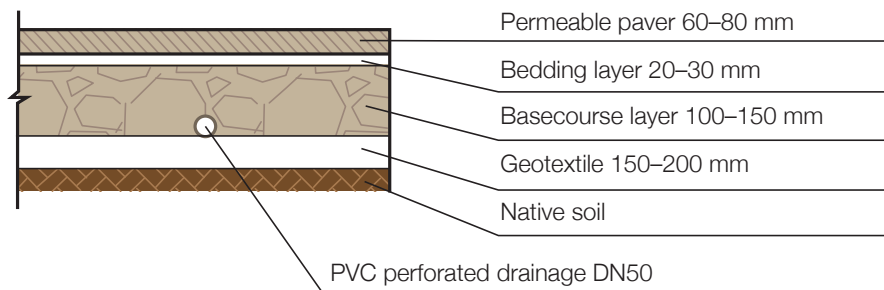


## ENVIRONMENT PROTECTION AND HARMONY

### Chunze Village (春澤莊) in the Street Block 23, Longhu District, Shantou City, and Jinsha East Road North Side Three Olds Renovation Project (金砂東路北側 三舊改造項目) in the Street Block 33, Longhu District, Shantou City

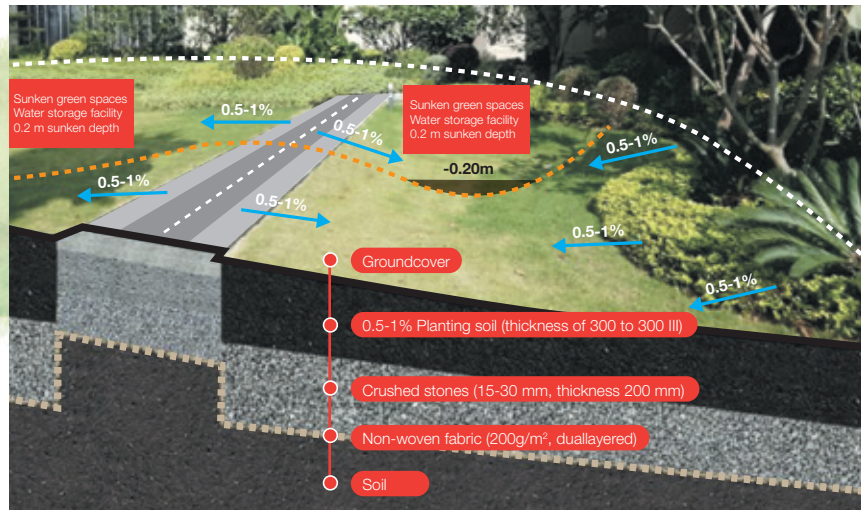
This project is based primarily on approved master urban planning, which specifically planned and designed to align with the requirements for urban drainage and flood prevention, river water systems, road traffic, garden green spaces, and environmental protection. It implements the concept of a sponge city that aims to build a natural system of storage, infiltration, and purification, and focuses on the protection and restoration of the original urban ecological system under the principle of Low Impact Development (LID) and with reference to research on rainwater control and utilization engineering programs. The project sets up types of LID measures and a planar layout, including sunken green spaces, rain gardens, rooftop greening, and permeable pavements. The total control rate of regional annual runoff is not less than 70%, while the pollutant reduction rate of the total annual runoff is not less than 50%. After the sponge city project is completed, the amount of rainwater discharged is reduced, and the drainage capacity of the surrounding pipeline network is effectively improved.

Illustration of permeable pavement construction:



ENVIRONMENT PROTECTION  
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Illustration of sunken green space:



GREEN BUILDING

Green building is the high-quality building that shall conserve resources, protect the environment, reduce pollution, provide people with healthy, comfortable, and efficient living spaces, and achieve harmonious coexistence between human and nature to the utmost, throughout their entire lifecycle. We actively promote the design principles of “green building” and strive to incorporate them into our projects whenever feasible.

We are committed to delivering green buildings, and incorporating various environmental and energy-saving elements to building planning and designs to create healthy and comfortable human habitation. In 2023, Logan added 3 new green building projects, all of which met the requirements for green buildings with one star and above. Logan has made consistent efforts to develop green buildings with a total gross floor area of over 40 million square meters.

Green building environmental protection goals:

Target	Status	Progress in 2023
100% of the new projects meet the green building design requirements for land transfer	●●●	100% of new projects in 2023 met the green design requirements for land transfer
All of our residential products are required to meet the requirements of green buildings with at least one star, and high-end projects strive to meet the requirements for green buildings with two stars and above	●●●	With effect from 2023, all projects will meet the requirements for green buildings with one star and above
Zero material environmental pollution throughout the Year	●●●	In 2023, no material environmental pollution and related complaints were identified.

●●● Completed | ●●○ As scheduled | ●○○ Behind the schedule

ENVIRONMENT PROTECTION  
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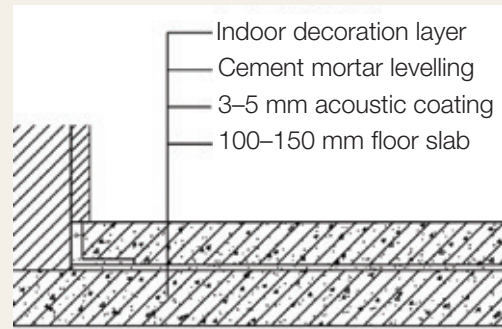
SHARING OUR GREEN BUILDING PROJECTS IN 2023



**Fire Station of  
Huizhou  
Logan City**  
(惠州龍光城消防站)

The project aims to focus on safety, durability, health, comfort, convenience, resource conservation, and pleasant residence. Energy-saving lighting systems are adopted, such as LED fixtures and automatic induction switch, to reduce lighting energy consumption. At the same time, the natural lighting system of the building is optimized to maximize the use of natural light and minimize reliance on artificial lighting. By harnessing the wind pressure effect between indoor and outdoor environments in the building shape, natural ventilation is created, resulting in decreased energy consumption of the building, improved indoor air quality, and enhanced indoor comfort. The floors of the main functional room are coated with 3-mm ALE soundproofing paint, achieving a sound level of 68dB from impact reduction and enabling the building to comply with the national standards for sound insulation performance requirements.

Illustration of the soundproofing paint structure:



ENVIRONMENT PROTECTION  
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**Shenzhen Guangming  
Garbage Station**  
(深圳光明垃圾站)

The project is located in the municipal green belt between Fenggui Road and Longda Expressway, away from residential areas to minimize the impact on residents. The project adopts green technologies such as indoor natural lighting and ventilation, safety glass, and charging piles to achieve a one-star green building rating. The concentration of pollutants such as ammonia, formaldehyde, benzene, total volatile organic compounds, and radon in the indoor air is more than 10% lower than the relevant requirements of current national standards. The project also sets up identification and use-friendly identification systems both inside and outside the building, promoting a green living philosophy of health, comfort, and harmonization with nature.

Illustration of the pipeline marking



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

 <b>Ventilation</b>	<p>The structure pattern is designed based on wind direction, exchanging indoor air twice per hour</p> <p>The ventilation system of the underground parking lot is automatically activated based on the density of carbon dioxide</p>	 <b>Temperature</b>	<p>The window area is not less than 10% of room area, for the purpose of natural convection and temperature adjustment</p> <p>Heat-absorbing glass, and insulation exterior wall and roof are installed</p>
 <b>Light</b>	<p>A Y-shaped design is conducive for 360-degree natural lighting</p> <p>The visible light reflection ratio of glass curtain walls is not more than 0.2, reducing light pollution</p>	 <b>Greening</b>	<p>The landscaped areas with a vegetative cover and over 30 types of plants are positioned, the area of which account for 30–50% of the project area</p> <p>Negative oxygen ion content in the landscaped area is 400–600/cm<sup>3</sup></p>
 <b>Sound</b>	<p>The weighted transmission loss of airborne sound is stabilized at 30dB by virtue of topography, boundary walls, green plants and insulating glass which effectively shields the noise</p> <p>Reinforced concrete, soundproof mortar and floor tiles are adopted for improving the soundproof efficiency</p>	 <b>Environmental protection</b>	<p>Solar panels and low-emissivity glass are equipped</p> <p>Non-hazardous and recyclable construction materials are used</p> <p>High-efficiency energy-saving and water-saving devices are installed to count water and electricity consumption</p>
 <b>Space</b>	<p>The plot ratio ranges from 1 to 6 for living comfort</p>	 <b>Intelligence</b>	<p>Our intelligent building management system is installed to automatically control air-conditioners and curtains according to weather data</p> <p>Corridors, stairwells, entrance halls and other places are installed with contactless lighting systems that are a timer, infrared, or radar-driven design</p>



## ENVIRONMENT PROTECTION AND HARMONY

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

- Shantou Guangxing Village Three Olds Renovation Project (汕頭廣興村三舊改造項目)
- Fire Station of Huizhou Logan City (惠州龍光城消防站)
- Shenzhen Guangming Garbage Station (深圳光明垃圾站)



Rainwater recovery system



Solar water heating system



Shantou Guangxing Village Three Olds Renovation Project (汕頭廣興村三舊改造項目)

## ENVIRONMENT PROTECTION AND HARMONY

Green building design fulfills consumers' higher expectations for living quality and environment protection. Logan Group currently has 53 green building projects in its land bank, with an estimated gross floor area of 23.65 million square meters. We are committed to applying more new technologies in the construction field so as to bring more high-quality green construction products to customers, leading to transformation and upgrade of living styles.

### GREEN CONSTRUCTION

We stress great importance to the impacts of the real estate business on the surrounding environment and natural resources. Under the development principle of green production, we consider environmental protection in every process of our production chain and seek to achieve the ultimate purposes, including energy conservation, water saving, material efficiency, emissions reduction, and harmonious coexistence with the environment. For example, we will install energy-saving devices such as automatic lighting control systems or energy consumption monitoring systems.

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

We continued to optimize policies regarding the use of resources, by constantly improving internal guidelines and monitoring mechanisms, while regularly organizing training and promotion activities to optimize the energy structure and proportion to increase the proportion of renewable energy use.

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

We listed environmental compliance work as a key development focus, requiring all frontline companies and cooperating units to comply with the environmental requirements of local governments and our corporate compliance requirements. We conducted regular inspections on innocuous waste emissions and utilization, and our supervision mechanisms for the Group, frontline companies, and projects were established to carry out group-wide inspections over all work in progress of the Group.

### Environmental impacts of construction projects

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

## ENVIRONMENT PROTECTION AND HARMONY

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

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



### Prefabricated Building Case

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

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

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

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

In 2023, our prefabricated buildings are expected to reduce emissions and construction wastes by 30%.

## ENVIRONMENT PROTECTION AND HARMONY

### Source emissions and pollution management

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

- set targets for the type and quantity of the emission source
- Set up a real-time tool for monitoring pollution sources (for instance, all projects are installed with online monitoring systems for dust pollution to monitor pollutant emissions from sources on a real-time basis), by which a timely report shall be submitted where any discharge exceeds the standard amount
- conduct analysis through comparing the source emission at the sites with targets, follow up on projects that need improvement and make reports in respect of entities that do not carry out adequate control
- regularly assign personnel to the construction sites for inspection to ensure no non-compliance matter occurs
- implement proper recycling and reuse of construction waste that meets the usage standards, aiming to reduce the external transportation and discharge of construction waste



## ENVIRONMENT PROTECTION AND HARMONY



### Air emissions and dust

- The “Measures for the Prevention and Control of Dust Pollution in Real Estate Construction Projects” is formulated, whereby specifying the responsibilities of the construction unit and the supervision unit, while providing contractors with dust control guidelines;
- All development projects use ready-mixed concrete and about 73% of development projects use ready-mixed mortar to reduce sand and gravel on site;
- For all our development projects, the construction entity hardens the ground of construction sites and covers the dust sources;
- All construction sites are equipped with mist sprayers and dust suppression systems as well as vehicle washing facilities for regular sprinkling and washing;
- Hygiene management staff is deployed at each construction site to clean up the floating soil and ash accumulated on the roads, storage yards and gateways every day;
- Automatic monitoring equipment must be installed on construction sites to monitor the dust situation in real time;
- Supervisors regularly review the dust prevention and control work, and report the unit with poor control work;
- All projects are equipped with automatic dust monitoring devices to realize automatic detection of dust and automatic dust suppression when exceeding the standard;
- All dust-prone loading, unloading and stacking have adopted dust prevention measures such as covering, enclosing and spraying;
- All construction sites are equipped with automatic washing devices, and all construction vehicles are allowed to enter and leave the site only after washing.



### Sewage

- We plan pipeline routes to prevent secondary pollution;
- We collect sewage that has been used and flow it into sedimentation tanks for filtration before discharge.

## ENVIRONMENT PROTECTION AND HARMONY



### Construction waste

- We review the engineering drawings to reduce the construction wastes caused by construction demolition at later stages as a result of the defects in drawings;
- Construction wastes are sorted out and stacked separately, and delivery records are kept for easy track of the wastes;
- We deliver hazardous wastes to qualified waste disposal companies to ensure the wastes are destroyed and disposed of in a compliant manner;
- Approximately 10% of construction wastes (including waste bricks, concrete block, fly ashes) are reprocessed as building blocks for the construction of the building wall to reduce the wastes and save the raw materials;
- The screened and cleaned building brick debris and other eligible recycled materials will be used for site backfilling, reducing the external transportation of construction waste.



### Noise

- The procedures which generate considerable noise are regulated. Construction of all projects is only carried out during the daytime to avoid disturbing residents in the surrounding areas;
- We use low-noise construction machinery in compliance with the required standards;
- Construction sites are equipped with sound insulation equipment to effectively reduce the noise in the nearby community;
- Noise detection equipment is installed to monitor the noise levels in real-time.

## ENVIRONMENT PROTECTION AND HARMONY

The Group establishes whistleblowing channels at construction sites, while related posters are placed outside the site office and the peripherals of construction sites, allowing our employees, contractors and the public to report any non-compliance incidents. The whistleblowing contents which are kept confidential will be submitted to the audit office. We did not receive any reports of violations in 2023.



### Use of Engineering Resources

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

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

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

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

#### **Achievements:**

- Water consumption decreased by 1.21 million cubic meters during the year, representing a decrease of 37% as compared to last year.

## ENVIRONMENT PROTECTION AND HARMONY



### Finely decorated residences

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



### Shanghai Logan • Fairyland Project (22 mu)

The entry door uses a 4D integrated electronic lock and is equipped with a visual intercom connected to the community property. ThyssenKrupp's smart voice elevator is also installed. The flooring in the living and dining area is ceramic tiles, while the wallpapered bedrooms have solid wood composite flooring. The entire housing unit is equipped with three major appliances, namely, central air conditioning, fresh air system, and underfloor heating, which are provided by well-known brands such as Hitachi and Fismann. The kitchen is equipped with a Moen faucet and sink, as well as a set of range hood, gas stove, and dishwasher under the Siemens brand. A kitchen cooling system is also provided to make cooking in summer less of a hassle. The bathroom is equipped with a mirrored cabinet, basin cabinet, Grohe hardware, Panasonic bath heater, and TOTO intelligent toilet, and more.





ENVIRONMENT PROTECTION  
AND HARMONY

## Logan • Fairyland Project in Qianhai

The living and dining areas use imported natural marble, three-dimensional textured artistic glass, exquisite wall coverings, and delicate stainless steel profiles. The kitchen cabinets are equipped with a high-end wall-mounted range hood, gas stove, fully embedded dishwasher of imported brands, and embedded refrigerator of Siemens brand. The balcony is equipped with a Rinnai bath heater and a Siemens washing machine. TOTO smart toilets and German top brands are used in the bathroom. There are also foyer and bathroom cabinets. The entire housing unit is equipped with smart home system, including lighting, scene control, remote control, floor control, remote monitoring, smart security functions, and home fitness and exercise equipment, aiming to provide convenient and comfortable residential conditions.



## ENVIRONMENT PROTECTION AND HARMONY

### GREEN OPERATION

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

#### Office Waste

We adopt various waste reduction measures in the office to reduce waste, including waste reduction at source and recycling. In terms of waste reduction at source, we utilize email and online document sharing systems to minimize the need for printing and photocopying. We also promote the use of electronic contracts to reduce the consumption of paper, toner, and ink cartridges. For files that require printing, we encourage double-sided printing. A single-sided paper recycling bin is set next to the printer to collect single-sided used paper for secondary printing of non-classified documents. In addition, we also prioritize the use of large-capacity printers that can add toners repeatedly to reduce waste toner cartridges. In terms of recycling, waste paper recycling bins are placed in our offices for collection of waste paper which will then be sent to qualified recyclers. Each department must report the number of stationery in advance for each month, and set a reasonable usage of stationery to further reduce waste.

#### Use of office resources

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

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

In terms of office waste, we have set up different waste bins to separate the collection of recyclable wastes such as waste paper, plastic, glass, and metal, with the aim to reduce the amount of waste disposal. In addition, we also minimize the use of disposable products such as free tableware and paper cups, and encourage our employees to bring their own tableware and cups, aiming to reduce waste at source.

## ENVIRONMENT PROTECTION AND HARMONY

### Promotion of external environment projects

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

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

Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental awareness. In 2023, we collaborated with different government and business units in various regions across the country to organize 1,926 sessions of environmental public welfare activities, covering the themes such as waste recycling, green living, environmental education, tree planting, and community cleaning, and attracting over 1.37 million participants, including children and teenagers, with the aim to carry on environmental protection.

### Activity sharing:



Shenzhen-Dongguan-  
Huizhou region



Guanghu region



Western Guangdong region



Fujian-Shantou region



## ENVIRONMENT PROTECTION AND HARMONY



### Green building improvement plan for existing properties

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

As of 2023, we implemented energy conservation and consumption reduction measures to improve 44 residential projects in 7 regions, including transformation of 5,335 radar sensor lights in underground garages for 32 projects under management in Shenzhen-Dongguan-Huizhou region, Zhongshan Acesite County and Zhongshan Acesite Park, optimization of water supply equipment for Southwest Masterpiece (西南玖雲著), adoption of intelligent control measures, such as time control/temperature control of central air-conditioning in the public area of projects including Shenzhen Carat Complex, Shenzhen Masterpiece and Fujian-Shantou Yuhai Tianxi (閩汕御海天禧), technical renovation measures, such as replacing energy-saving lamps, for Hushui Grand Garden (湖水悦熙園) and Shanjie Building (尚街大廈), and management energy-saving measures such as adjusting the lighting and opening/closing time of water systems in projects such as Guanghu-Zhaoqing Ace Prestige City (廣湖肇慶玖譽城), Fujian-Shantou Yuhai Tianxi, Royal & Seaward Sunshine (御海陽光), Seaward Sunshine (尚海陽光) and Logan Flying Dragon Landscape (龍騰嘉園), enabling the Company to save an electricity bill of RMB2.2737 million throughout the year.

- For Shenzhen Carat Complex and Shenzhen Masterpiece, 17 air conditioners in the lobby were equipped with timers, saving approximately RMB239,600 in electricity consumption compared to that before the measure was implemented;
- For Shenzhen Acesite Park, the suspension of commercial transformers was applied, saving approximately RMB420,000 compared to that before the measure was implemented;
- For Zhuhai Acesite Lake, 680 radar sensor lights in the underground garage were replaced, saving approximately RMB31,000 compared to that before the measure was implemented;
- For Southwest Masterpiece, the water supply equipment was optimized with numbers from 4 sets changing to 2 sets, saving approximately RMB42,000 compared to that before the measure was implemented;
- The estimated electricity consumption for the Year is expected to be reduced by 35%.

## ENVIRONMENT PROTECTION AND HARMONY

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

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

## GREEN AND LOCAL PROCUREMENT

We conduct environmental testing on materials prior to purchase by comparing sources of different materials, environmental protection ingredients, environmental protection effects, etc. Our green procurement standard is to purchase the construction materials and equipment that can be recycled, manufactured from recycled materials and meet the higher energy and water efficiency requirements, with less emission of irritating or toxic substances. Depending on the needs of each project, we will specify the required technical specifications for environmental protection, such as designated procurement of primary energy-saving and water-saving appliances. In 2023, our green procurement recorded a total amount of approximately RMB650 million, most of which are Grade A materials used in fine decoration projects.

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

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

## COMBATING CLIMATE CHANGE

With intensified climate change causing irreversible impacts on the earth's ecology, we will further make changes to accommodate home buyers' residential needs in the future when facing rising temperatures, frequent extreme weather, and changing population distribution and living conditions. We have continuously reviewed the direct and indirect impacts of climate change on us, assessed the risks, fully responded to the sustainable declaration and actively implemented various climate-related mitigation measures. In the future, we will continue to make early preparations to address climate change in collaboration with all walks of life.

## ENVIRONMENT PROTECTION AND HARMONY

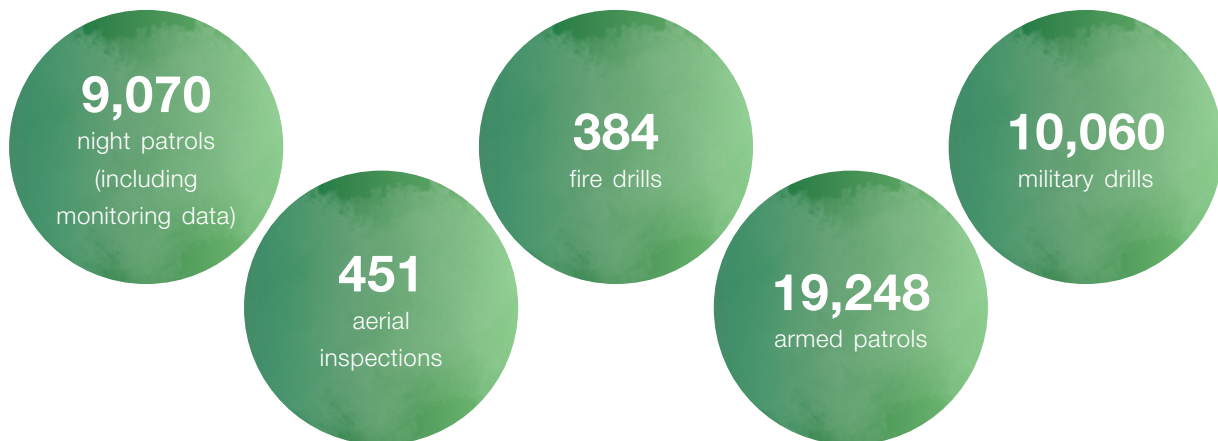
We have considered the impacts of climate change in our daily operations and our property management teams always stand by to protect the safety of residents and the public as soon as possible under extreme weather conditions, including making warnings and reminders, managing the community and arranging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

### Flood-proofing safety drills

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

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

In 2023:



### Greenhouse Gas

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

### Recommendation by Task Force on Climate-related Financial Disclosures

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

## ENVIRONMENT PROTECTION AND HARMONY

### Governance — Governance around climate-related risks and opportunities

The Chairman of the Board is also the Chairman of the Sustainability Committee and reports to the Board of Directors. The Board of the Group possesses diverse experiences, skills, and management styles. A well-functioning and effective Board can effectively oversee strategies to address climate-related risks and opportunities. The committee will regularly review the information regarding climate-related risks and opportunities, as well as the Group's climate-related issues and strategies, to formulate medium-term and long-term development policies. It will also supervise the Sustainability Working Group and business departments.

The Sustainability Working Group is composed of dedicated personnel and external professional consultants of the Operation Center, who report to the committee. The working group will coordinate business departments to implement climate-related development strategies and policies.

### Strategy — Countermeasures for climate-related risks and opportunities

We are constantly aware of the potential financial impact of climate-related risks, while exploring related opportunities. Through the analysis conducted by the Sustainability Working Group, materiality assessment, and risk prioritization, we have identified significant risks and opportunities that are applicable to both the operation and value chain of the Group, including climate change and the environmental impact of the Group's operation. When implementing our business and sustainable development strategies, the Group takes into account climate-related risks and opportunities.

We actively secure green certifications for all buildings, and prioritize green and climate-resilient building designs for new construction projects, aiming to mitigate the impact of extreme weather and long-term climate change on the Group's assets and projects. We will also update the facilities of existing buildings and incorporate green building elements to achieve our green building objectives, while meeting potential regulatory requirements and market expectations for green businesses.

We have formulated policies related to climate-related risks and opportunities to motivate the Group and other stakeholders to jointly implement the green operation policy. Policies include "Green Lease Charter", "Supplier Code", and "Energy and Water Management System".

ENVIRONMENT PROTECTION  
AND HARMONY

**Risk Management** — Management of climate-related risks

Physical risks

Categories	Description	Risk events and financial implications
<b>Acute risks</b>	A single extreme weather event due to climate change such as typhoons and floods, may impact operations of the Group.	<p><b>Climate change conditions</b></p> <p>Extreme weather conditions and long-term climate pattern changes may damage properties, physical assets, and even lives and property, in addition to higher maintenance costs, materials procurement costs, and liability-related costs. Furthermore, revenue will decrease if operations for a prospective business ceases and delays.</p>
<b>Chronic risks</b>	Long-term changes in climate patterns such as sea-level rise, increasing average temperatures, and changes in rainfall patterns, may impact the long-term operation of the Group.	

Transition risks

Categories	Description	Risk events and financial implications
<b>Policy and regulatory risks</b>	<p>Regulations and policies related to climate change may limit any action that could exacerbate climate change, or facilitate climate change and adaption.</p> <p>The Group's operating policy will be affected by relevant policies, and non-compliance will increase the risk of litigation.</p>	<p><b>Carbon pricing</b></p> <p>Markets where the business operates may impose carbon pricing due to policies, which will increase overall operating costs.</p> <p><b>Building rules and guidelines</b></p> <p>The government may tighten building energy codes and guidelines to regulate highly polluting projects in the industry, strengthen emission-reporting requirements and promote green buildings. The move will increase overall operating costs to comply with regulations.</p>



ENVIRONMENT PROTECTION  
AND HARMONY

## Transition risks

Categories	Description	Risk events and financial implications
<b>Market risks and reputation risks</b>	The Group's goodwill will be affected if the market's expectations on its climate-related issues differ from the Group's approach.	<p><b>Investors</b></p> <p>Investors' demand for sustainability investment has increased, and there are more options for green bonds and green investment products. As a result, we are in a better position to gain access to green funds.</p> <p><b>Customers</b></p> <p>In the midst of the growing market demand for green buildings, customers are more inclined to set up offices in green buildings in order to achieve their sustainability goals. The move will boost earnings.</p>
<b>Technical risks</b>	Improvements and innovations in green technologies will drive benefits, uncertainties of which will, however, bring risks. Technology transformation within the Group also increases risk.	<p><b>Environmental-friendly materials</b></p> <p>The use of environmental materials will increase the overall procurement cost.</p> <p><b>Energy</b></p> <p>Research into renewable energy will increase investment costs, and the transition to more renewable energy will also put pressure on existing systems.</p> <p><b>Technology</b></p> <p>Research into the application of new technologies will increase investment costs and technology transformation costs.</p>

ENVIRONMENT PROTECTION  
AND HARMONY

**METRICS AND TARGETS**

**Metrics and targets used to assess and manage climate-related risks and opportunities facing of Logan Group**

Logan has established a greenhouse gas emissions database and calculated and disclosed Scope 1 and 2 greenhouse gas emissions in the report with reference to the Greenhouse Gas Protocol, the Guide for Greenhouse Gas Emission Accounting Methods and Reporting for Public Building Operators (Trial) and the Reporting Guidance on Environmental KPIs. In the future, Logan will continue to explore the calculation of Scope 3 greenhouse gas emissions.

In addition, Logan also discloses and constantly monitors environmental indicators such as non-hazardous and hazardous waste, water consumption, and energy consumption.

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

Category	Quantifiable targets (target for 2027)	Implementation plan
<b>Air emissions</b>	Overall air emissions down 10% from 2022 (2023: 6,222 kilograms, a decrease of 36% as compared to 2022)	<ol style="list-style-type: none"> <li>Standardized dust prevention measures and equipment will be adopted at the construction site</li> <li>Construction waste and debris will be timely removed</li> <li>Greenery and visual improvement measures will be taken at the construction site</li> <li>New energy vehicles and equipment will be utilized</li> </ol>
<b>Carbon emissions</b>	Overall carbon emissions down 10% from 2022 (2023: 15,022 tonnes, a decrease of 30% as compared to 2022)	<ol style="list-style-type: none"> <li>We continue to promote green building</li> <li>The application of new techniques, new materials, and new systems will be increased</li> <li>The timeframe for operating construction machinery and equipment is reasonably interspersed with that for construction activities</li> </ol>
<b>Wastewater emissions</b>	Overall wastewater emissions down 10% from 2022 (2023: 352,910 tonnes, a decrease of 46% as compared to 2022)	<ol style="list-style-type: none"> <li>Management of construction wastewater is strengthened by recycling the innocuously treated wastewater back to the construction site</li> <li>The standard on-site restroom facilities of the project are installed to treat domestic wastewater that will be regularly cleaned up by specialized sewage cleaning vehicles</li> </ol>

ENVIRONMENT PROTECTION  
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Category	Quantifiable targets (target for 2027)	Implementation plan
<b>Non-hazardous and hazardous wastes</b>	Intensity of non-hazardous and hazardous wastes down by 8% from 2022 (2023: 0.048 tonne per square meter, a decrease of 19% as compared to 2022)	<ol style="list-style-type: none"> <li>Green building materials are selected</li> <li>Recyclable materials, reusable materials and waste building materials are selected</li> <li>Garbage sorting and collection sites are established properly, and domestic waste is classified according to hazardous waste, perishable waste, recyclable waste, and others</li> <li>Effective work on publicity and education about waste classification and collection and its implementation shall be carried out</li> <li>Hazardous wastes shall undergo harmless treatment</li> </ol>
<b>Energy consumption</b>	Intensity of energy consumption and corresponding greenhouse gas/air emissions down 30% from 2022 (intensity of energy consumption and corresponding greenhouse gas/air emissions was 1.39 tonnes in 2023, an increase of 41% as compared to 2022. This is primarily due to a significant reduction in the area of properties under development, which led to an increase in emission intensity, but overall energy consumption decreased.)	<ol style="list-style-type: none"> <li>High-efficiency and energy-saving air conditioning systems, fans, transformers, elevators, etc. will be installed</li> <li>The external protection and thermal insulation system will be optimized</li> <li>On-site space will be utilized to set up green land</li> <li>Renewable energy will be used</li> </ol>
<b>Water consumption</b>	Intensity of water consumption and sewage down 10% from 2022 (intensity of water consumption for 2023 was 0.20 m <sup>3</sup> per square meter, an increase of 28% as compared to 2022; intensity of sewage for 2023 was 0.03 m <sup>3</sup> per square meter, an increase of 9% as compared to 2022. This is primarily due to a significant reduction in the area of properties under development, which led to an increase in emission intensity, but overall water consumption and sewage decreased.)	<ol style="list-style-type: none"> <li>Domestic water appliances rated at the level 2 and above in terms of water consumption efficiency are used to reduce water consumption</li> <li>The rainwater recovery system and reclaimed water system are installed to recycle water resources</li> <li>High-efficiency and energy-saving water pumps are installed to reduce loss</li> <li>Green irrigation adopts water-saving irrigation techniques such as micro- sprinkler irrigation</li> </ol>

## ENVIRONMENT PROTECTION AND HARMONY

### PROMOTION OF ENVIRONMENTAL PROTECTION AWARENESS

Aiming to promote the public awareness of environment protection and encourage the communities to make contributions to a better environment, the Group makes great efforts to promote environmental education and campaigns by daily operation, facilities construction and community activities.

<b>Daily operation</b>	The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work.
<b>Facilities construction</b>	Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation management staff of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants.
<b>Community activities</b>	Community activities: Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental protection awareness.

# COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

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



## ESG issues

- 31 Stakeholder involvement
- 32 Community public welfare and investment
- 33 Inheritance of traditional culture



## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### ESG issues

### Progress in 2023



#### 31 Stakeholder involvement

By analyzing the dependence and influence of the stakeholders on the Group conducted by our operation and management departments, the Group identifies our major internal and external stakeholders to collect the stakeholders' opinions and concerns. To present the stakeholders with the Group's commitments and management methods regarding sustainable development, the Group published 18 sustainable development policies on its official website. In addition, the Group has established a platform for communications with the stakeholders through its official WeChat account, delivering corporate information in a timely manner.



#### 32 Community public welfare and investment

Logan's public welfare undertakings cover 38 countries and regions in 9 provinces in the PRC, with more than 560 public welfare programs. Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy and Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award.



#### 33 Inheritance of traditional culture

As of 2023, in addition to donation of RMB300,000 to the China Next Generation Education Foundation, the Group purchased and donated 926 sets of "Classic Readings of Chinese Ancient Poetry (中華古詩文經典讀本)" to various institutions, including the rural primary schools in Jishishan County, Linxia Hui Autonomous Prefecture, Gansu Province, Zhaoqing Children Welfare Association of Guangdong Province, and the rural primary schools in Lezhu Town, Xinxing County, Guangdong Province, in the "Chinese Excellent Traditional Culture Public Welfare Activity in respect of Education (中華優秀傳統文化公益助教行動)" to pass on the excellent traditional Chinese culture to poverty-stricken areas, so that the children left behind can learn about the knowledge of Chinese ancient poetry and inherit Chinese traditional virtue.

## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### LOGAN'S PUBLIC WELFARE

Following over 20 years of commitments to social responsibility and public welfare, Logan's public welfare undertakings cover 38 countries and regions in 9 provinces in the PRC, with more than 560 public welfare programs. Logan Group, together with Logan Charity Fund (龍光慈善基金會), has donated RMB1 billion in the education aid, rural rejuvenation, epidemic fight and disaster relief, industrial poverty alleviation, environmental protection and community services, and has won more than 200 awards such as Award for Outstanding Contribution to Chinese Philanthropy, Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award, and Advanced Private Enterprise in Guangxi-Guangdong Cooperation for the Revitalization of Enterprises and Villages (粵桂協作萬企興萬村先進民營企業).

### 2023/Our footprint in public welfare

#### Logan Group

- Over **50,280** hours of volunteer services
- Over **21,120** individuals received services from volunteers
- Cumulative contribution of more than RMB **1,089,200**



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

- “Caring Enterprise” under Public Welfare Subscription Program by the Periodical Office of the Chinese People’s Political Consultative Conference in 2023 (2023年度中國政協雜誌社《公益贈閱》“愛心企業”)
- 2022 Advanced Private Enterprise in Guangxi-Guangdong Cooperation for the Revitalization of Enterprises and Villages (2022年粵桂協作萬企興萬村“先進民營企業”)
- 2021 Guangdong Province Poverty Alleviation Cotton Cup Gold Cup Award (2021年度廣東扶貧濟困紅棉杯金杯)
- 2021 China Real Estate Annual Rural Revitalization Model Enterprise (2021 中國地產年度鄉村振興樣本企業)
- “Outstanding Charity Project Award” for 2021 Chinese Real Estate among Top 100 Chinese Real Estate (2021 中國地產時代百強榜“優秀公益項目獎”)
- 2021 Socially Responsible Property Developers (2021年度社會責任地產企業)
- “Ten Best Charity Institutions” under Shenzhen Project Care



## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

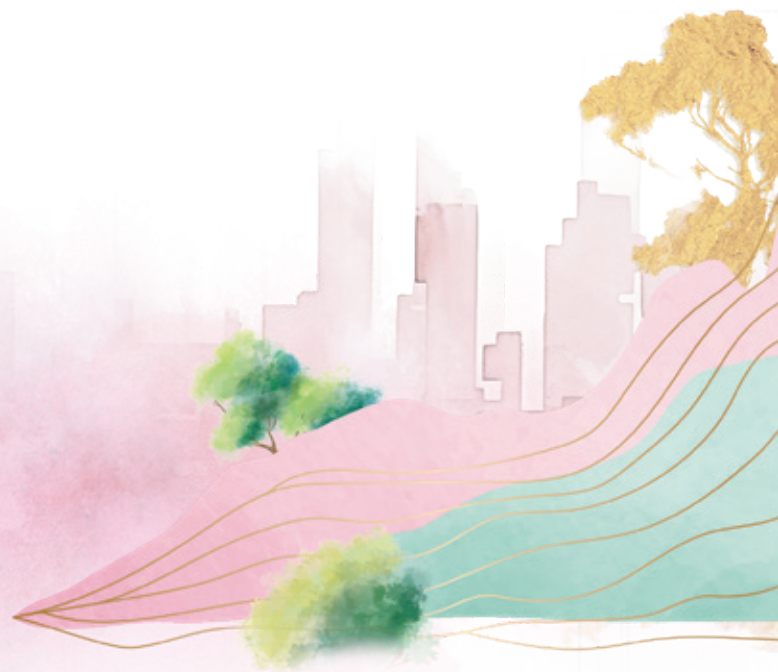
### Public Welfare System

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

The Group continuously participates in the public welfare initiatives such as poverty alleviation, education, disaster relief and helping the disabled promoted by government authorities in Guangdong, Guangxi, Sichuan and Hainan. For instance, the Group participates in the annual poverty alleviation day in Guangdong Province, in which it will deeply engage in poverty alleviation programs in the province under the leadership of the government authorities of Shenzhen, Shantou, Huizhou, Heyuan and Foshan, etc. The Group has developed long-term relationship with various renowned institutions such as Shenzhen Charity Federation and Shantou Charity Federation for public welfare cooperation. The Group has cooperated with approximately 220 government organizations/non-profit commonweal organizations for the Years.



"Caring Enterprise" under Public Welfare Subscription Program by the Periodical Office of the Chinese People's Political Consultative Conference in 2023 (2023年度中國政協雜誌社《公益贈閱》“愛心企業”)





## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### Public welfare targets

The Group's 2018–2022 Five-Year Plan for Public Welfare defines the direction and targets of public welfare, providing guidance for the Group's future public welfare activities. As of 2023, the Group's achievements in public welfare are as follows:

Targets	Status	Achievement as of 2023
Poverty alleviation projects covering at least 30 regions	● ● ●	The Group's poverty alleviation projects have covered 38 regions and countries including Guangdong, Guangxi, Sichuan, Hainan, Yunnan and Gansu to date
Participation in the poverty alleviation day activity of Guangdong Province and the support of provincial municipal targeted poverty alleviation work every year	● ● ●	We have actively participated in poverty alleviation actions in Shantou, Heyuan, Huizhou and other areas
Development of at least 5 featured projects	● ● ●	5 featured projects were developed, including "Guangyuan Education Program (光源教育計劃)", "Logan Book Courts" (龍光書苑), "Combating COVID-19 Pandemic (新冠抗疫)" and "Flood Relief (水災救助)"
Launch of 5–10 educational poverty alleviation projects	● ● ●	10 educational poverty alleviation projects were launched in Jingxi, Guangxi, as well as Shantou and Huizhou, Guangdong
Building of at least 5 beautiful villages	● ● ●	6 rural revitalization projects were launched, namely 4 villages in Deqing County, Guangdong Province, Liannan Yao Autonomous County, and village-level clinic in Guangxi
Establishment of 15 "Logan Book Courts" (龍光書苑)	● ● ○	We have opened 11 Logan Book Courts (龍光書苑) in Guangdong and Guangxi. Due to the sluggish real estate market in 2023, the predetermined target failed to be achieved by the end of 2023 to save costs. After weathering through the industry's downturn, the Group will continue to work towards the predetermined target in the future
Incubation of 2 volunteer teams	● ● ●	Total 2 volunteer teams were incubated in Headquarters and Guangxi Subsidiary respectively

● ● ● Completed | ● ● ○ As scheduled | ● ○ ○ Behind scheduled

## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



### Community Development

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

- Pandemic prevention measures in the communities: We adopted pandemic prevention measures in the communities in strict accordance with the relevant regulations.
- Logan Book Court (龍光書苑): 11 Logan Book Courts (龍光書苑) which continue to operate and provide services build a platform for neighborhood interaction to promote harmonious development in the community.
- Various community activities of different scales such as family activities, healthcare promotions, entertainment and recreation parties.

On 8 January 2023, under the guidance of Shenzhen Guangming District Civil Affairs Bureau, organized by Shenzhen Guangming Community Foundation and Shenzhen Logan Charity Fund (深圳市龍光慈善基金會), along with co-organizers such as Shenzhen Social Work College and Dongkeng Community Party Service Center (東坑社區黨群服務中心), the Launching of the Vibrant Community Co-construction Program and Inauguration of Logan Book Courts in Guangming District (光明區活力小區共建計劃啟動暨龍光書苑揭牌儀式) were smoothly held. On the same date, representatives from various units and nearly one hundred residents from Shenzhen Logan • Acesite Park (深圳龍光 • 玖龍臺) participated in the event.

The event also offered a diverse range of convenient services for the vibrant community, providing community residents with volunteer services, including writing of Spring Festival couplets, haircuts, medical consultations, free carpet cleaning, and engaging in parent-child reading sessions at the book courts and parent-child arts and crafts experiences.

## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

### TALENT EDUCATION

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

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

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

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

#### Guangdong-Guangxi Education Poverty Alleviation Project

In 2016, Logan Group invested RMB20 million in Jingxi to set up an education poverty alleviation fund, which supports financially challenged college students, students with disabilities and from poverty-stricken families, orphans at school, and students who are de facto orphans. From 2017 to 2023, the donation has sponsored a number of students, including orphans, de facto orphans, and poor students from families with disabilities. The donation will continue to be used for subsidizing students' living expenses to promote their healthy growth, supporting the beneficiaries until they graduate from university, and being allocating to student scholarships to encourage students, etc. Since the implementation of the project, no single student dropped out of school due to financial difficulties. The project has helped to solve the learning and living difficulties of underprivileged students, effectively reducing the economic burden on their families. These students achieved their dreams of education and experienced the warmth and care of the society.

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

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

## COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

At present, there are 11 Logan Book Courts operating in the communities, including:

- Shantou • Seaward Sunshine (汕頭 • 尚海陽光) Logan Book Court
- Fangchenggang • Sunshine Seaward (防城港 • 陽光海岸) Logan Book Court
- Shenzhen • Acesite Mansion (深圳 • 玖龍臺) Logan Book Court
- Foshan • Sky Lake Castle (佛山 • 天湖華府) Logan Book Court
- Foshan • Grand Riverside Bay (佛山 • 水悅龍灣) Logan Book Court
- Huizhou • Logan City (惠州 • 龍光城) Logan Book Court
- Huizhou • Grand Riverside Bay (惠州 • 水悅龍灣) Logan Book Court
- Shenzhen Logan • Carat Complex (深圳龍光 • 玖鑽) Logan Book Court
- Nanning • Acesite Lake (南寧 • 玖瓏湖) Logan Book Court
- Shenzhen Logan • Masterpiece (深圳龍光 • 玖雲著) Logan Book Court
- Shenzhen • Acesite Park (深圳 • 玖龍臺) Logan Book Court



### VOLUNTEER SERVICES

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

The volunteer awards have been set up by the Foundation to regularly recognize the outstanding performance of volunteers in accordance with the hours and quality of voluntary services, and encourage other volunteers and attract new members, with a view to achieving a better voluntary performance.

Logan will continue to launch more environmental protection and community service projects in the future to give back to society.

# STATISTICS SUMMARY<sup>1</sup>

Types of air emissions, sewage and GHG emission <sup>2</sup>	Unit	2023	2022	2021
<b>Air emissions and sewage discharge<sup>3</sup></b>				
Nitrogen oxide (NOx) <sup>4</sup>	Kg	371	522	928
Sulfur oxides (SOx) <sup>4</sup>	Kg	3	6	9
Particulate matters (PM) <sup>4</sup>	Kg	4,019	6,340	10,909
Hydrocarbon (HC) <sup>4</sup>	Kg	27	37	56
Volatile organic compounds (VOC) <sup>4</sup>	Kg	410	647	1,113
Carbon monoxide (CO) <sup>4</sup>	Kg	1,391	2,194	3,745
Sewage <sup>4</sup>	Tonnes	352,910	655,837	844,502
<b>GHG Emission<sup>5</sup></b>				
Direct GHG emissions (Scope 1)	Tonnes	628	997	1,608
Intensity (per square meter of gross floor area of construction and offices)		0.00006	0.00005	0.00006
Indirect GHG emissions (Scope 2)	Tonnes	14,394	20,513	33,381
Intensity (per square meter of gross floor area of construction and offices)		0.00133	0.00094	0.00127

<sup>1</sup> All environmental data, such as GHG emissions and energy consumption, are only calculated for the portion directly emitted or produced by Logan's business operations.

<sup>2</sup> As compared to last year, "air emissions, sewage, and GHG emissions", "hazardous waste", "non-hazardous waste", "energy consumption", and "water consumption" have all decreased significantly due to the significant decrease in the gross floor area in 2023 as compared to last year.

<sup>3</sup> Calculation of data regarding gas emissions is based on the technical specifications and operating data of construction machinery and transportation vehicles. Calculation of the data refers to the methodologies listed in the "Reporting Guidance on Environmental KPIs" of the HKEX.

<sup>4</sup> Nitrogen oxide emissions are calculated based on the annual fuel consumption; sulfur oxide emissions are calculated based on the annual consumption of fuel oil; particulate matter emissions are calculated based on the construction area; hydrocarbon emissions are calculated based on the annual consumption of fuel oil; volatile organic compound emissions are calculated based on the consumption of materials such as paints; carbon monoxide emissions are calculated based on the annual consumption of fuel oil; and sewage emissions are calculated based on the annual consumption of water.

<sup>5</sup> Data only comprises energy utilized by the Group over the course of its business operation, excluding energy consumption beyond direct control by the Group. Calculation of carbon dioxide emission is based on the Greenhouse Gas Protocol jointly published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), the 2022 National Grid Baseline Emission Factors in China published by the Ecological and Environmental Ministry of the People's Republic of China and the Guide for Greenhouse Gas Emission Accounting Methods and Reporting for Public Building Operators (Trial) published by the National Development and Reform Commission of the People's Republic of China, and the Reporting Guidance on Environmental KPIs by the Stock Exchange of Hong Kong Limited.

STATISTICS  
SUMMARY<sup>1</sup>

Types of hazardous waste <sup>2,6</sup>	Unit	2023	2022	2021
<b>Construction wastes</b>				
Asbestos	Tonnes	0.85	1.35	2.32
Fluorescent light tubes	Tonnes	0.66	1.04	1.79
<b>Office wastes<sup>7</sup></b>				
Ink cartridges	Tonnes	0.78	1.35	2.08
Toner cartridges	Tonnes	1.84	3.12	4.03

Types of non-hazardous wastes <sup>2</sup>	Unit	2023	2022	2021
<b>Construction wastes</b>				
Building debris	Tonnes	18,099	29,869	50,358
Rubble	Tonnes	2.42	3.99	6.87
Earth	Tonnes	375,144	1,047,463	1,694,144
Concrete	Tonnes	122,243	206,811	352,273
Asphalt	Tonnes	199	329	546
Metal scrap	Tonnes	683	1,126	1,803
Wood	Tonnes	1,695	2,798	4,674
<b>Office wastes<sup>7</sup></b>				
Paper	Tonnes	30.24	40.38	50.68
Paper cups	Tonnes	2.05	3.20	4.12
Plastic bottles	Tonnes	0.42	0.78	1.13

<sup>6</sup> The identification of hazardous wastes is based on "Directory of National Hazardous Wastes" (國家危險廢物名錄) issued by the Ministry of Environmental Protection of the People's Republic of China.

<sup>7</sup> Calculation of data regarding harmful office wastes is based on the annual purchase amount.

## STATISTICS SUMMARY<sup>1</sup>

Energy consumption <sup>2</sup>	Unit	2023	2022	2021
<b>Energy consumption of building</b>				
Total electricity	kWh	21,984,005	34,681,343	59,678,411
Intensity (per square meter of gross floor area of construction)		2.0401	1.5916	2.2796
Gasoline	liter	39,742	62,697	107,886
Intensity (per square meter of gross floor area of construction)		0.0037	0.0029	0.0041
Diesel	liter	61,622	97,214	167,281
Intensity (per square meter of gross floor area of construction)		0.0057	0.0045	0.0064
Natural gas	cubic meter	7,705	12,155	20,915
Intensity (per square meter of gross floor area of construction)		0.0007	0.0006	0.0008
<b>Energy consumption of office</b>				
Total electricity	kWh	3,255,108	4,458,815	5,385,509
Intensity (per square meter of gross floor area of offices)		150.4557	136.1387	117.3411
Gasoline	liter	148,230	236,745	356,678
Intensity (per square meter of gross floor area of offices)		6.8514	7.2284	7.7716
Natural gas	cubic meter	12,564	19,846	36,547
Intensity (per square meter of gross floor area of offices)		0.5807	0.6059	0.7963
<b>Water consumption<sup>2</sup></b>				
<b>Water consumption</b>				
Water consumption	cubic meter	2,082,948	3,294,544	5,271,106
Intensity (per square meter of gross floor area of construction)		0.1933	0.1512	0.2013
<b>Water consumption of office</b>				
Water consumption	cubic meter	71,679	95,782	102,675
Intensity (per square meter of gross floor area of offices)		3.3131	2.9245	2.2372

STATISTICS  
SUMMARY<sup>1</sup>

Total workforce	Unit	2023	2022	2021
<b>Gender</b>				
Male	person	1,478	1,612	1,946
Female	person	760	749	951
<b>Types of employment</b>				
General employee	person	1,467	1,522	1,858
Middle level staff and management	person	704	779	983
Senior management	person	67	60	56
<b>Age group</b>				
Below 30	person	396	392	728
30–49	person	1,734	1,885	2,111
50 or above	person	108	84	58
<b>Geographical region</b>				
Mainland China	person	2,187	2,313	2,837
Hong Kong Special Administrative Region	person	35	35	43
Singapore	person	16	13	17
<b>Employee turnover rate</b>				
<b>Resignation for the year</b>				
<b>Gender</b>				
Male	person	549	1,217	972
Female	person	265	530	421
<b>Age group</b>				
Below 30	person	164	433	416
30–49	person	628	1,289	962
50 or above	person	22	25	15
<b>Geographical region</b>				
Mainland China	person	800	1,725	1,390
Hong Kong Special Administrative Region	person	12	15	3
Singapore	person	2	7	0



STATISTICS  
SUMMARY<sup>1</sup>

<b>Employment for the year</b>				
<b>Gender</b>				
Male	person	282	176	884
Female	person	217	113	407
<b>Age group</b>				
Below 30	person	159	81	482
30–49	person	324	205	808
50 or above	person	16	3	1
<b>Geographical region</b>				
Mainland China	person	480	271	1,291
Hong Kong Special Administrative Region	person	13	15	0
Singapore	person	6	3	0
<b>Number of work-related fatalities per year</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Number of work-related fatalities	person	0	0	0
Lost days due to work injury	work days	30	75	543.5
<b>Percentage of employees trained</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Gender</b>				
Male	percentage	100%	100%	100%
Female	percentage	100%	100%	100%
<b>Types of employment category</b>				
General employee	percentage	100%	100%	100%
Middle level staff and management	percentage	100%	100%	100%
Senior management	percentage	100%	100%	100%
<b>Average training hours of employees</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Gender</b>				
Male	hour	36.00	36.00	35.90
Female	hour	36.01	36.00	35.58
<b>Types of employment category</b>				
General employee	hour	36.20	36.20	35.0
Middle level staff and management	hour	35.98	35.94	37.3
Senior management	hour	31.63	31.80	36.0
<b>Number of suppliers</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total number of suppliers in Mainland China	person	4,572	4,285	3,485
Total number of suppliers in Hong Kong	person	0	4	0
<b>Service complaints</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Service complaints received	case	599	682	603
<b>Legal cases regarding corrupt practices</b>				
	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Concluded legal cases regarding corrupt practices	case	1	1	2

## INDEX OF REPORTING INDICATORS

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

Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>A1:</b> Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	ENVIRONMENT PROTECTION AND HARMONY	
	A1.1	The types of emissions and respective emissions data	STATISTICS SUMMARY	
	A1.2	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions and intensity	STATISTICS SUMMARY	
	A1.3	Total hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.4	Total non-hazardous waste produced and intensity	STATISTICS SUMMARY	
	A1.5	Description of emission target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY	
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>A2:</b> Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	STATISTICS SUMMARY	
	A2.2	Water consumption in total and intensity	STATISTICS SUMMARY	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CONSTRUCTION/GREEN OPERATION	
	A2.5	Total packaging material used for finished products and per unit produced	N/A	The relevant disclosure is not applicable to our business which does not involve a large amount of packaging materials
<b>A3:</b> Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	ENVIRONMENT PROTECTION AND HARMONY – GREEN CITIES/GREEN CONSTRUCTION	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	ENVIRONMENT PROTECTION AND HARMONY – GREEN CITIES/GREEN CONSTRUCTION	
<b>A4:</b> Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	ENVIRONMENT PROTECTION AND HARMONY – COMBATING CLIMATE CHANGE	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B1:</b> Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	EMPLOYEE CARE AND GROWTH	
	B1.1	Total workforce by gender, employment type, age group and geographical region	STATISTICS SUMMARY	
	B1.2	Employee turnover rate by gender, age group and geographical region	STATISTICS SUMMARY	
<b>B2:</b> Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	
	B2.1	Number and rate of work-related fatalities in the past three years	STATISTICS SUMMARY	
	B2.2	Lost days due to work injury	STATISTICS SUMMARY	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	EMPLOYEE CARE AND GROWTH – OCCUPATIONAL HEALTH AND SAFETY	
<b>B3:</b> Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	EMPLOYEE CARE AND GROWTH – DEVELOPMENT AND TRAINING	
	B3.1	The percentage of employees trained by gender and employee category	STATISTICS SUMMARY	
	B3.2	The average training hours completed per employee by gender and employee category	STATISTICS SUMMARY	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B4:</b> Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
	B4.1	Description of measures to review employment practices to avoid child and forced labour	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
	B4.2	Description of steps taken to eliminate such practices when discovered	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF CHILD AND FORCED LABOUR	
<b>B5:</b> Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.1	Number of suppliers by geographical region	STATISTICS SUMMARY	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – SUSTAINABLE SUPPLY CHAIN	
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	ENVIRONMENT PROTECTION AND HARMONY – GREEN AND LOCAL PROCUREMENT	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE	
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	The relevant disclosure is not applicable to our business which does not involve product recall
	B6.2	Number of products and service related complaints received and how they are dealt with	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN – SERVICE QUALITY	
	B6.3	Description of practices relating to observing and protecting intellectual property rights	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – INTELLECTUAL PROPERTY RIGHTS	
	B6.4	Description of quality assurance process and recall procedures	URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE – PRODUCT QUALITY AND SAFETY	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PERSONAL PRIVACY AND INFORMATION PROTECTION	

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Aspect	No.	Reporting Guide	Section of Reporting	Remark
<b>B7:</b> Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	STATISTICS SUMMARY	
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
	B7.3	Description of the anti-corruption training provided to directors and employees	BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING	
<b>B8:</b> Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	
	B8.1	Focus areas of contribution	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	
	B8.2	Resources contributed to the focus area	COMMUNITY DEVELOPMENT AND PUBLIC WELFARE	

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