

仁恒
YANLORD

YANLORD LAND GROUP LIMITED
SUSTAINABILITY REPORT
2021

SUSTAINABLE



About this Report



Yanlord Arcadia, Shanghai, PRC
仁恒海上源, 上海, 中国

Yanlord Land Group Limited (“Company” together with its subsidiaries, “Group”, individually or collectively, “Yanlord” or “we” or “our” or “us”) is a real estate developer focusing on developing high-end fully-fitted residential, commercial and integrated property projects in strategically selected key and high-growth cities in the People’s Republic of China (“PRC”) and Singapore. The Company has been listed on the mainboard of the Singapore Exchange since June 2006.

We continue to reaffirm our commitment towards sustainability with an annual sustainability report aiming to provide stakeholders a holistic and transparent account of the Group’s sustainability approach, initiatives and performance in the environmental, social and governance (“ESG”) aspects.

Yanlord’s focus for this sustainability report for the financial year ended December 31, 2021 (“FY 2021”) (“Sustainability Report”) or (“Report”) is to improve the quality of its sustainability disclosures following major updates to its sustainability reporting scope in the financial year ended December 31, 2020 (“FY 2020”). Key updates for FY 2021 include:

- Taking reference from the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations for qualitative disclosures on climate change issues. Yanlord aims to align its disclosures on climate-related issues to the TCFD recommendations in the future;
- Enhancing its disclosures based on Morgan Stanley Capital International ESG rating metrics; and
- Mapping of sustainability initiatives to the 11 adopted United Nations Sustainable Development Goals (“UN SDGs”).

Yanlord has not commissioned an independent external assurance on this Sustainability Report, but may consider doing so in future as its sustainability reporting practices mature.

This Report should be read together with our Annual Report for FY 2021 (“Annual Report 2021”) for a comprehensive view of our businesses and performance.

REPORTING SCOPE AND PERIOD

Unless otherwise stated, the reporting scope for this Sustainability Report covers:

PRC

Yanlord Corporate Office Yanlord’s Property Business Segments

- Property Development¹
- Property Investment and Hotel Operations²
 - Managed Properties
 - Hotels and Serviced Apartments
- Property Management³

Singapore

Yanlord Corporate Office Yanlord’s Property Business Segments⁴

- Property Development¹
- Property Investment and Hotel Operations²
 - Managed Properties
 - Hotels and Serviced Apartments

Hong Kong Special Administrative Region (“Hong Kong (SAR)”)

Yanlord Corporate Office

The reporting period is from January 1, 2021 to December 31, 2021. Financial data is given in Renminbi (“RMB”).

REPORTING STANDARDS

This Sustainability Report is prepared in accordance with the GRI Standards: Core Option and the sustainability reporting requirements set out in the Listing Manual of the Singapore Exchange Securities Trading Limited. In addition, the GRI G4 Construction and Real Estate Sector Disclosures is also included in this Sustainability Report. The Global Reporting Initiative (“GRI”) Standards were selected as they are internationally recognised reporting standards, comprising a comprehensive range of disclosures suitable and relevant for Yanlord to communicate to its stakeholders. Yanlord’s sustainability initiatives and approach to address its socioeconomic and environmental impacts on local communities.

FEEDBACK

We welcome any feedback, comments or suggestions relating to this Report or on our sustainability approach and practices. Please direct your queries to:

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- 1 Property Development refers to ongoing development of residential, commercial and other properties.
- 2 Property Investment and Hotel Operations refers to leasing of investment properties and hotel operations and accommodation services. They are further broken down into ‘Managed Properties’ which refers to retail and office properties, and ‘Hotels and Serviced Apartments’, for clarity of disclosure.
- 3 Environmental data for managed (but not owned) properties are excluded from the reporting scope for this Sustainability Report.
- 4 Include business operations of United Engineers Limited (“UEL”).

Introduction and Leadership Statement



Riverside Gardens, Suzhou, PRC
河滨花园, 苏州, 中国

2021 SUSTAINABILITY HIGHLIGHTS

Revenue
RMB34.833 billion
 for FY 2021
up 45.6%

Sustainability Governance Structure
 to reaffirm Yanlord's continued commitment and efforts towards sustainability and ESG topics

Zero
 significant fines and non-monetary sanctions for non-compliances relating to laws and regulations, including environmental and socioeconomic compliance

87%
 customer satisfaction score from annual customer satisfaction survey for customers in PRC

Majority Independence of Board of Directors
 composed of 9 directors, of whom 5 are independent non-executive directors and 4 are executive directors

Top 25%
 among employers on Gallup's Q12 Employee Engagement Survey

100%
 coverage of anti-corruption training for employees in the PRC and corporate offices in Hong Kong (SAR) and Singapore

48
 average training hours per employee of Property Development, Property Investment and Hotel Operations, and Property Management Segments

China Top 10 Foreign Real Estate Developers 2021

China Top 50 Real Estate Developers 2021

26%
 female executive management and supervisors

Zero
 occupational diseases and work-related fatalities at managed properties

Zero
 non-compliance concerning health and safety impacts of products and services incidents

Zero
 corruption and unethical business conduct incidents
 breaches of Code of Business Conduct incidents

Zero
 substantiated complaints concerning breaches of customer privacy and losses of customer data

100%
 coverage of new projects on **Sunshine Procurement Platform**
 anti-bribery and anti-corruption policy included as part of supplier contracts

Green Finance Framework
 launched in April 2021
USD500 million First Green Senior Notes
 issued in May 2021

100% New Start Developments
 met Green Building design requirements
97% Property Under Developments
 met Green Building design requirements

2 Three-Star
1 Two-Star
 Green Building Certifications
1 LEED Platinum Building Design
 and
2 WELL Building
 Certifications

2 LEED Platinum
 (Existing Buildings: Operation and Maintenance)
 Certification properties in the PRC
1 Green Mark Gold (Plus)
 Certification property in Singapore

ABOUT YANLORD

Yanlord is a real estate developer that focuses on developing high-end property projects in strategically selected key high-growth cities in PRC and Singapore. Our brand is synonymous with quality due to our premium and iconic properties, which are bolstered by notable architectural design and quality construction in prime locations. Our track record also distinguishes us from our peers in various geographical markets. To date, we have significant subsidiaries mainly in PRC, Singapore and Hong Kong (SAR). We have established our presence in 20 key high-growth cities within the six major economic regions of PRC. Additionally, we hold a high-quality investment property portfolio and hotels in Singapore, as well as two residential projects that are currently under development. While we retain some of our commercial and integrated developments as investment properties for lease, we also provide property management services for residential and other properties we have developed, as well as third party assets. For more details on our portfolio, please refer to the Annual Report 2021.

KEY ECONOMIC HIGHLIGHTS FOR FY 2021

RMB34.833

billion
in revenue

RMB2.656

billion
of profit attributable to
owners of the Company

RMB59.587

billion
of property contracted
pre-sales of the Group
together with its joint
ventures and associates
for a total gross floor area
("GFA") of 1.87 million
square metres ("sqm")

cash and cash equivalents:

RMB21.552

billion
as at December 31, 2021

RMB4.037

billion
of profit for the year

RMB154.448

billion
in total assets

RMB65.102

billion
of gross property sales of the
Group together with its joint
ventures and associates for a
total GFA of 2.06 million sqm
of properties and 10,510 units
of carpark delivered
to the customers

corporate income tax:

RMB3.719

billion

OUR CORE VALUES

CORPORATE PHILOSOPHY

Developing land with
devotion, building quality
accommodation with
passion

善待土地 用心造好房

MISSION STATEMENT

Managing with
benevolence and integrity,
achieving perpetuity
through perseverance

仁信治业 持之以恒

FY 2021 KEY AWARDS

Yanlord Land Group Limited

- 2021 TOP 10 China Foreign Real Estate Developers
- 2021 TOP 50 China Real Estate Developers

Yanlord Arcadia, Shanghai

- The Paper 2021 Urban Renewal Conference “The Best Future Community”
- GBE (Global Business Engine) Real Estate Design Award – “2021-2022 Best Real Estate Design Award” – Gold Award

Jingan Century, Shanghai

- World Architecture Festival – Finalist (Landscape category)
- CREDAWARD Real Estate Design Award – Silver Award (Landscape category)

InterContinental Residences, Chengdu

- Traveller Review Awards for Excellence in Traveller Ratings – Booking.com
- Travellers' Choice Award

InterContinental, Zhuhai

- 2021 Ctrip Travel Popular Hotel Awards – Ctrip Travel
- 2021 Digital Marketing Excellence Hotel – Zhiketong

Crowne Plaza Sanya Haitang Bay Resort, Sanya

- Tripadvisor / Travellers' Choice 2021 – Tripadvisor
- Agoda Guest Review Awards 2021 – Agoda

Yanlord Landmark (Office), Chengdu

- (National Standard) Super Grade A Commercial Office Building – Chengdu Building Rating Committee

Cangjie Commercial Plaza (Merchants Centre), Suzhou

- Gold Award of Industrialized Urban Renewing – Architecture – REARD Global Real Estate Design Awards Organizing Committee
- The 9th Architecture creation award of ASSC – ASSC Shanghai Institute of Architecture

Shanghai Yanlord Property Management Co., Ltd.

- Shanghai Property Management Industry Integrity Commitment AAA Enterprise - Shanghai Property Management Industry Association
- 2021 Shanghai Property Service Comprehensive Capability “Five-star Enterprise” – Shanghai Property Management Industry Association
- “Three-star Enterprise” in Shanghai Property Service Comprehensive Capability in 2021 – Shanghai Property Management Industry Association
- 2021 “Top 100 Comprehensive Property Service Enterprises in Shanghai” – Shanghai Property Management Industry Association
- Public Satisfaction Evaluation First Place – Shanghai Residential Property Net
- The first prize of Yanlord Property Service Etiquette Skills Competition – Property Management Division of Yanlord Land Group

Yanlord Begonia Park, Haikou

- 2021 Five-star Property Management Service Project – China Real Estate Index System and China Index Academy
- Excellent Property Management Service Projects in Haikou – Haikou Property Management Industry Association

Chengdu Yanlord Property Management Co., Ltd.

- 2021 Chengdu Million Workers Skills Competition – Excellent Organization Award of Property Management Industry Electrician Skills Competition – Chengdu Property Management Association

Riverbay Gardens, Suzhou & Tang Yue Bay Gardens, Suzhou

- 2020 Jiangsu Provincial Demonstration Property Management Project- Riverbay Gardens, Suzhou & Tang Yue Bay Gardens, Suzhou – Jiangsu Provincial Department of Urban-Rural and Housing Construction
- The first place in the assessment of commercial housing property service project within 5-10 years delivery period - Suzhou High-tech Zone (Huqiu District) Housing and Urban-rural Development Bureau
- Property Management Assessment 2015-2021 Excellent Management Project – Suzhou Gusu District Housing and Construction Committee

Nanjing Yanlord Property Management Co., Ltd.

- 2021 Jianye District Property Industry Credit AAA Grade Enterprise – Nanjing Jianye District Property Management Association

Yanlord Yangtze Riverbay Town, Nanjing

- Jianye District Garbage Classification Excellent Property Community – Nanjing Jianye District Garbage Classification Division

BOARD STATEMENT

The Board of Directors of Yanlord Land Group Limited (“Board”) is pleased to present this Sustainability Report.

Yanlord focuses on quality of products and services to meet the ever-changing and evolving needs of its customers, thereby distinguishing ourselves from other market players. We believe setting strategic objectives that take sustainability into account is critical to business success. As such, we are committed to integrating sustainability within our long-term strategies, including incorporation of sustainability initiatives and goals throughout our business where possible.

The Board assumes overall responsibility for Yanlord’s business affairs and strategic directions. It also determines the material ESG factors that are pertinent to the Group’s business. The Board is supported by the Risk Management and Sustainability Committee (“RMSC”) which oversees the management of ESG factors that are material and relevant to our business as well as the Company’s approach to sustainability reporting. As with the materiality reassessment conducted in FY 2020, the existing 10 material ESG topics were recommended by the RMSC due to its continued relevance to the business of the Group for FY 2021.

We will ensure that our sustainability approach and strategies remains up-to-date and will continue to review existing and potential ESG factors on an annual basis. We strive for active and regular engagement with stakeholders to keep ourselves updated on our stakeholders’ key concerns, which allows us to finetune the management of our material ESG factors.

The health and safety of our employees, customers, residents and the community will always be our top priority, and we remain vigilant towards, and continue to adhere to the regulations around COVID-19 measures as stipulated by the government.

During the process of preparing this Sustainability Report, the Omicron variant of COVID-19 brought Shanghai into a standstill. We thank our local employees for their professionalism and dedication to providing continuous service and support to residents living in developments

under our management, while working with the local government and front-line public health workers. Our property management teams across various assets continue to ensure proper pandemic management such as providing assistance to residents under home quarantine. Our property development team proactively responds to outbreaks by rescheduling construction work and maintaining close liaison with our construction contractors and suppliers for resuming works once the lockdown is to be lifted. As the lockdown is still going on and will potentially be extended in other mainland cities, the full extent of the impact will be disclosed in next year’s sustainability report.

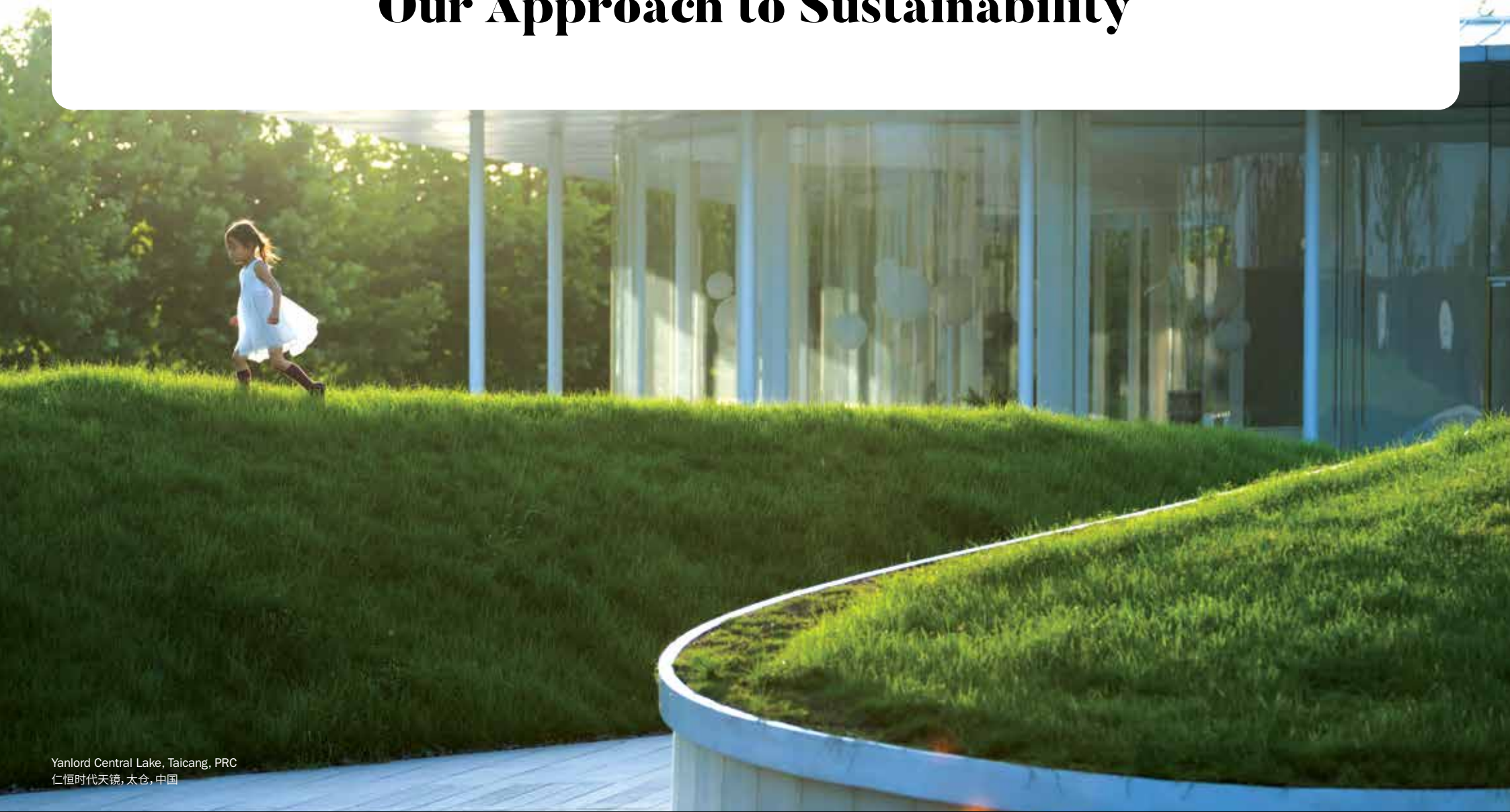
Nevertheless, we are pleased to have made progress on our sustainability performance in FY 2021, even as we continue to monitor and manage the impact of the COVID-19 pandemic on our business. On our sustainable finance front, we have taken a critical step towards promoting green finance. In early FY 2021, we launched our Green Finance Framework¹ and obtained a second-party opinion issued by Sustanalytics, an independent ESG rating agency. This Green Finance Framework demonstrates how Yanlord could fund projects that can deliver positive environmental benefits. Net proceeds from the issuance of any green financing instrument will be allocated in accordance with our Green Finance Framework for the financing and refinancing of eligible green projects, in the categories of green buildings, energy efficiency, sustainable water and wastewater management, renewable energy, pollution prevention and control as well as clean transportation.

We are aware that a lot more work needs to be done. As we continue to move the needle on sustainability, we urge our stakeholders to join us as we look to scale greater heights and build a sustainable future for all.

Board of Directors

¹ Our Green Finance Framework may be found on our website at http://www.yanlordland.com/wp-content/uploads/2021/06/Yanlord_Green_Finance_Framework.pdf

Our Approach to Sustainability



Yanlord Central Lake, Taicang, PRC
仁恒时代天镜, 太仓, 中国

SUSTAINABILITY GOVERNANCE

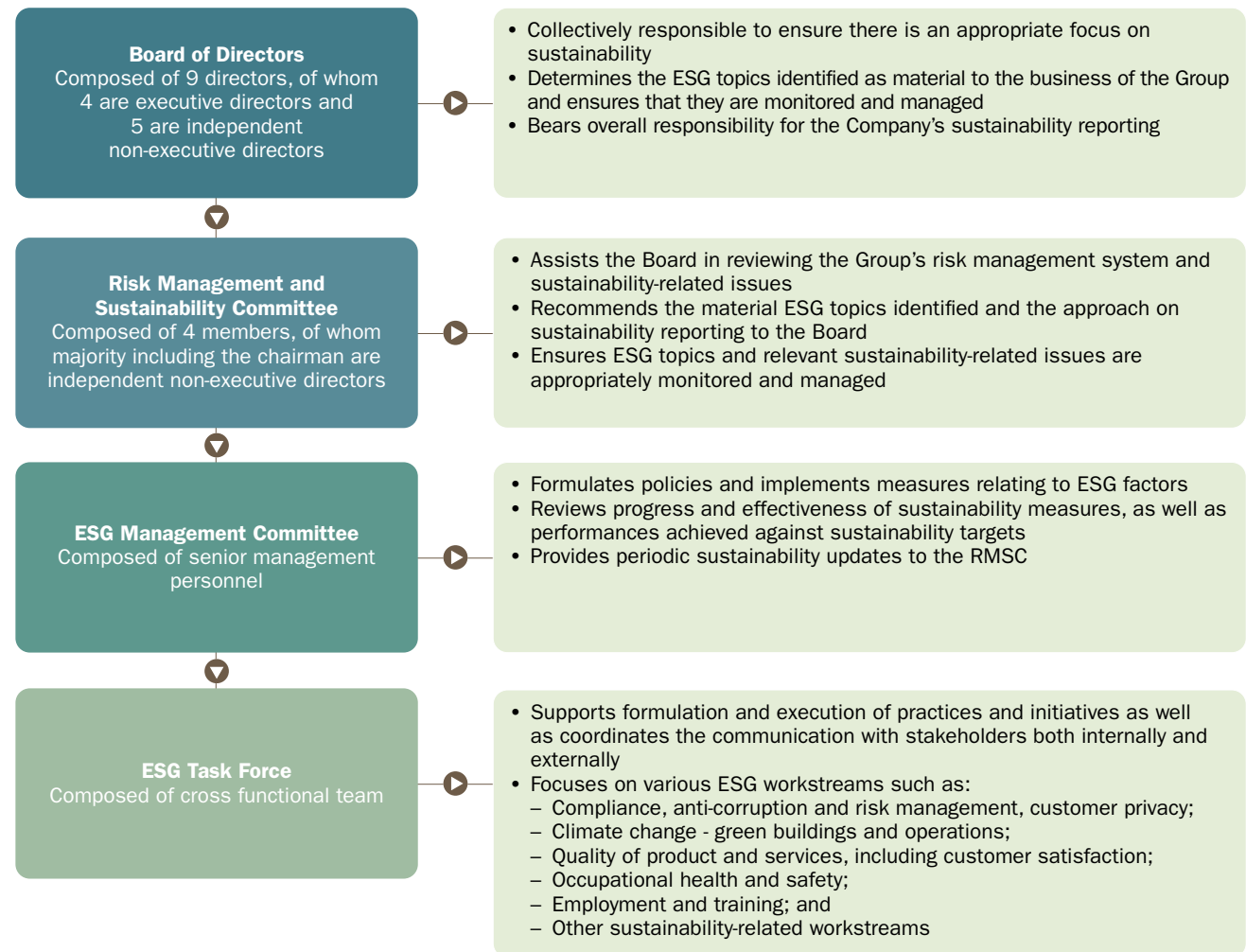
The four-tier sustainability governance structure begins at the top with the Board, which is ultimately responsible for the Company's sustainability reporting. It maintains oversight on the business affairs and strategic directions of the Group as well as determining the material ESG topics pertinent to the Group's business on an annual basis.

The Board is supported by RMSC which ensures there is an appropriate focus on sustainability by management. RMSC oversees the ESG Management Committee which comprises members of senior management personnel who formulate and supervise the policies and initiatives relating to Yanlord's material ESG topics. Through the support of the ESG Task Force, the respective sustainability practices are shared across the respective departments and communicated to stakeholders.

Progress updates on this Sustainability Report are presented to RMSC and the Board for their consideration and approval. The progress updates include updates on the 10 material ESG topics that are pertinent to the Group's business for FY 2021.

More details are elaborated in the sustainability governance structure below.




Sustainability Governance Structure





Roles and Responsibility

STAKEHOLDER ENGAGEMENT




The success of the Group’s business hinges on the healthy and long-standing relationships it fosters with its stakeholders. Through active and regular engagements, the Group gains a better understanding of their interests, needs and concerns, which will then guide the Group in taking appropriate follow-up actions in response. The table below details key interests of stakeholder groups and response as well as the types of engagement methods of the Group.

Key Stakeholder Groups	Key Concerns/Interests Raised by Stakeholder Groups	Yanlord’s Response	Modes of Engagement	Frequency of Engagement
INVESTORS 	<ul style="list-style-type: none"> Yanlord’s growth strategy and market outlook Business operations and performance Impact of COVID-19 and Yanlord’s response to mitigate 	<ul style="list-style-type: none"> Maximise shareholder returns, maintain good corporate governance for sustainable business success Transparent and timely communication of both financial and non-financial information 	Annual general meeting (conducted virtually in 2021), annual report, circular to shareholders and sustainability report	Annually
			Financial results announcements and briefings	Half-yearly
			Analyst and investor meetings (conducted virtually in 2021)	Ongoing
			Announcements, media releases, monthly key operating figures’ updates through Singapore Exchange’s website, Company’s website and/or via email alerts	Ongoing
			Newsletters	Quarterly
			Presentations	As appropriate
BUSINESS PARTNERS 	<ul style="list-style-type: none"> Long-standing and healthy business relationships which are impactful and beneficial in relation to the economic and ESG aspects 	<ul style="list-style-type: none"> Transparent and timely communication with business partners Align expectations between both parties through regular engagement 	Dialogue sessions, town halls, and forums (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	Ongoing
			Announcements, media releases, monthly key operating figures’ updates through Singapore Exchange’s website, Company’s website and/or via email alerts	Ongoing
			Presentations	As appropriate
SUPPLIERS 	<ul style="list-style-type: none"> Cooperative and long-lasting business relationships Adherence to regulations and environmental, health and safety (“EHS”) standards 	<ul style="list-style-type: none"> Align expectations between both parties through regular reviews Ensure regular risk assessments relating to EHS is conducted 	EHS assessment	Annually
			Seminars and peer sharing (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	Quarterly
			Vendor evaluation	Ongoing

STAKEHOLDER ENGAGEMENT

Key Stakeholder Groups	Key Concerns/Interests Raised by Stakeholder Groups	Yanlord's Response	Modes of Engagement	Frequency of Engagement
EMPLOYEES 	<ul style="list-style-type: none"> • Conducive, safe and healthy work environment • Comparable and fair remuneration package, including compensation and benefits • Training and development opportunities • Talent retention and career advancement • Employee wellness 	<ul style="list-style-type: none"> • Provide performance appraisal system to review development of employees • Identify potential staff for career advancement opportunities • Provide work and non-work related workshops and learning opportunities to improve both technical skillset and employee well-being 	Employee performance review	Annually
			Dialogue sessions, town hall meetings, and forums (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	Ongoing
			News bulletin and announcements via Company intranet	Ongoing
			Employee assistance programme (counselling service)	Ongoing
			Employee grievance handling channel	Ongoing
			Employee volunteering platform	Ongoing
			Training and development programmes	Ongoing
CUSTOMERS (residents, tenants, guests and visitors) 	<ul style="list-style-type: none"> • Customer satisfaction • Quality of Yanlord's services and products • Impact of COVID-19 and Yanlord's response to mitigate 	<ul style="list-style-type: none"> • Maintain highest standards in products and services delivered • Increase value added to customers • Timely response and prompt follow-up actions taken to address customers' feedback • Closely monitor on quality of products and services through frequent reviews and inspections and conduct enhancement programme or where applicable, regular maintenance and repair works 	Customer satisfaction surveys	Annually
			Tenant satisfaction surveys	Annually
			Tenant engagement/networking events (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	Quarterly
			Integrated customer and call centre	Ongoing
			Show suites feedback	Ongoing
			Campaigns and programmes (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	Ongoing
			Welcome parties (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	As appropriate
Healthy Workplace Ecosystem	Ongoing			

STAKEHOLDER ENGAGEMENT

Key Stakeholder Groups	Key Concerns/Interests Raised by Stakeholder Groups	Yanlord's Response	Modes of Engagement	Frequency of Engagement
LOCAL COMMUNITIES 	<ul style="list-style-type: none"> Yanlord's support towards the local community, especially during the time of COVID-19 pandemic Safe and healthy spaces Responsible use of resources 	<ul style="list-style-type: none"> Operate and grow the business in a socially responsible manner through efficient use and allocation of resources Support initiatives that focus on corporate giving through implementing Corporate Social Responsibility (CSR) practices Universal design for homes and offices 	Collaborations with charities and NGOs partners for community development	Ongoing
			Monetary and in-kind donations	Ongoing
MEDIA 	<ul style="list-style-type: none"> Business operations and performance Sustainability initiatives 	<ul style="list-style-type: none"> Transparent and timely communication of both financial and non-financial information 	Annual report, circular to shareholders and sustainability report	Annually
			Project launch functions (physical meetings resumed in 2021, with some events conducted virtually where the need arose due to COVID-19 safety measures in certain cities)	As appropriate
			Announcements and media releases through Singapore Exchange's website, Company's website and/or via email alerts	As appropriate
REGULATORS 	<ul style="list-style-type: none"> Corporate governance Compliance with laws and regulations 	<ul style="list-style-type: none"> Ensure regulatory compliance Closely monitoring new (including changes of) policies or measures introduced by relevant government departments to keep abreast with new rules and regulations developments 	Physical interviews with Chairman and Chief Executive Officer and senior management executives resumed in 2021, with some interviews conducted virtually where the need arose due to COVID-19 safety measures in certain cities	As appropriate
			Industry update meetings, policy awareness briefings, news releases by government authorities and participation in workshops/seminars on topics relating to the new (including changes of) policies or measures	Ongoing

MATERIALITY ASSESSMENT

The Group takes into consideration its stakeholders' key concerns and strives to deliver value through its business operations. A materiality reassessment has been conducted in FY 2020 in light of the changing business environment as well as the impacts brought about by the COVID-19 pandemic. Yanlord reviews its material ESG topics on an annual basis to ensure their continued relevance to the business of the Group. Following FY 2021's review, there were no changes to the top 10 material ESG topics identified in FY 2020.

The materiality assessment process of Yanlord is set out as follows:

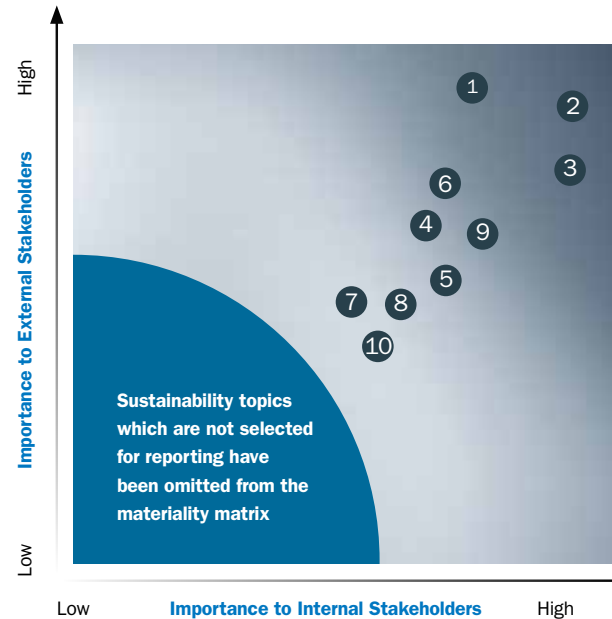
FY 2020 Materiality Assessment

- In FY 2020, a materiality reassessment, which comprised of the following, was performed:
- A list of 26 potential material ESG topics was identified for prioritisation through desktop research of existing material topics in the Company's previous reports, peers' latest reports, and sustainability reporting guidance issued by both the Singapore Exchange and the Hong Kong Exchange
 - Internal and external stakeholders were invited to prioritise these material topics through an anonymous voting exercise
 - Top 10 material ESG topics were reviewed by RMSC and subsequently approved by the Board

FY 2021 Review

In FY 2021, the ESG Management Committee conducted a review of the existing top 10 material ESG topics and they were deemed to be relevant across Yanlord's operations. RMSC and the Board have subsequently reviewed and approved that the existing top 10 material ESG topics remained relevant to the business of the Group for FY 2021.

Yanlord's Materiality Assessment Process



Yanlord's Materiality Matrix

S/N	ESG Category	Material Topics	GRI Topic-specific Standards	Boundary of Impact
1	Governance	Anti-corruption and Business Ethics	GRI 205	Within and Outside Yanlord
2	Governance	Compliance with Laws and Regulations	GRI 307 GRI 419	Within Yanlord
3	Social	Quality of Products and Services	GRI 416 GRI 102	Within and Outside Yanlord
4	Social	Customer Privacy	GRI 418	Within and Outside Yanlord
5	Social	Employment and Training	GRI 401 GRI 404 GRI 405	Within Yanlord
6	Social	Occupational Health and Safety	GRI 403	Within and Outside Yanlord
7	Environment	Climate Change	GRI 201 GRI 302 GRI 305	Within and Outside Yanlord
8	Environment	Green Buildings	GRI G4 – CRE 8 GRI 303 GRI 306	Within and Outside Yanlord
9	Economic	Economic Performance	GRI 201	Within and Outside Yanlord
10	Social	Local Community and Social Investment	GRI 413	Outside Yanlord

SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations General Assembly announced 17 UN SDGs to address global challenges in social, environmental, governance and economic aspects. These 17 goals and 169 sub-targets serve to guide nations on adopting the UN SDGs so as to achieve them by 2030.

In line with our commitment towards sustainability, we have conducted a high-level mapping to determine the UN SDGs which the Group may make an impact on. A total of 11 most relevant UN SDGs has been adopted and the mapping of Yanlord's corresponding material topics is summarised in the table on the right.











Material Topics	UN SDGs
Anti-corruption and Business Ethics	 Goal 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
Compliance with Laws and Regulations¹	 Goal 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
Quality of Products and Services²	 Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
Customer Privacy	 Goal 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
Employment and Training	 Goal 8 Promote inclusive and sustainable economic growth, employment and decent work for all (promote safe and secure working environments)
Occupational Health and Safety	 Goal 8 Promote inclusive and sustainable economic growth, employment and decent work for all (promote safe and secure working environments)
	 Goal 10 Reduce inequality within and among countries

1 "Environmental Compliance" was subsumed under "Compliance with Laws and Regulations".

2 "Customer Health and Safety" and "Customer Satisfaction" were subsumed under "Quality of Products and Services".

SUSTAINABLE DEVELOPMENT GOALS



Material Topics	UN SDGs
Climate Change	 <p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all</p>  <p>Goal 12 Ensure sustainable consumption and production patterns</p>  <p>Goal 13 Take urgent action to combat climate change and its impacts</p>
Green Buildings	 <p>Goal 3 Ensure healthy lives and promote well-being for all at all ages</p>  <p>Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p>Goal 12 Ensure sustainable consumption and production patterns</p>
Economic Performance	 <p>Goal 8 Promote inclusive and sustainable economic growth, employment and decent work for all (promote safe and secure working environments)</p>  <p>Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>
Local Community and Social Investment	 <p>Goal 1 End poverty in all its forms everywhere</p>  <p>Goal 4 Quality education</p>

SUSTAINABILITY IN OUR VALUE CHAIN

OUR VALUE CHAIN

To support our vast and diversified business, we rely on the capabilities of our employees as well as engage with various business partners within our value chain. Across PRC, Singapore and Hong Kong (SAR), we work with over three main types of suppliers, contractors and vendors who provide services related to construction¹, consultancy², and product³ such as construction for our property development projects, maintenance and repair works, cleaning, security and housekeeping operations across our investment properties and hotels.

We believe that good sustainability governance should include incorporating sustainable business practices across our value chain. Currently, we consciously choose to use more environmentally friendly materials where possible, for instance by using water-based paints instead of oil-based paints where possible. Additionally, in selecting suppliers to work with, one of our criteria is benchmarking such suppliers against their peers in terms of corporate governance and environmental protection. We also aim to include our business partners in our sustainability journey by encouraging our business partners to commit to socially and environmentally responsible practices in their dealings. With a holistic approach to sustainability governance, the maintenance and creation of positive stakeholder relationships based on respect for the environment and local communities in the cities we operate, we believe that we can achieve the creation of shared value for the long term.



- 1 Construction service suppliers include general contractors and subcontractors for labour-intensive work. The contract amounts are relatively large.
- 2 Consultancy service suppliers include design institutes, project supervisors, cost consultations, bidding agencies, etc. for labour-intensive work. We generally partner small businesses, and the contract amounts are relatively small.
- 3 Product service suppliers include suppliers of materials and equipments, etc. It is partly capital-intensive.

SUSTAINABILITY IN OUR VALUE CHAIN

COVID-19 RESPONSE

Impact on Our Business

For most of FY 2021, the COVID-19 pandemic was generally well-contained in PRC. Yanlord continues to abide to the guidelines and directions by the local governments in the various cities to contain the spread of COVID-19. In FY 2021, out of the 20 PRC cities where Yanlord has operations, only Nanjing was affected by a one-month partial lockdown. As per the government's requirements, two-third of the employees in Nanjing were placed on work-from-home arrangement. To mitigate the impact, our management team rescheduled the construction work and intensified the quality inspection during the lockdown period, maintained close liaison with construction contractors and other suppliers. The impact of the lockdown was successfully mitigated by our local management team through rescheduling and increasing work-shifts to reduce and prevent delays once the lockdown was lifted.

In Singapore, the government announced plans to transition into the endemic stages of COVID-19. With over 90% of the total population receiving the complete COVID-19 vaccination, restrictions were gradually lifted towards the end of FY 2021. Employees were able to return to offices. The introduction of Vaccinated Travel Lanes has also greatly improved the hotel operations in Singapore.

We look forward to our operations returning to pre-COVID-19 levels.



SUSTAINABILITY IN OUR VALUE CHAIN

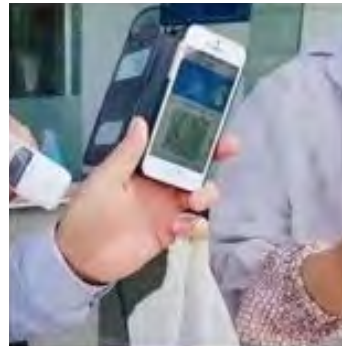
Supporting Our Community

The Group continued to commit to providing support towards the community and our employees in FY 2021. To contain the spread of the COVID-19 virus within our properties, regular sanitisation and cleaning activities were conducted multiple times a day in common areas such as lobby, corridor, and elevators. Health code inspections and temperature taking exercises, where required, were also implemented at the entrances and exits of our retail and office buildings.

The Chengdu office introduced an Epidemic Prevention Guideline for providing standardised working procedures to our property management team for operating and managing our major commercial complex during FY 2021. COVID-19 care packages were distributed to ensure the health and well-being of our employees. During the partial lockdown of Nanjing, we took further actions such as conducting meetings with a focus on well-being and psychological counselling for affected employees and providing nutritious meals and food options at the dining hall.

A critical step towards the fight of COVID-19 is vaccination of the population. Yanlord plays an active role in encouraging and facilitating all employees in taking the COVID-19 vaccination as soon as possible.

In our efforts to provide emotional support to affected employees, the Group Human Resource Administration Center of the Property Division have carried out occupational health training for the various departments across all our offices in PRC. Trainings conducted through regular discussion sessions where employees are able to comfortably express their concerns and difficulties faced to our management team. With each session, it aims to provide practical solutions to help employees manage these issues. A dedicated human resource hotline is also made available so that they can seek help anytime from the Group as well.



Upholding Good Governance

ANTI-CORRUPTION AND BUSINESS ETHICS · COMPLIANCE WITH LAWS AND REGULATIONS

Shanghai Curtilage, Shanghai, PRC
海和院, 上海, 中国

We are committed to maintaining high standards of corporate governance and transparency within our business operations, and have complied in all material respects with the principles and provisions in the Code of Corporate Governance 2018 (“2018 Code”). The Corporate Governance Statement on pages 187 to 217 of Annual Report 2021 outlines Yanlord’s corporate governance practices with specific reference to the principles and provisions set out in the 2018 Code.

ANTI-CORRUPTION AND BUSINESS ETHICS

MANAGEMENT APPROACH

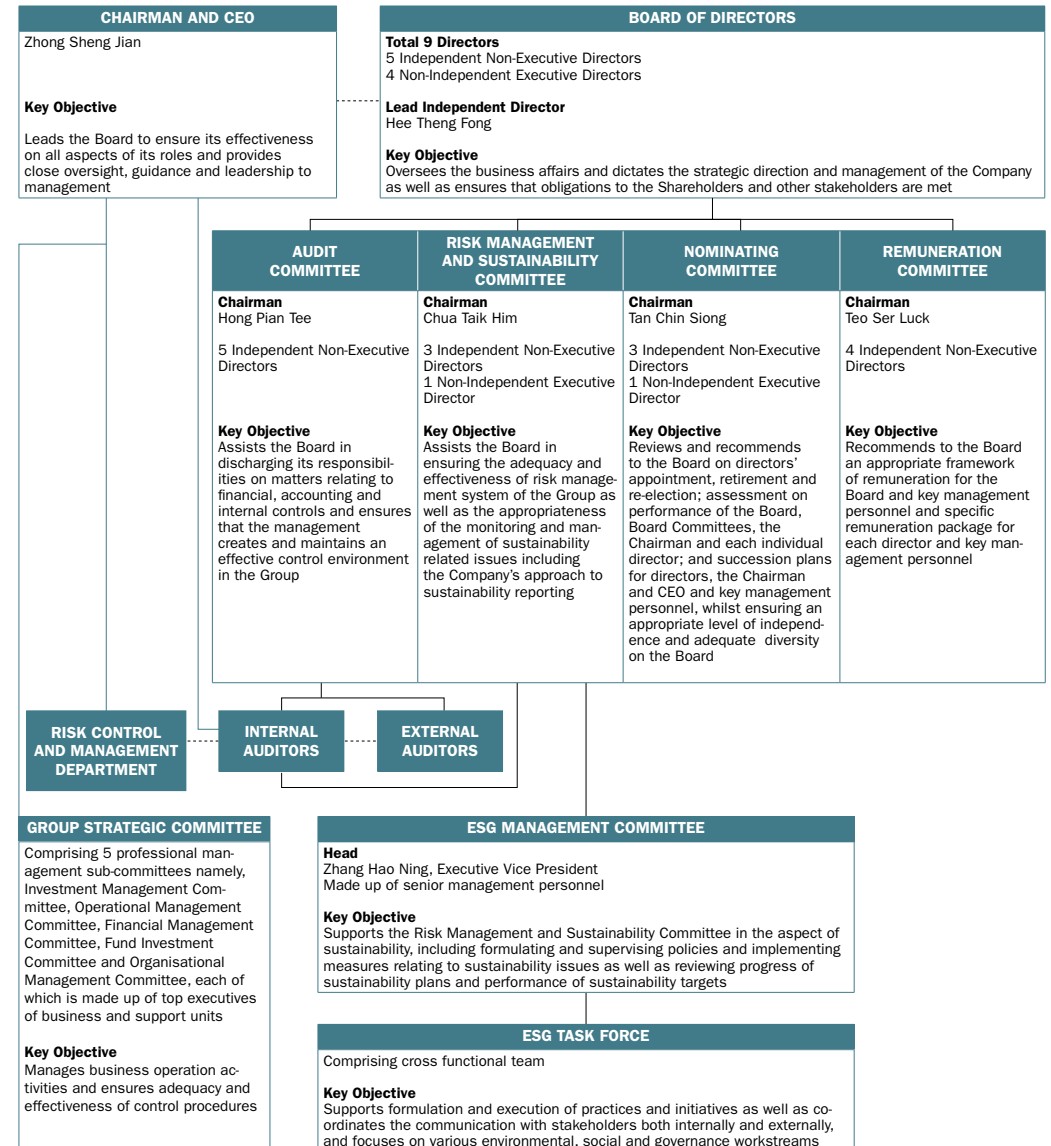
Yanlord takes a zero-tolerance approach towards any form of corruption and unethical behaviour. The Audit Committee (“AC”) and RMSC, supported by the internal audit department (“IA”), assist the Board to, *inter alia*, oversee the internal controls, risk management and sustainability-related matters including but not limited to anti-corruption and business ethics issues. The IA performs regular and *ad hoc* internal audit engagements on all functions within the Group, and reports the findings to the AC and RMSC, accordingly.

To strengthen the risk management infrastructure within the Group, the risk control and management department (“RCM”), comprising members from both Group and subsidiary levels, monitors and ensures that the business and operation processes of the Group are run properly. Both findings from IA and RCM are communicated to the relevant management of respective departments, subsidiaries or Group for necessary improvement or remediations, which are then summarised in reports and tabled/circulated to the AC and/or RMSC, as the case may be, by the IA for review on a periodical basis.

In the event any high-risk findings or material weaknesses are identified, the IA shall report to the Board on an immediate basis.

The Board, at the recommendation of the AC and/or RMSC, will review, at least annually, the adequacy and effectiveness of the Company’s risk management and internal control systems and comment on the same in the Company’s annual report with the concurrence of the AC. Where material weaknesses are identified by the Board or AC, they must be disclosed in the Company’s annual report together with the steps taken to address them.

Corporate Governance Structure:



ANTI-CORRUPTION AND BUSINESS ETHICS

We have a comprehensive management system which comprises a suite of policies and procedures aimed at preventing incidences of corruption, unethical business means or misconduct across our business operations. This management system is made reference to the ISO 37001 anti-bribery management systems standards which details the eight major control measures. The system further encourages the inclusion of fraud, cartel, competition and money-laundering, beyond the scope of ISO 37001. The system also incorporates elements adopted from the Independent Commission Against Corruption Framework of Hong Kong (SAR).

Examples of policies, manuals and documentation including but not limited to:

- **Code of Business Conduct**
- **Group Tendering Management Policy**
- **Guidelines for Yanlord's Agent Management System for Disclosures**
- **Statement of Yanlord Land Cooperative Relationship**
- **Project Procurement Risk Control Work Manual**
- **Construction Work Change Approval-related Risk Control Manual**
- **Project Contract Management Risk Control Work Manual**
- **Marketing Procurement Risk Control Work Manual**
- **Marketing Expense Contract Risk Control Work Manual**
- **Sales Management Risk Control Work Manual**
- **Financial Management Risk Control Audit Work Manual**
- **Property Management Risk Control Audit Work Manual**

Upon induction, all new hires will have to undergo a mandatory training on the Code of Business Conduct ("Business Conduct Code") which details our expectations and guidelines pertaining to confidentiality, work and ethical standards, giving and receiving corporate gifts as well as concessionary offers.

Employees are also informed of the procedures to take should they encounter suspected cases of misconduct such as workplace harassment or any other improprieties and the respective channels to raise such issues or grievances during the course of their employment. Upon completion of the course, they are required to sign off and acknowledge their understanding of the Business Conduct Code. The Business Conduct Code is publicly available on our website for all stakeholders to access at <http://www.yanlordland.com/corporate-governance/>. All other manuals and documents are made available on Yanlord's intranet for employees' reference.

In FY 2021, we continuously improved our employees' awareness of corruption risks and introduced anti-corruption training that focus specifically on fraud risks and Yanlord's integrity guidelines. All Yanlord employees in PRC and corporate offices of Singapore and Hong Kong (SAR) have completed this training. Such training will be rolled out for Yanlord's other employees in the financial year ending December 31, 2022 ("FY 2022").

Sunshine Procurement Platform



Likewise, the same expectations on anti-corruption and anti-bribery are imposed for our contractors, vendors and suppliers. Prior to an engagement, all contractors, vendors and suppliers will have to read and acknowledge on our business contracts which includes information on our zero-tolerance approach towards corruption and bribery and uphold anti-corruption practices and other relevant practices. This includes Yanlord's Partnership Statement, which sets clear expectations regarding anti-corruption practices, and fair and honest dealing. Suppliers are also required to provide documentation and validate that the products and services rendered are from credible sources and meet the required quality thresholds set by Yanlord.

Through regular industry benchmarking studies, risk analysis and research, we keep ourselves updated with latest developments so as to strengthen our risk control measures. A critical part of the procurement process is to ensure integrity of suppliers and effectively mitigate fraud and corruption risks. In FY 2021, we continue to leverage the Sunshine Procurement Platform to consolidate reviews and approvals of the procurement process. Through this centralised platform, it allows the Group to access pricing information, tender details and scope of work of the projects. Launched in FY 2020, we have since completed pilot testing and all new and ongoing construction project tenders are hosted on this platform.

Compared with 223 suppliers for 140 types of materials and products registered on the platform in FY 2020 when it was newly launched, 2,015 suppliers for 179 types of materials and products were registered on the platform in FY 2021.

223 suppliers

for

140 types

of materials and product registered in database in FY 2020

2,015 suppliers

for

179 types

of materials and product registered in database in FY 2021

At Yanlord, we aim to maintain our clean corporate culture and ensure businesses are conducted in a responsible and ethical manner. In FY 2021, we are pleased to report that there were no breaches against the Business Conduct Code, a performance we aim to maintain.

ANTI-CORRUPTION AND BUSINESS ETHICS

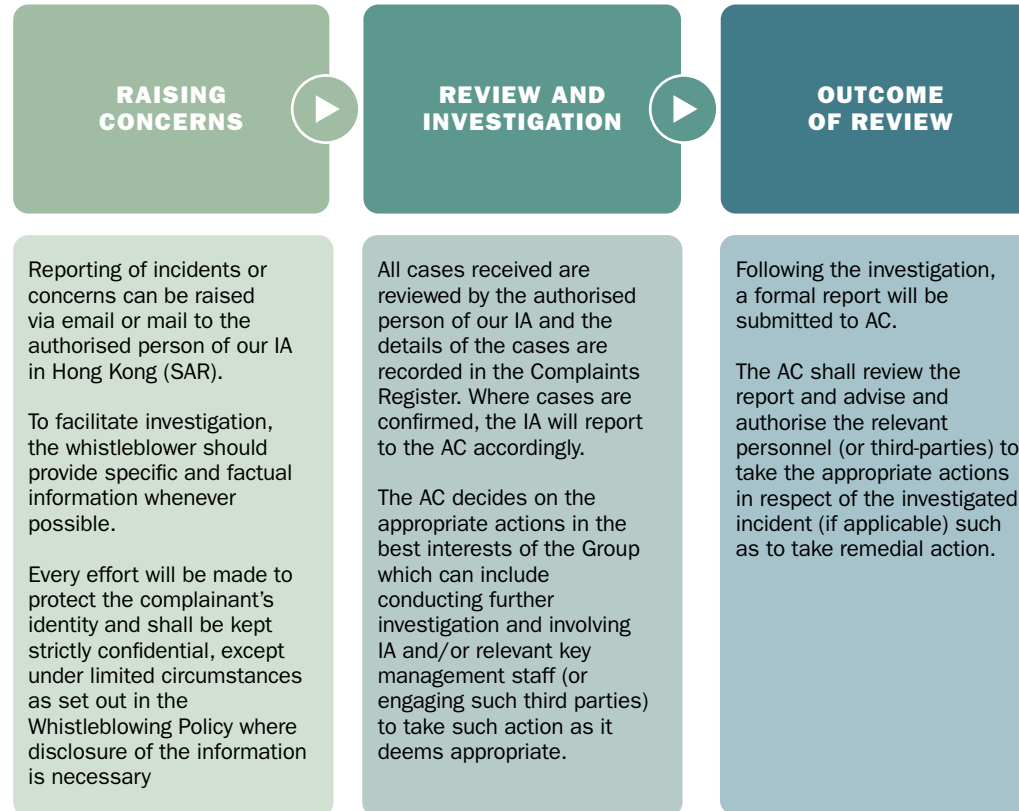
WHISTLEBLOWING MECHANISM

Our Whistleblowing Policy provides a trusted avenue and sets out the procedures for a whistleblower, whether an internal or external party, to report in confidence to the Company any possible improprieties, including malpractices, irregularity, corruption, bribery, fraud, unethical or unlawful conduct and/or any other misconduct or wrongdoing relating to the employees or officers, without fear of reprisal, detriment, unfair treatment or other retaliatory action.

Our Whistleblowing Policy may be found on our website at: <http://www.yanlordland.com/corporate-governance/>.

We are pleased to report that there were no whistleblowing complaints received by the Company in FY 2021.

Whistleblowing Policy



TARGET AND PERFORMANCE



Perpetual Target

- Zero incidents of corruption and unethical business conduct in all our business operations



FY 2021 Performance

- Achieved
- Zero incidents of breach of the Business Conduct Code

We have met our target set and there were no reported incidents of corruption and unethical business in FY 2021.

COMPLIANCE WITH LAWS AND REGULATIONS

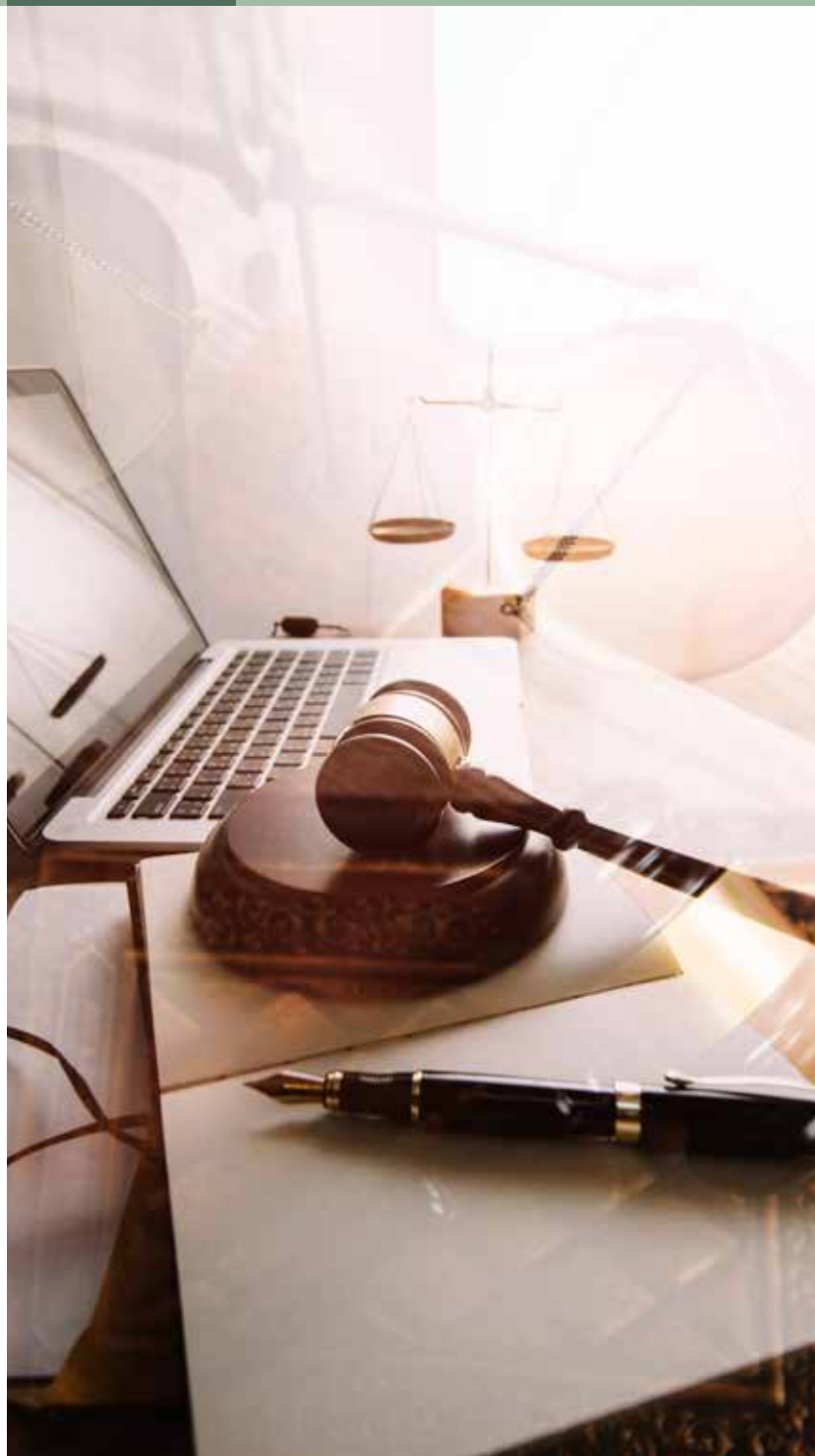
MANAGEMENT APPROACH

We are committed to complying with all applicable laws and regulatory requirements in the cities we operate in. This enables us to maintain our licences to operate in our various markets, and to effectively manage the risks associated with our activities. We have identified applicable laws and regulatory obligations in PRC, Singapore and Hong Kong (SAR) which include but are not limited to building standards, labour practices, workplace health and safety, data privacy and environmental protection. Instances of non-compliance may bring about detrimental impacts to reputation as well as financial repercussions.

A shared responsibility lies among the various functions as they interact with the respective regulatory bodies during their day-to-day operations. The respective business functions regularly monitor updates and changes with laws and regulations and make necessary updates to existing processes to remain within regulated boundaries. Such changes are communicated to the Board and relevant stakeholders as required.

Additionally, internal checks are regularly conducted by our IA. Findings are reported to the AC and Board on a quarterly basis. Employees are also sent for training to stay abreast of such regulatory changes and are encouraged to learn and adopt leading practices and apply them during the course of their work at Yanlord.

Across our operating regions, we continue to work closely with the respective government and its agencies and local authorities on the latest COVID-19 regulations. We strive to keep updated with the regulatory changes so as to maintain compliance with them. In FY 2021, there were no incidents of non-compliance with the respective COVID-19 regulations across cities of our operations.



TARGET AND PERFORMANCE



Perpetual Target



FY 2021 Performance

- Zero significant fines and non-monetary sanctions for non-compliances relating to laws and regulations, including environmental and socioeconomic compliance

Achieved

In FY 2021, we achieved our target of zero significant fines and non-monetary sanctions for non-compliance relating to laws and regulations, including environmental and socioeconomic compliance – a performance we aim to upkeep.

Caring for Our Customers

QUALITY OF PRODUCTS AND SERVICES · CUSTOMER PRIVACY



Yanlord Arcadia, Shanghai, PRC
仁恒海上源, 上海, 中国

At Yanlord, we consistently prioritise the needs and expectations of our customers and consider their well-being throughout various stages of our operations – from design to construction of a development to the operations and maintenance of properties. We adopt leading practices so as to stay relevant and uphold our commitment towards delivering quality products and services to all our customers.

QUALITY OF PRODUCTS AND SERVICES

From residential, commercial offices, hotels to more complex integrated developments, Yanlord strives to provide a safe and holistically-designed environment for its customers. Our projects are guided by a series of stringent quality standards covering areas of architecture, landscaping, indoor ambience to building management systems (such as mechanical and electrical, heating, ventilation and air-conditioning (HVAC) systems), which will be monitored closely throughout the entire development and life cycle of a project.

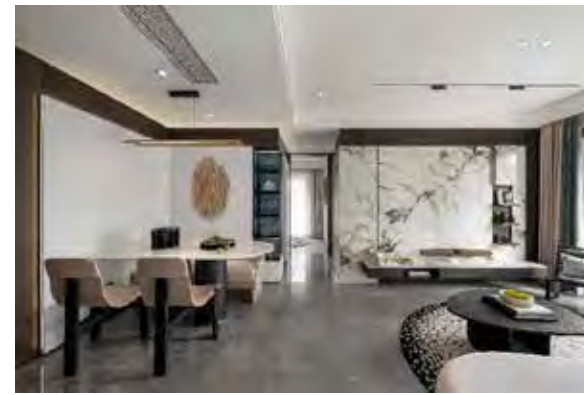
Public Facilities and Interior Design of Yanlord's Developments in the PRC



QUALITY OF PRODUCTS AND SERVICES



QUALITY OF PRODUCTS AND SERVICES



QUALITY OF PRODUCTS AND SERVICES

Branding and Marketing Events held in Shanghai



Yanlord Engineer Team Continues to Contribute to the Quality of Developments



Property Pre-Sales with 100% Sellout at Inaugural Launch of Yanlord Arcadia in Shanghai



QUALITY OF PRODUCTS AND SERVICES

MANAGEMENT APPROACH

Property Development

The research & development (“R&D”) department is responsible for ensuring quality control of the project as well as meeting national legal requirements and Yanlord’s internal quality standards. The inspection process starts from the checks performed on the property development premises, mid-term inspection, pre-completion inspection to the post-delivery inspection. Any issues concerning product quality will be raised immediately to the respective departments for corrective actions to be taken.

Property Development Laws we comply with:

PRC

- Product Quality Law of the PRC;
- Construction Law of PRC;
- Construction Engineering Quality Management Regulations;
- Unified Acceptance Standard for Building Construction Quality (GB50300-2013); and
- other relevant laws, regulations and standards.

Internally, Yanlord has developed a robust system of 32 internal quality engineering management standards on issues such as whole process engineering quality, project management, project quality rewards and discipline, third-party evaluation, and leakage-proofing. These standards enable us in delivering quality products in a timely and cost-effective manner.

Cognisant of the challenging market conditions and the Group’s strategic development goals, our R&D department has worked to speed up the pace of development, refine our cost management and continue to assure our product quality. Our focus is on optimising and synergising management tools connecting between the Group and local cities’ offices, as well as with vertical and horizontal integration, to elevate standardised designs and precise project implementations.

In FY 2021, our R&D department issued the “R&D and Quality Management Guidelines for Project Life Cycles” to clearly set the expectations for all of our projects. Among the actions to be taken, each local city office now nominates a high-quality and well-received project as a case study for best practices, and through monthly implementation inspections and feedback, from a total of 17 nominated projects, we are able to continuously learn from our success to improve quality management steps for the whole project life cycle. In FY 2021, we also focused on a full life cycle management of anti-leakage by improving our anti-leakage quality management systems in order to better identify, track, and manage points of concern in our projects’ anti-leakage proofing. We aim to achieve 100% coverage of improvements to our anti-leakage engineering, as well as our waterproof construction and water storage systems.

Upon completion of the project, the R&D team will conduct post-project assessments to review the whole process of the projects, such as designs, materials used, project timeline and performance of suppliers, etc, to identify the core value and the problems associated with which for further improvement.

Case Study:

AN OPTIMISED THIRD-PARTY EVALUATION AND INSPECTION SYSTEM

In FY 2021, we optimised our third-party evaluation system by establishing a “5+3” system. This refers to 5 types of real quantity evaluation (main structure, rough decoration, fine decoration, delivery; and model demonstration) and 3 types of special assessments (elevators, anti-leakage, and safety in civil engineering).

We collaborated with our customer relations department and property management companies to form a taskforce aimed at improving the prevention of systemic quality issues. Through a general survey of the project through whole process assessments, and focused inspections to identify quality defects and safety loopholes, we were able to rectify and eliminate hidden dangers, and implement processes to ensure that we deliver the highest quality in our projects. Our goal was to conduct a comprehensive evaluation of each residence to ensure that high-quality indoor environments, public facilities, and landscapes were delivered based on our new evaluation system.



QUALITY OF PRODUCTS AND SERVICES

Prior to site opening, we also carry out inspections to identify any issues in advance, covering 100% of the sites. We look out for functionality, design and appearance, as well as workmanship defects.

Site Opening Days in Nantong and Shenzhen for Training and Customers Viewing



Training

We conduct product quality training for employees, contractors and supervisory units to ensure that our unified work standards are upheld.

Examples of product quality training for various parties:

Employees

Anti-leakage training, fine decoration training, quality management system training

Contractors

Third-party assessment training, civil engineering training safety, quality risk training, construction model documentation training, masonry training and refined decoration training

Supervisory units

Third-party assessment training, civil engineering safety training, quality risk training

Our efforts in achieving the highest quality standards have been recognised as well. Yanlord continues to garner various awards for architectural design and quality.

In FY 2021, the Group received 29 awards for achieving the highest quality standards in the municipal cities. For example, Tang Yue Bay Gardens in Suzhou won the China Civil Engineering Zhan Tianyou Award for Outstanding Residential Community Gold Award.

Case Study:

YANLORD CENTRAL LAKE GARNERS ARCHITECTURAL AWARDS FOR ITS DESIGN

In FY 2021, Yanlord Central Lake, located in Taicang City, won numerous awards, including the Architizer A+ Awards: Popular Choice in the Commercial Office – Low Rise category and the London Design Awards Gold.

Yanlord worked with Shanghai TIANHUA Architecture Planning & Engineering Ltd. to create a stunning design based on the ripples on the waterside, complementing the unique lakeside resources and view. Yanlord Central Lake integrates the needs of the industry and the city, and is to be used as a commercial building sales centre which can also function as an industrial exhibition hall. The core design elements are that of openness, interactivity, and architectural interest, highlighting its relationship with the city and the landscape it is surrounded by.

To ensure that the building is environmental friendly, high-transmittance glass is used on the inner side of the building, which together with the skylight helps to absorb natural light and reduce energy consumption, as well as to ensure the interior space is more transparent.



QUALITY OF PRODUCTS AND SERVICES

Guest Satisfaction

Throughout FY 2021, Yanlord's customer services team completed risks assessments before pre-sales of 16 projects located in 10 cities in PRC. In addition, 181 mystery shopper investigations were conducted on 34 projects in 12 PRC cities to identify potential issues or gaps. 96 sites and over 50 projects were inspected in total, and risk prevention plans were developed to address the whole development process, as well as to ensure a mechanism for ongoing customer engagement.

The R&D team also works with our procurement and customer services team to gather feedback and information on areas for improvements from our existing customers, using hotlines, in-person surveys and WeChat surveys. This iterative process is effective in continuous enhancement of the quality of product and services rendered.

In FY 2021, the R&D team used this feedback to work with the local cities' offices and the customer services team to launch an integrated customer focus-group programme to examine Yanlord's projects through in-depth reviews and feedback analysis. We received more than 5,000 responses to our requests for feedback and suggestions from our property owners on our Customer Relationship Management (CRM) platform, which enabled us in completing over 200 types of core services and internal controls to ensure that customers' demands and requests are met promptly, from property purchase to delivery to occupancy within and over two years.

MANAGED PROPERTIES

Across our managed properties, we frequently engage with our customers to stay abreast of their changing needs and evolving expectations. We have various channels and platforms that are made accessible to all customers, encouraging them to provide feedback while ensuring that we promptly respond to the concerns they may have.

Through the CRM customer data platform and customer services hotline¹, we provide customers with a convenient communication channel to ensure that customer demands are timely attended and resolved expediently. When in-person customer relationship activities could not be carried out (during COVID-19 lockdown) because of the safety distancing measures, online channels played a vital role as the key communication with the customers.

Aside from that, we also actively reach out to our customers to gather feedback on their satisfaction levels. For our new property owners, our teams reach out via phone calls to check in and obtain feedback on the services provided during the sales period up to the point of delivery. Another check in will be done for these property owners a year later as well. For longer-term owners (two years and above), our team reaches out via phone calls or door-to-door visits to conduct satisfaction surveys as well as obtain suggestions or comments on services rendered.

In FY 2021, we continued to conduct our annual customer satisfaction survey for customers in PRC, which is facilitated by an independent research agency. In response to the results, the relevant teams reach out to the respective groups of customers to further understand their expectations so as to provide a tailored response where possible. We also maintain open channels of communication with our customers

In FY 2021, we received a total of 4,369 feedback responses and complaints, with 75% of feedback responses and complaints made through the CRM programme and various online APPs, demonstrating a high preference for online communication. All feedback responses and complaints were successfully addressed and resolved where possible.



We aim to continue to adhere to our high-quality service standards, improve customer satisfaction and provide tenants with a comfortable, safe and convenient service experience.

On account of our continued efforts, we have received awards for our property management services. For example, Yanlord Shanghai's property management team received a score of 91.98 out of a possible 100 in the 2021 Shanghai Public Satisfaction Evaluation as recorded by the Shanghai Property Management and Service Platform, coming in at first place for the fifth consecutive year. This reflects the high levels of satisfaction that our tenants have in their experience with us, and their faith in our professionalism.

¹ For more information on our CRM customer data platform, please refer to page 39 of our Annual Report 2021.

QUALITY OF PRODUCTS AND SERVICES

HOTELS AND SERVICED APARTMENTS

At Yanlord, hotels and serviced apartments in PRC operate under major hotel brands such as InterContinental Hotels Group (“IHG”) and Crowne Plaza. Across the hotels and serviced apartments, quality service is ensured through a rigorous set of Standard Operating Procedures (“SOPs”) ranging from cleanliness, brand safety, brand standards and food safety.

To ensure that such SOPs are stringently adhered to, a monthly inspection is conducted by our employees. For example, food safety and hygiene checks are conducted daily to ensure proper cleaning and disinfection of the kitchen and food preparation areas. High-touch areas are cleaned thoroughly with suitable and safe chemicals. Microbiological swab tests are conducted across the kitchen, serving and food preparation area every six months by qualified independent laboratories. Aside from these checks, emergency response drills such as food safety incidents are captured in the InterContinental Hotel Incident and Crisis Manual, and training is conducted to familiarise all employees of the actions to be taken.

This comprehensive exercise includes reporting, investigating and tracing affected raw food as well as the recalling of such products across the hotel’s operations. Additionally, complaints received from guests and diners on foreign objects in food would have to be recorded and reported to the food safety committee as well as the management. A formalised reporting process is in place to ensure that details from each case is properly documented and follow-up measures are taken.

We also have on-site inspections conducted by external parties regularly. For food safety, we work with a professional third party to regularly conduct comprehensive inspections of our food safety management system. For product cleanliness and equipment inspection, an IHG quality inspector conducts annual checks.



Training

Aside from this, our hotels have a comprehensive training structure for all employees starting from onboarding, with specialised training such as training on handling customer privacy, and further *ad hoc* training to meet requirements for specific events. On a regular basis, refresher trainings are also held to remind employees on the know-hows of hotel operations so as to maintain the highest standards of service quality. Some of the training courses held during FY 2021 include: Service Recovery, Understanding Member Benefits and True Hospitality.

Guest Satisfaction

Guest satisfaction is a critical indicator of the service quality rendered. Throughout our operations, we consistently strive to better understand their needs and work towards meeting their expectations. In the long run, great guest experiences promote guest loyalty and ultimately allow us to better our performance despite the stiff competition within the hospitality industry.

We continue to track our guest satisfaction using internal guest satisfaction survey Guest HeartBeat and IHG Guest reviews in conjunction with ratings on review sites such as Ctrip, Booking.com, and TripAdvisor. Key metrics include guest experience at various stages of their stay with us, service recovery, cleanliness, and food quality.

At the end of FY 2021, an analysis will be performed on the survey results from Guest HeartBeat and comments gathered from the Ctrip website. Subsequently, relevant teams will brainstorm for necessary follow-up actions to be implemented for the ensuing year.

The table below summarises two key aspects identified from our surveys and the proposed follow-up actions to increase guest satisfaction in the next survey.

Aspects Identified	Follow-up Actions
Holistic Guest Experience	<ul style="list-style-type: none"> Enhance cooperation between Reservations and Sales colleagues to prepare for guests’ estimate time of arrival, and follow up before the guests arrive Assign personal targets for staff for HeartBeat scores
Food and Beverage Service	<ul style="list-style-type: none"> Ensure all hosts and hostesses take initiative to introduce the buffet table to guests Ensure all staff take the initiative to enquire about enjoyment of the meals so as to promptly address any issues Ensure that duty managers inquire about the dining situation of the guests and establish contact with them to remember their preferences

QUALITY OF PRODUCTS AND SERVICES

We also organised various activities for guests in our hotels and serviced apartments to ensure that they have access to wellness programmes and community events during their stay with us. For example, in Chengdu, we organised yoga classes, city tours and an annual gala dinner for our long stay customers. In Nanjing, we organised health and fitness classes which can be done from their homes.



Yoga class on International Yoga Day in Chengdu

Yoga classes are held twice a week in Chengdu



City tours are conducted twice a month in Chengdu



Stay home fitness & healthy in Nanjing

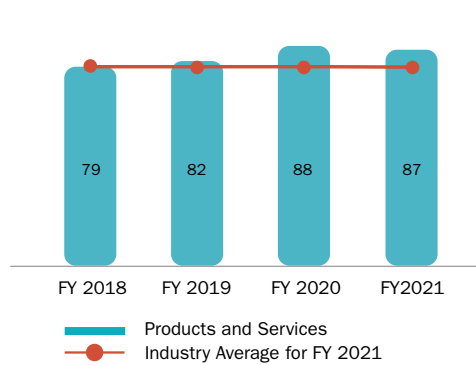
QUALITY OF PRODUCTS AND SERVICES

TARGETS AND PERFORMANCE

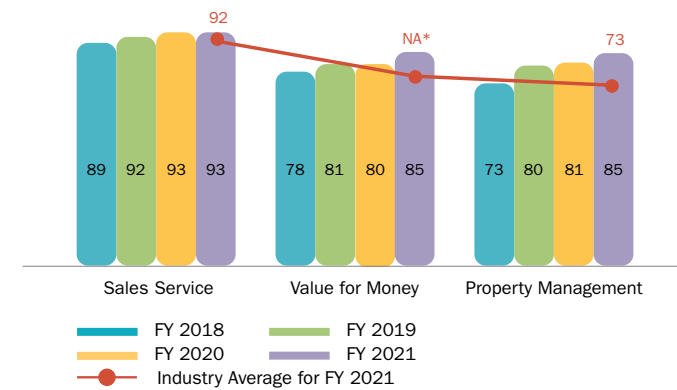
Based on a survey completed by about 11,920 tenants and residents in PRC, Yanlord is pleased to share that we have attained a satisfactory score of 87 out of 100 in FY 2021. While there has been a slight decrease in the overall satisfaction scoring compared to FY 2020, this was attributable to the substantial increase in new properties delivered to customers and properties under management in FY 2021. A total GFA of 2.06 million sqm and 10,510 carpark units were delivered to customers in FY 2021, an increase of 140.2% and 113.5% respectively compared to FY 2020. As of December 31, 2021, the total property area under management increased to 18.5 million serving over 88,200 households, from 14.5 million sqm serving 65,600 households as at the end of FY 2020, an increase of 27.6% and 34.5% respectively. Since the financial year ended December 31, 2018 (“FY 2018”), we have consistently improved our satisfaction score and have placed higher than the industry average as shown in the graph on the right.

Overall Satisfaction and Breakdown of Respective Aspects

Overall Satisfaction Scoring



Breakdown Satisfaction Scoring



FY 2021 Target

To achieve at least 89% overall customer satisfaction in FY 2021 survey



FY 2021 Performance

Achieved 87% overall customer satisfaction



FY 2022 Target

To achieve at least 89% overall customer satisfaction in FY 2022 survey

* For FY 2021, the industrial average value for money is currently unavailable. As such, we have used FY 2020 value for money industry average as a point of reference for the FY 2021 value, denoting it as “NA”.

QUALITY OF PRODUCTS AND SERVICES

Hotels and Serviced Apartments

Although our hotels use the Guest Love approach to track guest satisfaction, they each have a separate target as the results gathered are specific to that hotel only. The approach remains similar across all hotels in terms of survey forms, calculation of satisfaction scores and analysis. Depending on the key areas raised by the guests, follow-up actions may vary. As such, this has resulted in different targets set to be achieved.

We are proud that our hotels and serviced apartments have met their targets for FY 2021 and will continue to maintain this in FY 2022. All targets and performance across the hotels and serviced apartments are summarised as follows:



FY 2021 Target



FY 2021 Performance



FY 2022 Target

Chengdu:

To achieve 92% Guest Love Score

Achieved 95% Guest Love Score

To achieve 91% Guest Love Score

Sanya:

To achieve 96% Guest Love Score

Achieved 97% Guest Love Score

To achieve 93% Guest Love Score

Zhuhai:

To achieve 95% Guest Love Score

Achieved 95% Guest Love Score

To achieve 93% Guest Love Score

CUSTOMER HEALTH AND SAFETY

In FY 2021, there were zero incidents of non-compliance concerning health and safety of products and services. There were also no breaches against voluntary codes in areas of customer health and safety or products and services as well. As we continue to adopt leading practices in customer health and safety, we strive to upkeep this performance in the years to come.



CUSTOMER PRIVACY

MANAGEMENT APPROACH

At Yanlord, we have instituted a Privacy Policy which details how personal data of individuals our Group receives, or is in possession of, is handled, collected, used, processed, disclosed and protected. You may find our Privacy Policy on our website at <http://www.yanlordland.com/privacy-policy/>

Data Protection Laws we comply with:

PRC

Personal Information Protection Law, Network Security Law, Data Security Law and Cybersecurity Law of PRC

Singapore

Personal Data Protection Act 2012

Hong Kong (SAR)

Personal Data Privacy Ordinance

MANAGING CUSTOMER PRIVACY

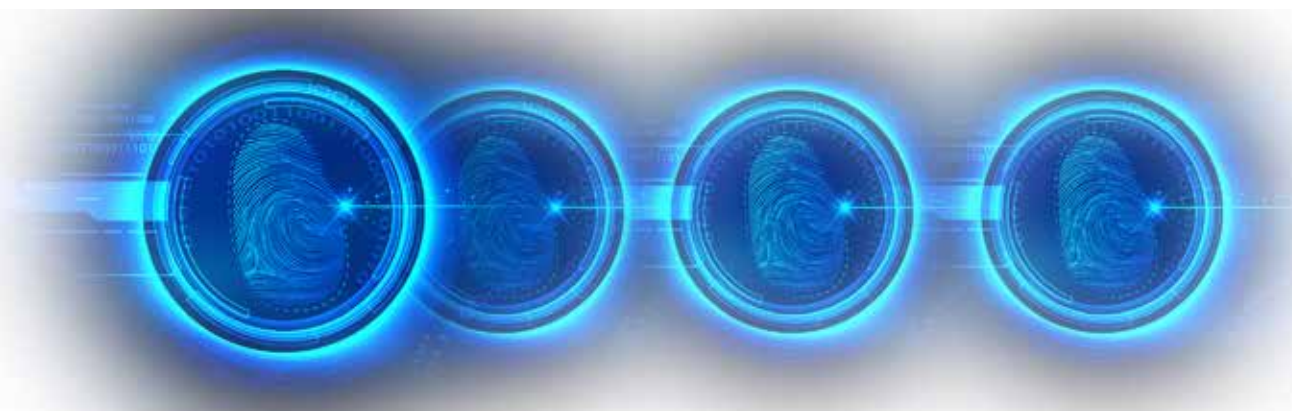
PRC

In PRC, our management of customers' personal information follows the principle that "the data user is responsible", ensuring that we are able to trace the usage of customers' personal information. At Yanlord, all employees involved in handling of customers' personal information are to perform the relevant personal information security duties that arise in their various roles and job scopes with reasonable caution, and are not allowed to disclose customers' personal information to unrelated personnel, or personnel who are beyond the scope of their authority. Additionally, all employees working in Yanlord's hotel operations must undergo a primer on handling guests' personal information.

To ensure that we are able to keep our customers' personal information safe, we have clear internal procedures regarding the collection, use, processing, disclosing and protection of customers' personal information. This includes using secure transfer and archiving of customer data through limiting access to personal information to authorised users.

Singapore

In Singapore, we keep an eye on the latest developments in the area through newsletters, attending seminars, and communicating and advising staff on relevant updates, as appropriate. Our Privacy Policy is also reviewed and updated as and when necessary to stay in line with future developments, industry trends, and changes in legal or regulatory requirements.



CUSTOMER PRIVACY

MANAGING CYBER SECURITY

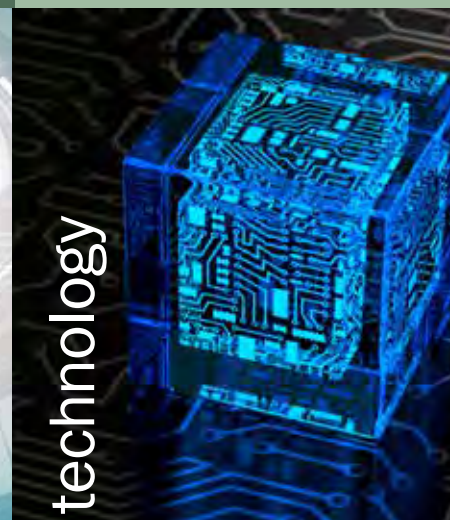
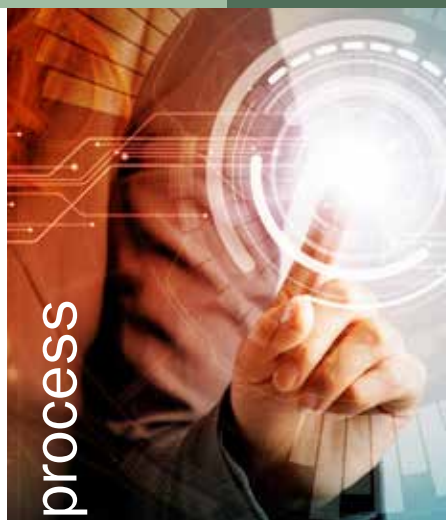
PRC

Recognising the importance of cyber security to our business, we ensure that we comply with the Cybersecurity Classified Protection 2.0 regime under PRC Cyber Security Law. This requires us to implement different levels of security requirements according to the different grades of our network system. At Yanlord, we ensure that we manage the three pillars of cybersecurity: Process, Technology and People.

In FY 2021, the Group began carrying out the construction of a network security management system in accordance with The National Information Security Standardisation Technical Committee of China ('TC260') standards for Information System Security Management. We focused on grading cybersecurity levels, filing of the grades, as well as verification of grades. Currently, two application systems, the "Sales System" and the "Customer Service System" have passed the second level of verification.

In addition to this, we continuously reinforced our information security system in FY 2021 through updates to our password and access control policies and audits of our network operation and maintenance. We have also established a unified SD-WAN access channel to improve interconnectivity and data security between our different city offices. To improve our antivirus features, antivirus software has been installed on all terminals, and we continue to conduct periodic security checks on our intranet.

To improve employee awareness of information security protection, we launched a training course on information security covering all employees with the support of the Group's human resources department. The course introduced the basic concepts of information security and highlighted common risks and basic steps to take to increase cybersecurity protection. For the Group's IT professionals, special training on network security was introduced to build capability in network protection.



Singapore

In Singapore, we have a Data Management Policy and Cyber Security Policy, which together describes general practices for data management, security and access, as well as security and threat prevention for the company's network, infrastructure, computer systems and the role of employees.

As part of responsible data management, we maintain checklist, documentation and require authorisation for the handling of certain sensitive data, and have daily offline tape backup to manage cyber-attacks. We also conduct regular tests on our systems, for instance yearly Disaster Recovery exercises, ethical hacking trials for Proof of Concept, and Data Security Management audits. We conducted an ethical hacking trial in FY 2021 with no major issues detected.

To improve our employees' cyber awareness, we prescribe training for specified employees, and communicate via electronic direct mail on recent news surrounding cyber-attacks and preventive measures as case studies to all employees.

TARGETS AND PERFORMANCE



Perpetual Target

- No substantiated complaints concerning breaches of customer privacy and losses of customer data



FY 2021 Performance

Achieved

In FY 2021, there were no substantiated complaints¹ concerning breaches of customer privacy and losses of customer data. We are moving along with industry practice and aim to achieve the same result in FY 2022 with enhanced protective measures against cyber-attacks.

¹ Written statement by regulatory or similar official body addressed to the organisation that identifies breaches of customer privacy, or a complaint lodged with the organisation that has been recognised as legitimate by the organisation.

Empowering Our People

EMPLOYMENT AND TRAINING · OCCUPATIONAL HEALTH AND SAFETY



Yanlord Riverside Gardens, Yancheng, PRC
仁恒河滨花园, 盐城, 中国

EMPLOYEE DEMOGRAPHICS

As of December 31, 2021, the workforce within the reporting scope comprised of 10,340 employees¹. The majority of our workforce is based in PRC. The vast majority of our employees are hired on a full-time basis, and females and male employees composed 42% and 58% of the entire staff population respectively. In Hong Kong (SAR) and Singapore, we hire our employees on a predominantly permanent basis, whereas in PRC we hire our employees on a predominately fixed-term² basis.

Please refer to the charts and tables below for more details on the breakdown.

Yanlord recognises and embraces the importance and benefits of having a Board and Board Committees of appropriate size and diversity. A diverse Board provides multiple perspectives, enhances decision-makings, avoids groupthink or uncritical conformity and fosters constructive debate. Currently, the Board comprises directors who as a group provide an appropriate balance and diversity in various aspects. Yanlord has in place a board diversity policy (which is also available on the Company's website at www.yanlordland.com/corporate-governance/) to promote adequate diversity on the Board. In particular, Yanlord values the current Board's diversity in terms of skillset and experiences, business background and industry knowledge, international experiences, age, tenure and independence.

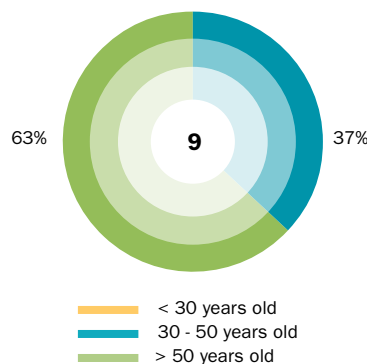
Since its initial public offering in 2006, Yanlord has had two female directors on the Board, with one of them stepping down in FY 2020 and another stepping down in FY 2021 in support of the Board's progressive renewal in line with Yanlord's strategic direction. Taking into account that gender diversity on the Board can bring different perspectives, competencies, functional expertise, approaches to stewardship and risk-reward orientation in enhancing the quality of decision making, Yanlord has set a target to appoint, on merit, a female candidate who possesses all the objective criteria and qualifications that complement the current Board mix and composition, to fill Board vacancies that may arise due to retirement or cessation of service of an existing director.

Breakdown of Board Members by Gender



Male	Female	Total
9	0	9

By Age



- < 30 years old
- 30 - 50 years old
- > 50 years old

Breakdown of Board Members by Independency



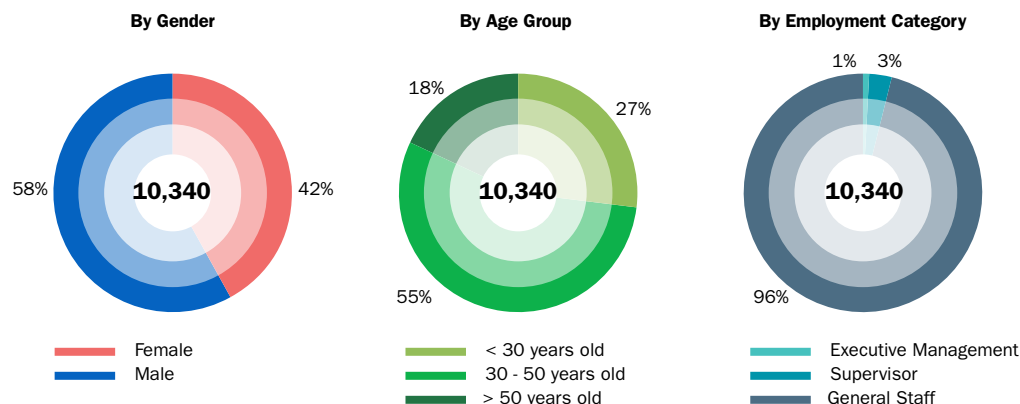
- Executive Directors
- Independent Non-Executive Directors

Executive Directors	Independent Non-Executive Directors	Total
4	5	9

- Employees refer to only staff who have entered employment contracts with Yanlord.
- Permanent employees are defined as only those whose employee contracts are for indefinite periods. In PRC, fixed-term contracts of 3 or 5 years are the norm due to employee terminations being regulated to a higher extent than in Singapore or Hong Kong (SAR). During the contracted period, they are treated as permanent employees and are provided full employee benefits. Additionally, we offer open-ended contracts after renewal of employment for two consecutive fixed-terms, in line with the Labour Contract Law of the PRC.

EMPLOYEE DEMOGRAPHICS

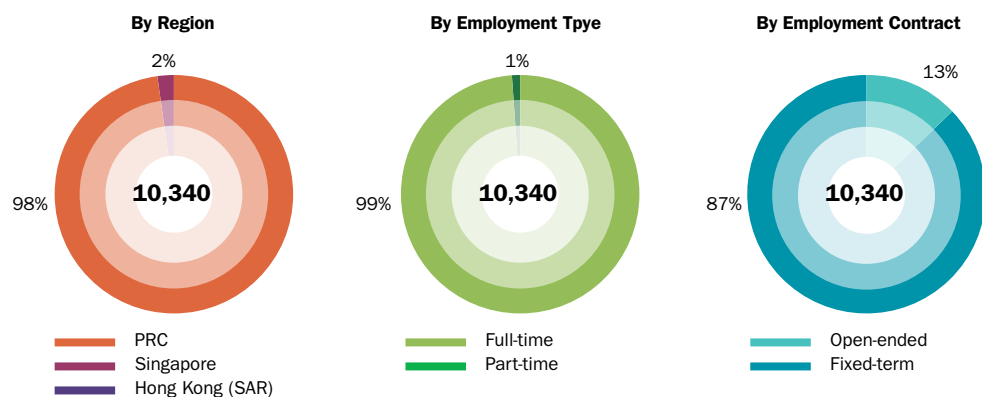
BREAKDOWN OF EMPLOYEES BY GENDER, AGE GROUP AND EMPLOYMENT CATEGORY



	FY 2020	FY 2021
By Gender		
Male	4,174	6,012
Female	5,710	4,328
By Age Group		
< 30 years old	2,858	2,757
30 - 50 years old	5,542	5,661
> 50 years old	1,484	1,922
By Employee Category		
Executive Management	44	43
Supervisors	376	351
General Staff	9,464	9,946

Diversity is an important attribute of a well-functioning and effective management. In Yanlord, we have made, and will continue to make, significant progress in terms of gender diversity. In FY 2021, women accounted for 26% of executive management and supervisory roles. Yanlord targets to bring in more qualified women for the management roles.

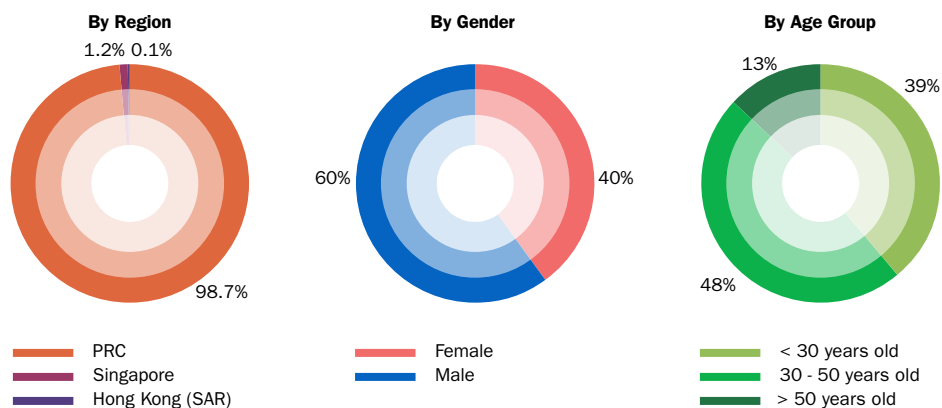
BREAKDOWN OF EMPLOYEES BY REGION BASED ON GENDER, EMPLOYMENT TYPE AND EMPLOYMENT CONTRACT



Region	FY 2020		FY 2021	
	Male	Female	Male	Female
PRC	5,605	3,987	5,917	4,163
Singapore	95	168	85	146
Hong Kong (SAR)	10	19	10	19
	Full-time	Part-time	Full-time	Part-time
PRC	9,574	18	9,979	101
Singapore	262	1	231	0
Hong Kong (SAR)	29	0	29	0
	Open-ended Contract	Fixed-term Contract	Open-ended Contract	Fixed-term Contract
PRC	1,915	7,677	1,141	8,939
Singapore	240	23	202	29
Hong Kong (SAR)	29	0	29	0

EMPLOYEE DEMOGRAPHICS

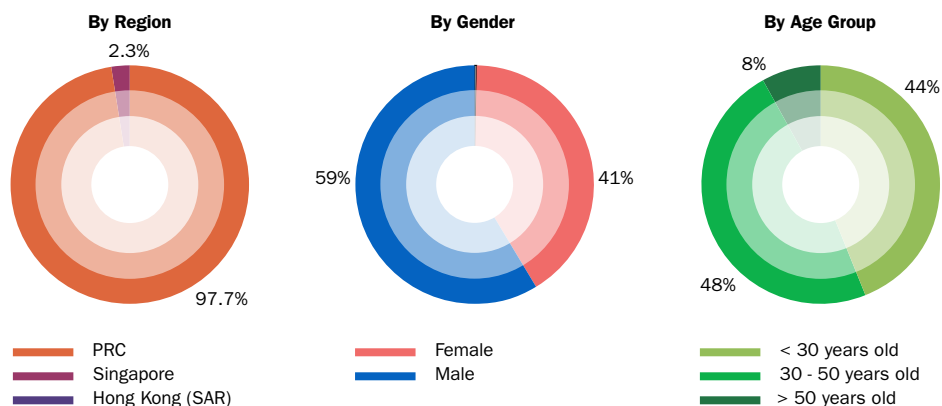
TOTAL NEW HIRES IN FY 2021: 3,935 – NEW HIRE RATE¹ : 39%



Region	FY 2020		FY 2021	
	Male	Female	Male	Female
PRC	2,337	1,564	2,343	1,544
Singapore	3	5	18	28
Hong Kong (SAR)	0	0	0	2

Region	FY 2020			FY 2021		
	< 30 years old	30 - 50 years old	> 50 years old	< 30 years old	30 - 50 years old	> 50 years old
PRC	1,792	1,819	290	1,511	1,877	499
Singapore	1	7	0	10	32	4
Hong Kong (SAR)	0	0	0	1	1	0

TOTAL TURNOVER IN FY 2021: 3,480 – TURNOVER RATE² : 34%



Region	FY 2020		FY 2021	
	Male	Female	Male	Female
PRC	2,075	1,551	2,033	1,365
Singapore	32	47	30	49
Hong Kong (SAR)	0	0	1	2

Region	FY 2020			FY 2021		
	< 30 years old	30 - 50 years old	> 50 years old	< 30 years old	30 - 50 years old	> 50 years old
PRC	1,599	1,630	398	1,518	1,624	256
Singapore	21	41	17	19	51	9
Hong Kong (SAR)	0	0	0	2	1	0

The Property Management business and Hotel Operations contributed to 32% of the Group's total new hires and 26% of the Group's total employee turnover in FY 2021. The high turnover rate of general staff especially frontline employees in these business segments in PRC is common due to the nature of the industry. Besides, all new hires and turnover data cover the internal transfers across different business segments.

- 1 New hire rate is determined by dividing the new hires with the average number of employees in the financial year under review. The average number of employees in the financial year under review is determined by having the total number of employees as at the beginning and end of the year.
- 2 Turnover rate is determined by dividing the number of employees who have terminated their employment by the average number of employees in the financial year under review.

EMPLOYMENT AND TRAINING

Our employees are the key contributors to the success of our business, and to our sustainable development. We recruit our employees based on merit regardless of age, race, gender, marital status, or family background. To ensure that our employees at all levels are treated fairly with respect, trust and understanding, we focus on fostering a positive corporate culture.

MANAGEMENT APPROACH

To support our employees in performing to the fullest of their potentials, we have training programmes at different levels to ensure that all employees are equipped with the relevant skillset and knowledge they need to excel in their roles. We have a structured training programme which considers the skills required at various levels of responsibility and years of

experience. For example, new employees have onboarding training to ensure smooth integration into Yanlord corporate environment, whereas experienced employees have targeted training programmes aimed at improving hard and soft skills.

To ensure that the training programme remains relevant and useful to our employees, we also have channels such as surveys and anonymous interviews to obtain feedback on the effectiveness of the course and the course design. In FY 2021, we enhanced training by further developing the Yanlord Capability Development Centre focused on building in-house knowledge and capability, and launched the online learning platform “Yanlord Learning” for day-to-day learning, continuous and professional training for staff. We also enhanced cross-function and cross-profession trainings to allow our employees to further develop their careers.

The training programmes for our employees include:

Training categories	Examples of training delivered
Compliance	Real Estate Operation Administration
Leadership	Management Soft Skills, Team Leadership
Core Skills	Management, Investment and Development, Operations, Customer Service, Marketing
Professional/technical/functional Development	Real Estate Project Management, Strategic Thinking
Personal Development	Taking the Initiative, Taking Responsibility

Specific programmes have also been developed for our four-tier management team, and each department is also having their own relevant technical or functional training programmes.

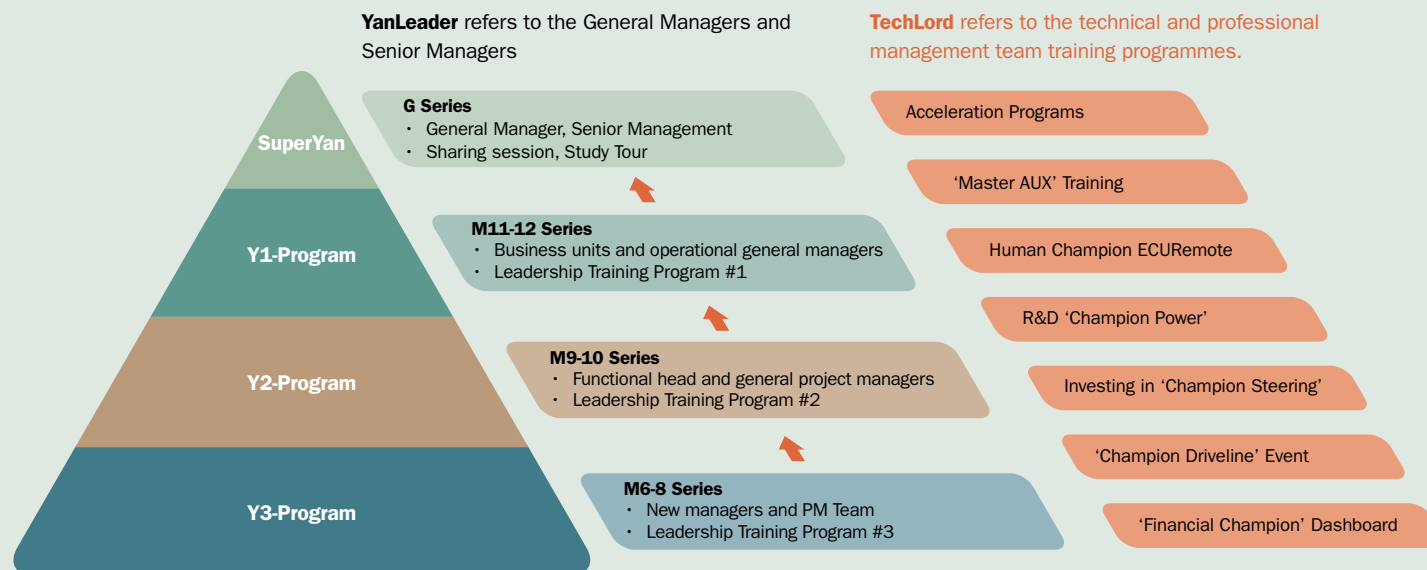
Training Eligibility

For individuals who are responsible, competent and have potential

Program's Feature

The training program is designed to take place regardless of its geographical location

Structure of Training and Development Programmes in the Yanlord Capability Development Centre



EMPLOYMENT AND TRAINING

MANAGEMENT TALENT TRAINING PROGRAMME

To date, Yanlord operates in 20 cities in the PRC, manages more than 100 projects under different stage of developments. We recognise the need to develop a strong management team that intimately understands Yanlord’s corporate philosophy, our business, has strong leadership ability and the ability to tackle novel issues.

When we design the training programmes and curriculum for our management-level staff, affectionately referred to as YanLeaders, we ensure that we design the training programmes for the right audience, delivering the right information for our business needs, ensuring our management team’s learning is supported, and achieving the desired outcomes. Our goal is to develop a deep talent pool of leaders who can manage the business, manage their teams, manage the available resources, and manage themselves.



Yanlord Shanghai operations held a 2021 Reserve Project Manager Competition to facilitate the progress of the project.

We do this through the following four-step process:

1. Selecting the Right People

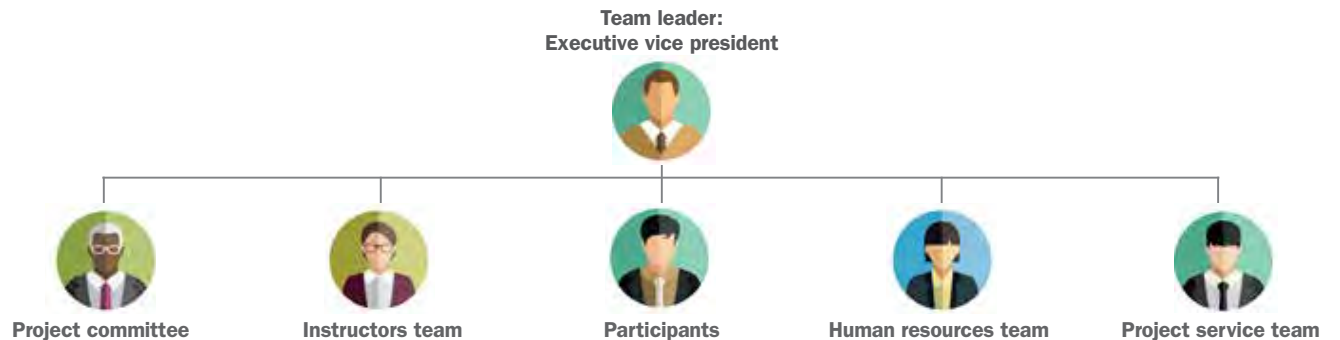
We aim to develop talents who have a high level of loyalty, high performance ability, and clear ideas for management, but who have not yet received systemic training. We focus on promoting strong strategic interpretation and implementation ability, strong resource integration ability, and emphasis on cross-departmental collaboration. In FY 2021, a total of 279 people were identified for further development.

2. Holding Dialogues and Course Design

We believe that in order to effectively design training courses, we need to understand the requirements of employees at all levels of the Group. We therefore use 360-degree feedback to obtain holistic information on each employee’s performance and thereby tailor the course to their needs.

3. Supporting Mechanisms

To ensure that our talents have a conducive learning environment, we require support from different business functions in order to carry out our training programmes smoothly. The involved business functions are:



4. Planning the Project Advancement Trajectory

We organise training sessions such that there are clear timelines. This enables our trainees to understand what the key milestones and outputs are, as well as what the expected learning outcomes and returns are.

We take a long-term view towards the development of our new employees, and our expectations of our employees are tied to their abilities and years of experience. With this in mind, our 18-month long New Yanlord - 新仁生 Management Trainee Programme was established to provide clear milestones and expectations for our employees. The programme places equal emphasis on both the new employee to seek development opportunities, and experienced employees to mentor the new joiners. Under the programme, the human resources department also has a role to play in ensuring that sufficient resources are provided for training.

EMPLOYMENT AND TRAINING

Case Study: SELECTION OF NEW PROJECT MANAGERS

At Yanlord, ensuring that we have a deep talent pool leaders with strong management ability is key to our success. Hence, on March 31, 2021, we held a competition for selecting a project manager for our new development located in Shanghai. 14 candidates were nominated to present their approach to and ideas for our projects. Coming from different backgrounds and years of experience working in Yanlord, each candidate presented their case-study and insights in management approaches towards the issues they identified, from costing, management of occupational health and safety, to operational control, risks and quality management. Followed by a question and answer session for the panel of judges composed of senior management of the Group to further evaluate the capability of the candidates. Through this process, the candidates were able to learn from and inspire each other, and more thoroughly understand their strengths and weaknesses. The selected candidate and the results of the competition were eventually announced to all employees.

The TechLord Training Programme provides continuous professional training sessions in relation to property development and construction management for our functional and technical management teams.



EMPLOYMENT AND TRAINING

Campus Recruitments for New Yanlorder Management Trainee Programme



“New Yanlorder – 新仁生” Management Trainee Programme

We take a long-term view towards the development of our young professionals management trainee programme as we focus on succession planning, and our expectations of our employees are tied to their abilities and years of experience. With this in mind, our 18-month long “New Yanlorder Management Trainee Programme “新仁生” aims to provide clear milestones and expectations for trainee. The programme places equal emphasis on both encouraging new trainees to seek development opportunities, and on experienced employees to mentor the trainee and develop leadership skill. Under the programme, the human resources department also has a role to play in ensuring that sufficient resources are provided.



2021 Summer Intern Programme in Shanghai

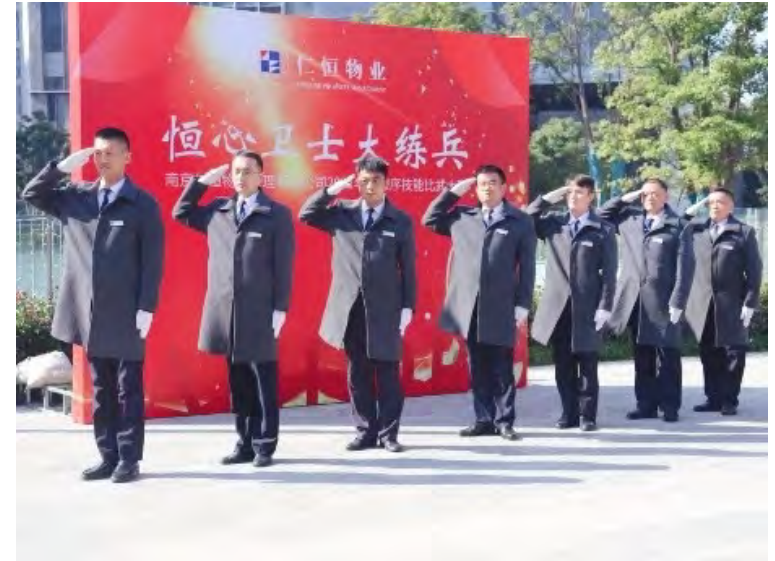


Campus Recruitment for Yanlord Property Management Services (“新仁物”) Management Trainee Programme



EMPLOYMENT AND TRAINING

Property Management Operations Training Sessions



EMPLOYMENT AND TRAINING

Hotel Management Team and General Staff Training: Leadership, Management, General Skillset, First Aid and Personal Appearance Trainings



EMPLOYMENT AND TRAINING

Case Study: ONBOARDING TRAINING IN TIANJIN

We recognise that first impressions are important, and that joining a new company can be intimidating. To support the building of camaraderie among our new employees and ease them into the transition, we plan onboarding activities to welcome them into the Group.

For example, in August 2021, more than 30 new employees from the Tianjin, Tangshan and Jinan offices gathered in Tianjin for the FY 2021 new employee onboarding. The day's events kicked off with the group being split into four teams for icebreaker activities such as floor curling. Spirits were high as our new employees engaged in intense competition, resulting in many twists and turns until the very last minute of the game.

Following the team bonding activities, our marketing and human resources departments introduced the Yanlord brand, values and corporate culture to our new employees. They also spoke about Yanlord's future, the many outstanding projects we have, as well as how we support personal and professional development at Yanlord. This helped to set expectations for our new employees, as well as to introduce them to the many opportunities for growth at Yanlord.

Building on this session, eight representatives from the group of new employees shared about Yanlord's role and impact in the real estate industry from different perspectives, internalising their understanding of what Yanlord means to them. Mr. Lin Jun Ting, the General Manager of the Tianjin office, followed by speaking to the new joiners about his own vision of Yanlord, sharing the beliefs, ambitions, hard work and rewards that he himself has experienced during his journey with Yanlord. He closed off the session by extending a warm welcome to all our new employees.



EMPLOYMENT AND TRAINING

ENHANCED APPRAISAL SYSTEM FOR TALENT DISCOVERY AND GROOMING

We enhanced our appraisal system in FY 2020, in line with our ongoing regional expansion. As part of the enhancements, we improved our performance assessment methodology and mechanisms, to improve our ability to discover and groom talents. In FY 2021, 100% of our employees have undergone at least one formal appraisal process.

EMPLOYEE ENGAGEMENT SURVEY

Yanlord has conducted employee engagement surveys since FY 2018 to identify factors affecting our employees' morale, identify ways to work on their pain points, and provide insights into how we can improve our management. In FY 2021, from a total of 1,892 effective responses, we found that the overall average of the employee engagement in the Group fell into the top 25% of companies using the Gallup Q12 Employee Engagement Survey, which is considered world class. The Group office together with 7 local city offices had an average value higher than the 75th percentile. Key points to note from the survey were set out in the table on the right:

Core Findings from the Engagement Survey

Findings	Description
Noticeable differences between employee engagement levels in different business units and cities	<ul style="list-style-type: none"> • Cities which have more new business developments and better business performances have higher employee engagement level • Information Systems, Operation and Construction Management, Cost Management have increased employee engagement levels while back office experienced a decreased • Employee engagement performance was highly recognised in functional teams among projects under operation management with pressured business targets
Noticeable differences between employee engagement levels for different groups of employees	<ul style="list-style-type: none"> • The key drivers for the M9 – M12 group's employee engagement level are overall returns, structure, culture, information, decision-making, organisation growth and sector outlook • M5 – M8 group's employee engagement levels were increased during the year • Employees who have been with us for the long-term are concerned about recognition and motivation from the company, medium-term are concerned about peer colleagues' performance and capability and growth opportunities, whereas employees who have been with us for a shorter time are more concerned about learning and development
Maintenance of employee engagement standards over the past 3 years	<ul style="list-style-type: none"> • Overall employee engagement level remained stable, and continued the trend of gradual increase • Core driving factors for employee engagement were traditional core driving factors such as strategies, brand reputation, clear mission and vision as well as management, working environment and colleagues • Among the factors that matter to employees across all business lines and all grades ranked increasing on the working relationship with direct supervisors, clear working procedures, organisation reputation, while immediate recognition, incentive, growth and development opportunities as well as multiple regions development and opportunities, remuneration were also key factors to high employee engagement • All employees expressed concerns about the sector outlook

EMPLOYMENT AND TRAINING

ACTION PLAN FOR IMPROVEMENT BASED ON SURVEY RESULTS

To improve on our employee engagement and satisfaction levels, we are in the process of updating the Group strategy based on industry trends and enterprise developments. We are also focused on ensuring that the Group strategy is clearly defined so as to achieve a common understanding among our employees. Some key principles of our new Group strategy will include:

Process Optimisation

- ensuring proper implementation of the Group strategy by designing a roadmap, involving each business unit in the exploration of development models and directions
- optimising the team structure, management and control over new local city offices and allocate personnel based on the optimised team structure
- optimising the decision-making process to ensure that we are agile and responsive to new developments
- strengthening the link between group strategy, organisational performance, and individual performance

Value Alignment

- upholding our commitment delivering high quality products and services throughout our operations, maintaining our strong reputation, responding to the various industry challenges, and ensuring that we are well-prepared for any uncertainties
- ensuring decent work for our employees by maintaining a culture of respect, equality and openness within the organisation, as well as enabling mutual influence and integration between new and experienced employees to ensure that our corporate culture is inherited
- cultivating our employees' desire to excel and our management team's sense of mission, and ensuring that they are encouraged to strive for improvement, take on challenges, and take responsibility

Talent Management

- ensuring that employees are able to perform stably and continuously by helping them cope with work pressure and preventing excessively heavy workloads
- improving the synchronisation between the development of leadership and business ability, through specific training and guidance
- reviewing the Group remuneration strategy to ensure that salaries are in reasonable ranges matching the degree of personal investment and contribution

BUILDING A SENSE OF BELONGING AND COMMUNITY

At Yanlord, we recognise that a healthy workplace environment is one where employees feel appreciated for their efforts. Hence, in addition to our internal efforts, we introduce each department and the hard work that they do for our customers and residents on our social media platforms every Labour Day.

Image from Public Appreciation Post for Our Various Teams



To support our employees in building a sense of belonging at Yanlord, we also organise events for our employees to get together and have fun with family and friends. These events include an annual run to celebrate Yanlord's anniversary, football games, activities for International Women's Day and family days, sport days, and team building activities for different business units.

EMPLOYMENT AND TRAINING

Yanlord's Annual Run-In Celebration of Our Anniversary



Football Game in Shanghai



Family Members of Our Employees Enjoying the Family Day Activities



Yanlord's Female Employees Enjoying the Activities and Gifts Prepared for Them on International Women's Day



EMPLOYMENT AND TRAINING

TARGETS AND PERFORMANCE



FY 2021 Target

21 training hours per employee¹



FY 2021 Performance

49 training hours per employee



FY 2022 Target

50 training hours per employee

In FY 2020, the scope of training hours reported only included our Property Development and Property Investment business segments. In FY 2021, we improved the training records to cover Property Development, Property Investment and Hotel Operations, and Property Management Segments in the PRC, Singapore and Hong Kong (SAR). We also combined the total of training hours for in-person training and web-based training, achieving an average of 49 training hours per employee of these business segments.



Overall average training hours for men was 48 hours in FY 2021. Overall female average training hours was 52 hours for FY 2021. For management and supervisors, we achieved an average of 25 hours for both male and female. For general staff, we achieved an average of 51 hours.

Our target for FY 2022 is to achieve an average of 50 training hours. Moving forward, our Group human resources team looks to introduce a wider range of training modules to further enhance our employees' skills and competency.

The table below summarises our employee training statistics:

FY 2021	Management and Supervisors		General Staff	
	Male	Female	Male	Female
PRC	7,292	2,215	279,939	222,234
Singapore	45	242	913	1,827
Hong Kong (SAR)	40	70	80	80
Average Training Hours	25	25	49	53

1 The increase in targeted training hours reflects the expansion of scope of reporting of training hours, from Property Development and Property Investment business segments to all staff.

OCCUPATIONAL HEALTH AND SAFETY

At Yanlord, we recognise the importance of our people as the key to the success of our business and as the fundamental in sustaining organisational effectiveness and performance. Therefore, we are dedicated to safeguarding our people's welfare and improving their workplace competencies to ensure the mutual success of our employees' professional development and organisational performance. We believe a comprehensive and healthy workplace can encourage employees to be more active in their work and thus, motivate the whole organisation to improve productivity and increase the retention rate.

MANAGEMENT APPROACH

In PRC, our occupational health and safety is managed under the guidance of onsite safety standardisation management rules at the construction sites. These include requirements on entry management, routine meetings, unified clothing, emergency plans, isolation and protection equipment and board of notice, etc.

To ensure that our OHS management systems are relevant to the work done by each business segment, our OHS management systems have been customised to the needs of each business segment.

	OHS Management Systems at Yanlord
Property Development	<p>Our OHS management system at construction sites is developed based on the relevant national laws, regulations and standards, such as National Standards of the PRC: Unified Code for Technique for Constructional Safety (GB50870-2013), Technical Code for Safety of Construction Machinery (JGJ130-2001) and Safety in Welding and Cutting (GB9448-1999), etc.</p> <p>The Group has also established a three-level safety management structure for the Group, local city offices, and projects, and strictly follows safety management processes of pre-training, in-process inspection, and post-event evaluations to ensure the project is safe, orderly, and in a controllable environment. All project supervisors and general contractors must be equipped with full-time safety management equipment.</p>
Managed Properties	<p>Our OHS management system at our managed properties department is certified by GB/T 45001-2020 / ISO 45001:2018 Occupational Health and Safety management standards in our Shanghai, Nanjing, Suzhou, Nantong, Chengdu and Shenzhen offices. We are planning for local city offices in other regions to gradually incorporate the ISO 45001:2018 certification into their workplans from 2020 onwards. Currently, our occupational health and management system is based on the characteristics of the property services industry with various supporting procedures in place, such as Risks and Opportunities Management Control Procedures, Hazards Identification and Risks Control Procedures, etc. To ensure that we are in line with the applicable laws and regulations, a masterlist of laws and regulations has been developed and maintained up to the date.</p>
Hotels and Serviced Apartments	<p>Our OHS management system ensures that occupational health and safety risks are contained via the unified Global Risk Management Standard set by the hotel management team. The hotel management team conducts the audits to all the hotels every year to ensure compliance with laws and regulations, as well as timely follow-up on plans for improvements identified during the audits.</p>

OCCUPATIONAL HEALTH AND SAFETY

In Singapore, our OHS system conforms to ISO 45001:2018 for the following activities in our managed properties:

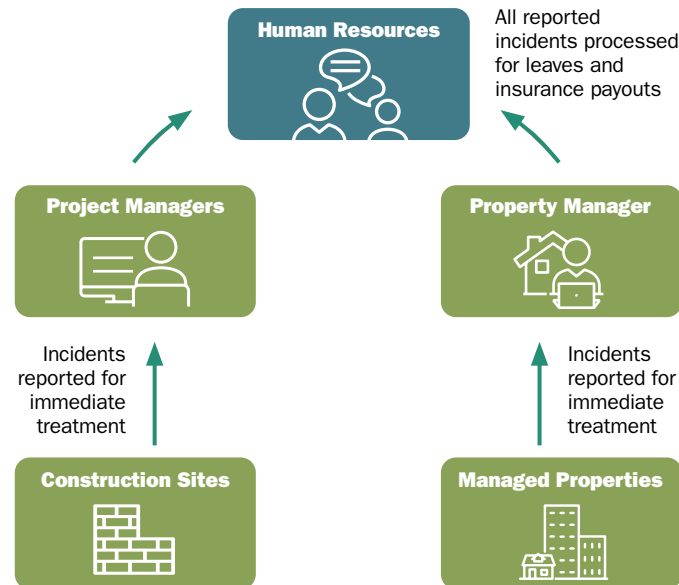
- provision of corporate management services to business activities of UEL group encompassing property management and integrated facility management, which span the design, build and operate value chain
- provision of property development, project management and leasing
- provision of integrated facility management and other technical support
- lease and management of serviced apartments
- management of hotels

During FY 2021, our periodic review concluded with the updating of our OHS policy and objectives for the five years ahead. A key update to our OHS objectives is that all contractors engaged for major projects must attain minimum BizSafe Level 3. Our OHS policy is available for all our employees to view in English, Chinese and Bahasa Melayu. Our commitments are to:

- **U**phold universal occupational safety & health standards by providing a firm framework for setting key OSH objectives;
- **N**ever compromise on compliance with relevant regulations, legislations and other requirements;
- **I**mprove the OSH management system through the involvement of relevant workers from all levels in the reviewing of existing processes as well as the setting of new processes;
- **T**rain and educate all workers on workplace safety & health, and emergency preparedness;
- **E**liminate hazards and reduce OSH risks in the workplace; and
- **D**evelop and promote a culture that supports a safe, secure and healthy workplace.

Additionally, we have a systemic approach to the reporting of any injuries or accidents arising within our residential and commercial properties.

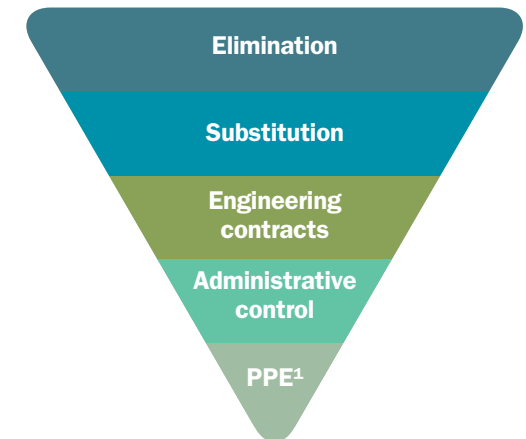
Incident Reporting Process



PROPERTY DEVELOPMENT

All OHS issues are taken care by a team consisting of our project team, representatives of supervision companies and the general managers and safety leaders of our main contractors. Safety officers of our main contractors conduct daily assessments on site while the project supervisors and Yanlord's project team organise the site inspections every week to ensure the compliance of relevant laws and regulations and assess the sites potential safety risks and hidden dangers. All inspectors trained to identify issues effectively and should any OHS risks be found during the inspections, the main contractors will be notified and reminded to correct the issue until the hidden danger is eliminated.

Our control method is based on the hierarchy of controls as below:



1 PPE stands for "Personal Protection Equipment"

OCCUPATIONAL HEALTH AND SAFETY

Workers may also report their concerns or findings through feedback boxes, or directly to the site safety officer. Any safety incident that happens within the sites is required to be reported to the relevant Group departments within 24 hours of occurrence. Updates on regulations and incidents, if any, will be communicated and discussed through the weekly supervision meeting where Yanlord's project team, supervision companies and our main or sub contractors will be represented.

At construction sites, our own clinics have been set up to provide immediate and free treatments for minor injuries, while transport to the general hospitals is provided in the event of major injuries. We have also purchased safety insurance for all workers including Group employees and contractors on site. We take efforts to avoid any safety incidents by adhering to the requirements set out in our safety management procedure, conducting routine trainings and inspections and taking proactive actions to rectify situations to avoid further negative impacts arising from similar situations. In FY 2021, all employees working in the General and Subcontracting units for new projects received training aimed at improving safety management capabilities within each unit and increasing synergies among units. A total of 1,035 hours of training on safety management was provided.

We continue to provide safe working conditions at our dormitories and canteens through safety awareness briefings and adjusted working hours to ensure that workers are sufficiently well-rested.

For our supervising engineers, main contractors' management, and front-line operators, we continue to assess their different training needs through questionnaires and provide applicable trainings on a monthly basis.

MANAGED PROPERTIES

To ensure the effectiveness of our OHS management system, a three-level inspection including daily inspections, internal audits, and management reviews and customer feedback has been developed to achieve continuous improvement of our system.

The hazards identification process covers all workers including employees, visitors and suppliers in the workplace and includes consideration of routine, abnormal and emergent situations in the past, present and future. Additionally, other social factors such as workload, working hours, deception, harassment and bullying issues and physical environment including facilities and materials, for all working process are covered. An example of

how our hazards identification process enabled us to improve the health and safety standards of our residential sites is the installation of an anti-falling monitoring tool in the higher levels of our residential buildings so that high-rise accidents can be prevented.

Based on the different sources and level of risks of the hazards identified, Yanlord has taken the following actions to reduce the associated risks to the minimum:

- setting targets and implementing management plans;
- standardising expected workplace behaviour by implementing operating procedures;
- implementing emergency plans;
- conducting safety trainings; and
- taking corrective actions whenever needed. Risks associated with the hazards will be reviewed every year.

Various departments are required to take responsibilities and implement corrective actions for all non-conformances identified by the external auditors or findings identified through the three-level inspections. Any potential hazards found by the workers are reported to their departments and all OHS related issues or information will be updated to the workers through meetings or trainings. The respective OHS management representatives review their respective risk registers regularly to ensure compliance with all applicable laws and regulations. The enterprise labour union¹ also helps to ensure that workers' rights are protected.

In FY 2021, we implemented mandatory work injury prevention training for all new employees, with specific safety training conducted for teams that face specific work hazards.

Safety Training Sessions of Construction Sites

First Aid Training Session for Yanlord Employees



1 The enterprise labour union is the basic organisation of the All-China Federation of Trade Unions (ACFTU). It is the representative of the legitimate rights and interests of the enterprise labour union members and workers.

OCCUPATIONAL HEALTH AND SAFETY

Case Study: FIRE SAFETY DRILL AT YANLORD RIVERSIDE CITY IN SHANGHAI, PRC

Yanlord is committed to ensuring the safety of all our residents in Yanlord Riverside City.

As such, our property management centre has implemented regular fire safety drills to help our tenants and homeowners be prepared in the case of a fire emergency. Through the implementation of real-time scenario-based drills, we aim to improve our employees' ability to effectively control emergency situations and disseminate safety information to tenants, so as to reduce and manage the impact of any potential hazards through timely reactions.



OCCUPATIONAL HEALTH AND SAFETY

HOTELS AND SERVICED APARTMENTS

Our annual risk management plan is strictly applied and monitored throughout the year. Workers can provide feedback directly to their seniors or supervisors, or the security department. All employees are engaged through meetings such as the General Manager Roundtable for employees, regular meetings of the employee committee and meetings to discuss and suggest improvements to OHS management. Additionally, we use channels such as emails, notice board and acknowledgements of key OHS information for effective communications with employees.

Qualified third-party trainers are also invited to equip our employees with prevention or mitigation skills when facing hazards. These trainings will be conducted every month in line with the compulsory trainings required by the regulations, findings during daily operations and feedback from our employees.



Employees from Hotel Operations attending Aqua Yoga class in Nanjing

PROMOTION OF WORKER HEALTH AND WELL-BEING

Across all business units, we also focus on health education and training, injury prevention, and implement targeted welfare support projects to improve the overall health and well-being of our employees.

We continue to provide health and wellness support to our employees through annual medical examinations, medical insurance, and health and fitness activities. We also support our employees through special or unusual periods such as maternity leaves, and sick leaves or hospitalisation.



Employees' Occupational Health and Well-being Consulting Services in Hainan

OCCUPATIONAL HEALTH AND SAFETY

TARGETS AND PERFORMANCE



Perpetual Target

- Zero occupational diseases and work-related fatalities at managed properties



FY 2021 Performance

Achieved

PROPERTY DEVELOPMENT

In FY 2021, there were zero cases of work-related fatalities, recordable work-related injuries or work-related ill health at our construction sites, sales centres and offices in the PRC (including Hong Kong (SAR) corporate office) and Singapore.

A total of 4,720,968 working hours were recorded from our employees¹ during FY 2021, compared to 5,023,728 working hours recorded from our employees² during FY 2020.

	FY 2020	FY 2021
PRC - Employees		
Working hours	5,023,728	4,720,968
SG - Employees		
Working hours	160,672	137,160

MANAGED PROPERTIES

In FY 2021, there was no fatality at our managed properties. We recorded 28 work-related injuries at our managed buildings compared to 38 in FY 2020. The recordable work-related injury for employees has decreased by 39% to 2.04 in FY 2021 from 3.32 in FY 2020. Safety trainings and awareness have been communicated to our employees to prevent reoccurrence of such incidents and we strive to inculcate a safety-first mindset amongst all. Across both years, there were no work-related ill health incidents recorded. The following table details the safety performance of all employees at our managed properties.

	FY 2020	FY 2021
PRC – Employees		
Working hours	11,449,008	13,755,384
No. of fatalities	1	0
Rate of fatalities	0.09	0
No. of high-consequence injuries ³ (excluding fatalities)	2	0
Rate of high-consequence injuries (excluding fatalities)	0.17	0
No. of work-related injuries ⁴	38	28
Recordable work-related injury rate	3.32	2.04
No. of work-related ill health	0	0
PRC - Workers who are not employees but whose work/ workplace is controlled by Yanlord		
Working hours	2,164,736	2,714,736
SG - Employees		
Working hours	74,077	67,279

HOTELS AND SERVICED APARTMENTS

Across both years, we are pleased to record zero work-related fatalities, recordable work-related injuries and ill health across our hotels and serviced apartments. The working hours for non-employees increased significantly from FY 2020 as the economy and business activities were recovering in FY 2021 which led to higher occupancy rate for hotels in the PRC. The respective working hours are detailed in the table below.

	FY 2020	FY 2021
PRC – Employees		
Working hours	1,865,472	1,696,248
PRC - Workers who are not employees but whose work/ workplace is controlled by Yanlord		
Working hours	265,216	480,952
SG - Employees		
Working hours	259,120	263,868

- 1 Data is unavailable for workers who are non-employees at our construction sites and we will consider to include the figure in future reporting periods.
- 2 In FY 2020, the total working hours of Yanlord's employees at construction were estimated based on 40 working hours per working week. For FY 2021, we improved the calculation of FY 2020 based on actual working hours of employees.
- 3 A high-consequence injury is one where the employee cannot, does not or is not expected to recover fully to pre-injury health status within six months. The rate is calculated by taking the number of high-consequence injuries over the total working hours of the employees multiplied by 1,000,000.
- 4 A recordable work-related injury is one which arises out of or in the course of work that could or does result in injury or ill health. The rate is calculated by taking the number of recordable work-related injury over the total working hours of employees multiplied by 1,000,000.

Preserving Our Planet

CLIMATE CHANGE · GREEN BUILDINGS



Yanlord Central Lake, Taicang, PRC
仁恒时代天镜, 太仓, 中国

In 2020, China unveiled its pledged to become “carbon neutral” by 2060. A year since the pledge was made, the Chinese Government has rolled out a series of targeted action plans to guide their journey towards this long-term goal. For a start, it was announced that 80% of its energy will come from non-fossil fuel sources by 2060. At the same time, China is also actively encouraging the uptake of electric vehicle. Beijing has set a target to increase the percentage of electric vehicles on the road to 20% by 2025, up from the 6% target set in 2020¹. It is apparent that climate change has brought about numerous risks as well as opportunities.

In February 2021, the Singapore government announced the Singapore Green Plan 2030, laying forth a roadmap for the country’s ambitions and goals over the next ten years in order to achieve Singapore’s long-term net zero emissions target. The Green Plan strengthens Singapore’s commitment under UN’s 2030 Sustainable Development Agenda and Paris Agreement. The plan outlined five key pillars that focus on strengthening Singapore’s economic, climate and resource resilience. In addition, the plan aims to enhance the living environment of Singaporeans and create new businesses and job opportunities. The five key pillars are City in Nature, Sustainable Living, Energy Reset, Green Economy and Resilient Future. The plan will be part of a continuous national engagement process, where strategies will be refined along with the nation’s progress and technological advancements. This is to ensure the plan will remain relevant over the next decade.

As one of China’s leading property developers with a growing presence in Singapore and as a responsible corporate citizen, Yanlord recognises the impact that its business operations may have on the environment and strives to ensure that such climate-related risks and opportunities are adequately managed.

Each stage of a building’s life cycle can leave a considerable carbon footprint, starting from pre-acquisition of the land, design and construction, as well as operations and its maintenance. Yanlord takes a two-pronged approach to managing the risks and opportunities brought about by climate change and the second at optimising our operations towards responsible use of natural resources, to ensure minimal impact on the environment.

CLIMATE CHANGE

Demand from investors for ESG-related information is increasing more than ever before. Just in the last year, stock exchanges and regulators have introduced more guidelines, frameworks on ESG reporting as well as making it mandatory in some countries. In Singapore, SGX rolled out mandatory climate reporting for listed companies in selected sectors starting from 2023, with the real estate sector beginning from 2024 onwards. Since FY 2020, Yanlord has disclosed its climate-related risks and opportunities and will continue to refine these disclosures in the years to come.

MANAGEMENT APPROACH

At Yanlord, we are guided by our business philosophy of “acting cautiously, expanding steadily, taking a long-term view so as to pursue sustainable development”. As a responsible corporate citizen, we are aware of the role businesses play in advancing each of the UN SDGs. We endeavour to raise awareness through our businesses as well as encourage stakeholders to join us in the fight against climate change. The ultimate goal is for the awareness

We have instituted a Climate Change Policy which details our commitment towards managing the impacts of climate change throughout our entire value chain. In FY 2021, we have made progress on the series of actions plans to ensure accountability at management level and set out key steps to be taken.

A climate change risk assessment task-force has been established at the Group level. They oversee the identification and evaluation of climate-related risks and provide regular updates to the management. These risks would then be incorporated into the Company’s decision-making model. The policy will be reviewed regularly to ensure its continued relevance in the fast-changing business environment that Yanlord operates in.

We take the following approach in managing climate-related risks:

- Identifying climate risks and opportunities and its potential impacts on our portfolio
- Formulating mitigating actions to address these impacts on the value chain. Such actions can include active monitoring of energy consumption and emissions of the entire life cycle of the project
- Working closely with internal and external stakeholders to roll out green initiatives on energy, emissions, water and waste

Under our Property Investment and Hotel Operations segments, we have managed properties as well as hotel and serviced apartment. Three of our hotels and serviced apartments in the PRC are managed by IHG. Guided by the groupwide Crisis Management Plan, it provides an organised and efficient response in the event of crisis which are, but are not limited to, fire hazards, natural disasters and energy interruptions. Applicable laws and regulations of the countries and states we operate in are considered within this plan as well. The Crisis Management Committee at IHG oversees this plan and reviews it on a regular basis to ensure its continued relevance to the hotels’ operations.

¹ ‘How China Plans to Become Carbon-Neutral by 2060. Article by Bloomberg August 11, 2021, <https://www.bloomberg.com/news/articles/2021-08-10/how-china-plans-to-become-carbon-neutral-by-2060-quicktake>

CLIMATE CHANGE

MANAGING CLIMATE RISKS

Main Climate Risks and Opportunities at Property Development and Managed Properties

Risks		
Description of the risks	<p>Physical risk Increased extreme weather conditions, such as heavy rainfall in summer which lead to urban waterlogging in cities.</p>	<p>Transition risk</p> <ul style="list-style-type: none"> • New policy and regulations e.g. ‘Emission peak’ and ‘Carbon naturality’ pledge made by PRC and Carbon Pricing in Singapore • Emerging low-carbon technology • Increased stakeholder concern • Shifts in consumer preferences
Impact associated and financial implications	Impact includes increase in costs, such as the bearing capacity of drainage facilities which are considered in advance at the planning and design stage will indirectly increase the project cost.	<ul style="list-style-type: none"> • Policy compliance cost • Carbon tax passed on to end consumer in the form of higher electricity prices • Devaluation of assets • Reputational and legal impact
Risk management	<p>Risks factors are considered in advance during planning and design phase with the consideration of the budget and project management capacity.</p> <p>In order to adapt to climate change, Yanlord responded to the Guidance from the General Office of the State Council on Promoting the Construction of Sponge City by holistically considering aspects of rainwater absorption, storage, seepage, and water purification in projects, as well as recovering rainwater for greening and irrigation.</p>	<p>Yanlord considers the impact of climate change during the entire life cycle of project development (including design, procurement, construction, operation and maintenance), and provides fully-furnished houses to reduce secondary pollution from tenants’ furnishings.</p> <p>We actively explore and use low-carbon and energy-saving products and materials; for example, Yanlord adopted use of prefabricated buildings in multiple projects and uses practices such as ‘building houses like building blocks’.</p>
Opportunities		
Description of the opportunities	<p>Regulatory opportunities</p> <p>More requirements for green buildings by the regulators due to climate change.</p> <p>More incentives for green buildings provided to developers to achieve PRC’s goal of becoming “carbon neutral” by 2060.</p> <p>Increase in customer awareness of the benefits of living in green developments.</p>	
Impact associated and financial implications	<p>Market opportunities</p> <p>Yanlord is among the best in construction quality in the industry which is the preferred choice of the government and customers.</p>	
Opportunity management	Yanlord continues to strengthen the R&D efforts in greening our building through continuous upgrading of our spaces. See page 65 for more information on our green building management.	

CLIMATE CHANGE

Throughout the life cycle of our properties, we have considered the climate-related risks and adopted climate adaptation measures. They are detailed in the figures below.



Assessing climate-related risk during investment/land acquisition

Right from the start of the investment process, non-financial risks are assessed through a rigorous process which is conducted by the investment team. Some of the factors considered included:

- Purchasing power across various regions and cities
- Demands of various projects
- Environment and climatic conditions such as biodiversity and various climate scenarios in regions and seasons such as summer with heavy rainfall, the flooding season in Yangtze River Delta, coldwaves and typhoons

Where deemed to be manageable, the identified risks will be mitigated during the design and construction process which is further elaborated in the next step. In the event where we deem these risks to be uncontrollable such as it potentially being of major stakeholder concern, the team will terminate the process immediately.



Eliminating and mitigating risks during design and construction phase

After the risks are identified, in consultation with the planning and design department, they will propose for appropriate actions based on project budget and existing resources to eliminate or mitigate the risks. The Group has been committed to conserve energy and reduce emission through green buildings and sustainable development. As such, our developed projects take on the characteristic of 'Green, Health, Comfort, and Safety'. The renovation project at Yanlord International Apartments, Tower A in Nanjing followed the abovementioned characteristics and provided features such as constant temperature, humidity and oxygen, also known as 'Three Constant System,' in each apartment. Furthermore, intelligent energy systems were also implemented within Yanlord Century Mansion in Shenzhen for the first time.

Yanlord will continue to promote and development green building in the upcoming years and monitor our progress of each project to fulfil the relevant certification and standards.

We endeavour to address the identified risks as early as possible through the projects so as to minimise residual climate-related impacts which could potentially hinder the construction phase. Thereafter, our construction team will commence the work based on the design plans.



Monitoring and managing climate or environmental factors during operational phase

At the operation phase, the building management teams oversees various climate and environmental factors across our residential and commercial properties through various features and systems. They are detailed below:

- Early warning systems that detect for typhoons, flooding and hurricanes
- Hydrological monitoring of environmental factors
- Emergency response measures for various natural disasters such as flooding, typhoons, earthquakes and hurricanes
- Crisis management plans are also put in place to ensure business continuity and safeguard stakeholders
- Training for employees and regular emergency response exercises to increase

CLIMATE CHANGE

Case Study: FLOOD AND TYPHOON PREVENTION AT YANLORD RIVERSIDE CITY IN SHANGHAI

Yanlord Riverside City in Shanghai has implemented a flood and typhoon prevention plan to ensure that we are prepared extreme weather events. The flood and typhoon prevention plan outlined the following action plans:

Preparing for the Typhoon

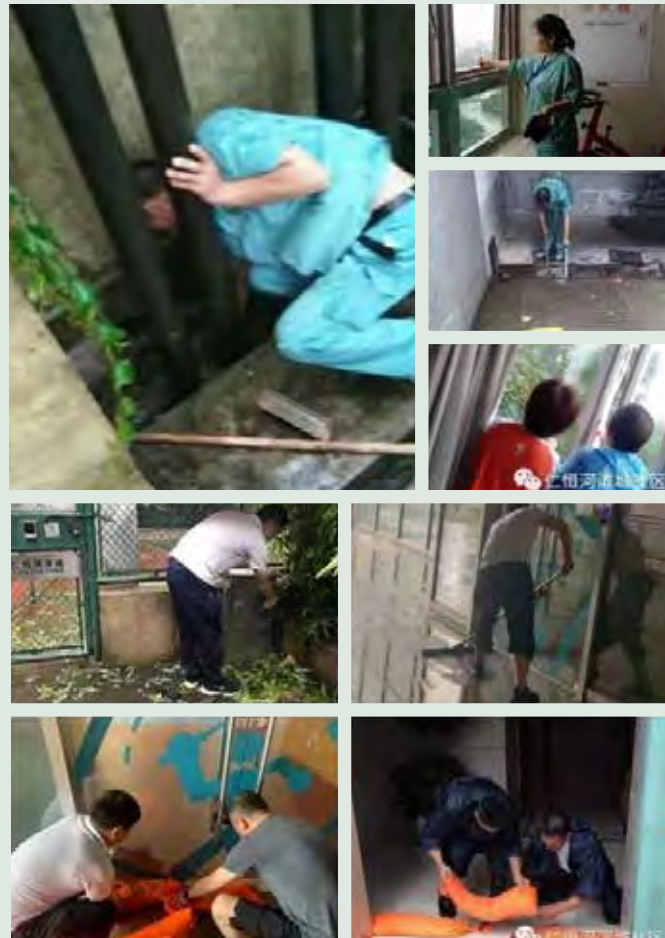
In the event of receiving a typhoon warning, it is expected for our property management to immediately commence the flood and typhoon emergency plan. Property management team is to pay close attention to the trend of the weather and promptly check on our homeowners as well as the facilities and equipment such as the drainage system and water pumps within the vicinity. This is to ensure that our residents and management are prepared for the incoming weather event, safeguarding the operations of the building.

Measures Taken During the Typhoon

When experiencing a typhoon, all departments are required to be prepared. Upper management of the various departments would be placed on a 24-hour duty and required to conduct regular on-site inspections. Employees are expected to execute the typhoon prevention measures to ensure the property's facilities and equipment remain operational throughout.

Rebuilding Works after the Typhoon

Home reconstruction work are to be conducted after the occurrence of the extreme weather event. The property management team will have to clear items, such as fallen trees, that disrupted the operations of the roads along the property. Engineers would be employed to maintain the operations of equipment such as water heater and waterpipes that were damaged due to the typhoon.



TARGET AND PERFORMANCE

See Section: Green Buildings for more information about our energy management and our performance of energy consumption and greenhouse gas emissions.

GREEN BUILDINGS

At Yanlord, we adhere strictly to the green building requirements stipulated by the government and continually seek to raise our building standards through adoption of leading international green standards such as Leadership in Energy and Environmental Design (“LEED”) as well as the adherence of local green building assessment standard. These standards include Chinese Green Buildings Label in the PRC, and Building and Construction Authority (BCA) Green Building in Singapore.

Yanlord Centruy Mansion, Shenzhen, PRC
仁恒世纪大厦, 深圳, 中国

MANAGEMENT APPROACH

We are committed to advancing PRC’s 2030 emission peak and 2060 carbon neutrality goals through exploring and implementing low-carbon technologies within our buildings. Since the start, we have always adopted a practical approach at incorporating innovative technologies within green buildings and low-carbon residential communities. We consider the entire life cycle of the project’s development and implement green initiatives and aim to provide a comfortable and safe environment for our occupants.

Over the years, we have incorporated elements such as green planning, green designs, adaptive solutions for different products, emission reduction and green technologies and green innovation and systems. In FY 2021, we have introduced a new green building feature where we incorporated a “Three Constant Systems”, that take on the characteristics of providing constant temperature, constant humidity and constant oxygen within our apartments. Specifically, this feature was considered and incorporated into the renovation project of Yanlord International Apartments, Tower A in Nanjing. Furthermore, intelligent energy systems were also implemented within Yanlord Century Mansion in Shenzhen. The Group is committed to promote and develop more green buildings in the subsequent years.

We will continue to monitor the progress of our projects and ensure compliance to the necessary standards and achieve the relevant green certifications.

At Yanlord, we have a Green Building Policy (GBP) which guides our overarching approach at project development. We firmly believe that we should be kind to the land which we set foot upon. We prioritise on ecology and are committed to adopt green and low carbon initiatives where feasible. Under the GBP policy, it also provides a framework to guide development of action plans and roll out initiatives across the entire building’s life cycle.



GREEN BUILDINGS

Our action plan comprises three phases urban investment, planning and construction and tenant engagement during operations. Details of the action plans are further elaborated in the Life Cycle Management diagram below:

Life Cycle Management



Urban investment

Yanlord aims to mitigate risks arising from climate change starting from our land acquisition process whereby the key environmental factors related to our developments as described in Climate Change section. Aside from that, we have also developed several projects aimed at improving local ecological performance within urban lands. One of our flagship projects was the Nanjing Eco Hi-Tech Island which was mentioned in the sustainability report for FY 2020. Yanlord Arcadia in Shanghai and Yanlord The Great Bay in Zhuhai are two urban redevelopment projects under development in FY 2021.



Planning and construction

At Yanlord, construction plans are carefully designed to ensure green building features are effectively integrated within our developments. In FY 2021, we have achieved 100% of our newly commenced developments met relevant local green building designs.

As part of the supplier management guidance, Yanlord commits in employing environmental-friendly suppliers and sustainable materials, whenever possible. Additionally, we strive to collaborate with industry leading suppliers to provide our clients with qualified and eco-friendly products.

Yanlord also leverages on ecological architecture where feasible. For example, when designing the outdoor landscape, we strive to integrate natural scenery of rivers, lakes into our rainwater treatment technology. Not only do these aspects help to enhance overall ambience of the premises, they also helped to effectively reduce water usage, divert, and manage waste at construction sites.

In FY 2021, we have installed unique ventilation and air conditioning system within office and commercial developments which also has a heat energy recovery function. In addition, treatment and purification devices were also installed to manage the exhaust gases emitted from our operations.



Green building operation and tenant engagement

Tenant engagement is done frequently through various avenues such as discussions on lease agreement and contracts. These also keep our tenants informed of the applicable national requirements on environmental aspects (i.e fire safety, mechanical and electrical systems, ventilation, etc) as well as other green building standards such as LEED requirements.

For example, Yanlord utilises a 'green complex' business card system to convey the requirements that tenants in Yanlord Landmark in Chengdu should review and comply with. The 'green complex' business card includes customer environmental protection requirements, national environmental protection standards and restaurant design guidelines for tenants in sector of food & beverage. Additionally, guidelines on the management of the COVID-19 pandemic at workplace were also included within the 'green business card' to prevent transmission of virus in commercial office buildings.

Other green building aspects such as waste and water management are conducted and further details are provided in the next page.

GREEN BUILDINGS

OUR GREEN BUILDING INITIATIVES

Water Management



Rain and sewage diversion at construction sites

At construction sites, rainwater and sewage are collected and discharged into separate pipelines. Rainwater is collected and treated in three-state sedimentation tanks by gravity flow or pump, releasing clean water to municipal rainwater or nearby water bodies. On the other hand, sewage is collected in septic tanks and sent to wastewater treatment plants directly. The purpose of separation of rainwater and sewage is to reduce the impact of wastewater volume on the sewage treatment plant and river pollution respectively.

Water conservation at properties

Water management at properties follows our 'Energy Conservation and Emissions Reduction' guidelines.

Other water management at properties

In addition to general water management, some of our projects utilise rainwater collection and reuse systems for green irrigation for water savings.

Waste Management



Waste management at construction sites

In terms of waste generation at construction sites, we have adopted the 'large diversion, small classification' principle to ensure construction and other bulky wastes are clearly divided when transported with domestic wastes. Waste storage points are determined by the type of waste and disposal transportation method. The general construction contractor oversees the waste management procedures while the third-party is engaged for waste classification and collection regularly.

Waste management at properties

As each province has their own standards to treat and classify waste, Yanlord has adopted an active approach to ensure our waste management operations will fully comply with the various province standards.

For our developments in Chengdu, each of our property adopted a 'zoning' management system, where dry and wet waste are collected separately during disposal and will stored in low temperature before transporting them into their respective disposal methods.

Our management procedures mainly include diverting recyclable waste (such as paper box, plastic bottles and glasses) from landfills and dispose hazardous waste (such as battery and hazardous solvents). All the waste collected by qualified third-party vendors for disposal and further treatment.

GREEN BUILDINGS

Energy and Emission Management



Energy management at construction sites

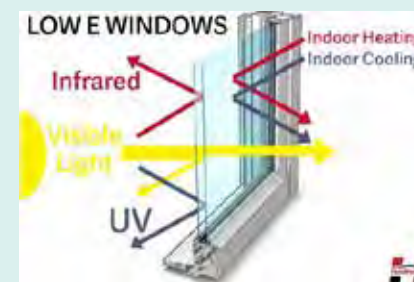
Yanlord's construction activities are determined by the design plans and its associated cost. For example, we have adopted thermal insulation measures on the exterior walls of the buildings by using integrated thermal insulation panels, hollow glass and sunshading measures to reduce energy loss of the buildings; for multi-storey and high-rise buildings, solar water heaters or photovoltaic panels are installed on the roof as energy supplies.

LED lamps are preferred and largely used on sites which can help to save around 60% to 70% of electricity compared to conventional lamps. Motion sensed lights were also used in stairs and basements to reduce unnecessary electricity use. Energy saving posters are displayed on site and within offices to spread awareness of energy conservation.

Energy management at properties

Our Group's property management department manages our energy and emissions according to 'Energy Conservation and Emission Reductions' guidelines. We analyse our energy consumption trends regularly through an energy management platform and make adjustments to the equipment usage plans based on the different seasons as well as the intensity of equipment used in peak and non-peak periods.

For most of developments in the PRC, we have introduced a specific types of coated glass, referred to as LOW-E glass, that are low in emissivity for the windows at our development. The use of LOW-E glass aims to improve our overall energy saving performance by blocking secondary radiant heat in summer and minimising indoor heat loss in winter, reducing energy usage. An energy recovery elevator system was also adopted to recover and reuse the kinetic and electrical energy generated by our elevators.



Across the Group, key performance indicators on energy and emissions are also included as part of the performance evaluation process. There are two components; namely, the comprehensive annual building inspection and benchmarking exercises at each regional companies:

- For the annual building inspection: energy-related indicators make up 20% of the total criteria which considers the actual performance of energy-saving equipments and to maintain the energy efficiency at a stipulated level
- For the nine property management benchmarking projects: 15% of indicators tracked relates to energy efficiency and management
- Result from the annual inspections and benchmarking projects would contribute 15% of the regional company's year-end performance appraisal

As of FY 2021, Yanlord had several projects across PRC that focus on the construction of ultra-low energy buildings. These developments included the the Poetic Villa in Shanghai, Minhang New City Meilong Community project in Shanghai and Yanlord International Apartments, Tower A renovation project in Nanjing. Please refer to the Yanlord International Apartments, Tower A renovation in Nanjing case study for more details on the construction and design of ultra-low energy building.

GREEN BUILDINGS

In FY 2021, Yanlord's R&D department and relevant management teams have attended various green building management related training and seminars. These include (but are not limited to) the following training sessions:



Summit Forum on Intelligent Building and Smart Hotel Application

In March 2021, the R&D department participated in the Summit Forum on Intelligent Building and Smart Hotel Application organised by Qianjia Smart Home Network (Shanghai). The session focused on artificial intelligence and the application of green technology. The purpose of the session was to ensure our employees are well informed on topics such as hotel intelligence, environmental protection and green energy-saving technologies.



Shanghai Ultra-Low Energy Consumption Policy and Technology Workshop

In June 2021, the R&D department participated in a workshop in relation to energy consumption policies, green technology and the challenges of the application of these policies and technologies conducted by the Chief Engineer of Eco-city Big Data Center from the China Academy of Building Research Ltd.



2021 Smart Building "Double Carbon" Road Summit

In October 2021, the R&D department participated in the 2021 Smart Building "Double Carbon" Road Summit. Various top management and C-suite from major property developers as well as environmental scientists spoke at the event held at Qingdao. The summit aimed at discussing leading innovations around smart buildings, low-carbon technologies as well as how to leverage on climate-related opportunities to build towards a sustainable future.



GREEN BUILDINGS

Case Study: NANJING INTERNATIONAL APARTMENT - RENOVATION PROJECT

In FY 2021, Yanlord took on renovation projects in Nanjing to upgrade the current residential developments into energy-efficient smart buildings. The project focuses on a few key areas, mainly to provide an innovative, smart building that saves energy while maintaining the health and comfort of our occupants. The renovation aims to enhance the following five factors:



To effectively elevate the current residential buildings to be smart and sustainable, Yanlord proposed a list of renovation targets for the projects to follow. The renovation targets include:

Constant Temperature within Apartments throughout Different Seasons

The renovation aims to ensure efficient ventilation within each apartment of the residential building. As such, the temperature within the main living area is set to fall within the range of 20-25 degrees, regardless of the seasons of the year. The building is set to be remodeled to ensure the difference of the vertical temperature of the room does not exceed 3 degrees while the horizontal temperature does not exceed 2 degrees.

Humidity Control in Residential Apartments

The renovation intends to provide to maintain constant humidity across all apartments, regardless of the seasons. As such, the relative humidity of each room is aimed to not fall below:

- 30% during autumn and winter season
- 60% in spring and summer

Efficient Ventilation System

The renovation focuses to ensure rooms are properly ventilated every hour, with fresh

air to be travelled in from the bottom of the ventilation system and be discharged from the top of the ventilation system. The indoor CO2 concentration aims to fall within 880ppm.

Effective Purification System

An indoor micro-positive pressure oxygen chamber is installed within each apartment to ensure clean air is emitted into each apartment. The chamber provides a two-stage filtration, ensuring the air is effectively purified.

Quiet Air Conditioning System

To achieve a 'healthy acoustic' environment, the new air conditioner supplies air at a speed of 0.3 m/s, that produces little to no operating noise within the apartment. Additionally, the new air conditioner also aims to reduce the overall operating sound, reducing noise to the neighborhood.

Smart Remote Controller System

Intelligent security, visual intercom and smart home controller system will be installed in each apartment. These remote controllers provide visualizations of environmental conditions of the atmosphere in and outside of their homes. Additionally, these controllers have a one-key control of the apartment's heating, ventilation, and air condition system (HVAC).



GREEN BUILDINGS

TARGET AND PERFORMANCE

Mid- to Long-term Target¹

Within three to five years:

- To maintain 100% of new starts residential projects achieving Green Building One-Star standard or above
- To obtain nine additional Green Building Two-Star certifications
- To obtain three additional Green Building Three-Star certifications
- To obtain two additional LEED platinum certifications for commercial projects

By 2030:

- To maintain 100% of new starts residential projects achieving Green Building One-Star standard or above
- To obtain 20 additional national Green Building Two-Star certifications
- To obtain eight additional Green Building Three-Star certifications
- To obtain four additional LEED platinum certifications for commercial projects



Shanghai Bayside Garden 御澜湾苑 obtained China Three-Star Green Building Label

Type and Number of Sustainability Certifications for Buildings at Yanlord

We strive to achieve and maintain green building certifications and ratings for our properties.

The table below provides a snapshot of our green building achievements to date in the PRC.

	Green building – One-Star	Green building – Two-Star	Green building – Three-Star
All Projects (including projects that are built and under construction)	54 projects have met the Green Building One-Star design requirement	42 projects have met the Green Building Two-Star design requirement, among which, 6 projects have obtained the certification	8 projects have met the Green Building Three-Star design requirement, among which, 3 projects have obtained the certification
Projects under construction	28 projects have met the Green Building One-Star design requirement	24 projects have met the Green Building Two-Star design requirement, among which, 3 projects have obtained the certification	3 projects have met the Green Building Three-Star design requirement. No certification is obtained yet



1 Due to the limited years of energy data Yanlord has monitored, the energy or emission related targets were not included this year pending further assessment. Yanlord will consider to include such targets in the following years.

GREEN BUILDINGS

PROPERTY DEVELOPMENT

In FY 2021, a total of 19 completed developments met relevant Chinese Green Building design requirements, with a total of 9 One-Star developments, 9 Two-Star developments and 1 Three-Star development respectively for a total GFA of 1.8 million sqm, representing 97% of the GFA completed in FY 2021.

The Mansion in Park in Jinan obtained 2 WELL Building Certificates in FY 2021.



The Mansion in Park, Jinan, PRC
仁恒奥体公园世纪, 济南, 中国



Yanlord Riverside Gardens, Hangzhou, PRC
仁滨公寓, 杭州, 中国



Yanlord Gardens (Phase 1 and 2), Nantong, PRC
仁恒花园, 一期及二期, 南通, 中国

GREEN BUILDINGS

YANLORD IS COMMITTED TO ACHIEVING GREEN BUILDING CERTIFICATION FOR OUR FUTURE PROJECTS

For FY 2021, a total of 16 of our new started developments met relevant Chinese Green Building design requirements, with a total of 7 One-Star developments, 8 Two-Star developments and 1 Three-Star development for a total GFA of 1.5 million sqm, representing 100% of the GFA newly started for the year.

City	Project Name	GFA (sqm)	Met relevant green building design requirements 1-3 star
Haikou	Yanlord Begonia Park (Phase 3) 仁恒海棠公园, 三期	40,000	1
	Yanlord Gardens (Phase 2) 仁恒滨江园, 二期	160,000	2
Hangzhou	Hangzhou Bayfront Isle (Phase 3) 前湾, 三期	36,000	1
	Hangzhou Bay (Phase 2) 前湾·畅想江澜湾	186,000	2
Shanghai	Shanghai San Jia Gang Land Plot 仁恒滨海度假村	36,000	1
	Poetic Villa 荟雅华庭	99,000	1
	Suhe Century 晋元华庭	75,000	2
Suzhou	Lantern (Phase 2) 澜庭, 二期	26,000	2
	Suzhou No. 2021-WG-17 Land 苏州 No. 2021-WG-17 号地块	76,000	2 obtained LEED v4 Platinum LEED Building Design and Construction: New Construction and Major Renovations

City	Project Name	GFA (sqm)	Met relevant green building design requirements 1-3 star
Tianjin	Star Century 恒美雅苑	96,000	2 Green Building Certificate obtained
Wuhan	The Yangtze Garden (Phase 1) 仁恒滨江园, 一期	49,000	1
	Yanlord Elegant Villa 仁恒西湖山居	79,000	1
Wuxi	Majestic Mansion 海和清舒院	42,000	3
	Central Lake 星湖雅园	167,000	2
Yancheng	Yanlord The Mansion in Park 星岸家园	190,000	2
Zhuhai	Yanlord The Great Bay (Phase 1) 仁恒滨海湾花园, 一期	135,000	1
	Total GFA	1,492,000	
	Green Building %		100%

GREEN BUILDINGS

Star Century in Tianjin obtained Certificate of Green Building Design Label in FY 2021.



Star Century, Tianjin, PRC
恒美雅苑, 天津, 中国



Site “Suzhou No. 2021-WG-17 Land Parcel Building 7” in Suzhou obtained LEED v4 Platinum (LEED Building Design and Construction - New Construction and Major Renovations) in FY 2021.



Suzhou No. 2021-WG-17 Land, Suzhou, PRC
苏州 No. 2021-WG-17 号地块, 苏州, 中国



In Singapore, our integrated project, Dairy Farm Residences has committed to obtain the Building and Construction Authority (BCA) Green Mark Gold through adoption of climatic responsive design, responsible use of resources during construction and use as well as features which promote smart and sustainable buildings. The pre-approval was received in April 2022.



PROPERTY UNDER DEVELOPMENT AS AT DECEMBER 31, 2021

Out of the 59 project developments in PRC and Singapore, 57 of these projects met the relevant Chinese Green Building and Singapore BCA Green Mark design requirement as of December 31, 2021. A total of 28 projects were One-Star developments, 24 projects were Two-Star developments, 3 projects were Three-Star developments in the PRC and 1 BCA Green Mark Award Gold^{plus} was obtained for UE BizHub TOWER in Singapore, representing 97% of the GFA under development as at December 31, 2021.

GREEN BUILDINGS

MANAGED PROPERTIES



In the PRC, Yanlord Riverside Plaza (Phase 2) in Tianjin continues to attain LEED¹ v4 Platinum (Building Operations and Maintenance: Existing Buildings) Certificate. In FY 2021, Tianjin Riverside Plaza (Phase 2) obtained China Three-Star Green Building Label Certificate.



Yanlord Landmark in Chengdu continues to maintain LEED 2009 (Existing Buildings: Operations and Maintenance) Certificate.

In Singapore, we continue to maintain Green Building certifications for UE BizHub TOWER (Green Mark Gold^{Plus}). UE BizHub WEST is still in the process of obtaining Green Mark Gold.

Moving forward, we remain committed to building and investing in properties with innovative and functional concepts where sustainable features are integrated into architectural design, building details as well as maintenance activities.



(Above) UE BizHub TOWER
(Left) UE BizHub WEST

1 LEED is a certification programme focused primarily on new, commercial building projects and based upon a points system. LEED-certified buildings, when well maintained, produce less waste products and are more energy-efficient than they would be otherwise.

GREEN BUILDINGS

Engaging Tenants on Sustainability

Apart from the routine inspections conducted for our energy management systems, we also hold events to promote and engage tenants and residents on energy conservation, emissions reduction and waste deduction and recycling, such as Low Carbon Day, Tree Planting, “Urban Greenery” and Earth Hour.

Case Study: EARTH HOUR IN SIX CITIES IN THE PRC



As we continue to show our support towards the climate change action, partnered with WWF, our commercial developments in 6 cities, including Chengdu, Nanjing, Suzhou, Shenyang, Tianjin and Zhuhai properties participated in the “Earth Hour¹ 2021” movement held on March 27, 2021.

An Earth Hour exhibition was set up in the lobby of the office building of Yanlord Riverside (Phase 2) in Tianjin. Yanlord is committed to playing our part in bringing our community together to build a low-carbon and climate-resilient nation. Through this exhibition, Yanlord hopes to promote awareness of the importance of protecting the environment through reducing energy consumption and emissions. As such, we encouraged the public to join us and participate in the Earth Hour movement by switching off the lights for an hour. The event garnered a positive response, with many members of the public and our customers visiting the exhibition.



1 Every year on the last Saturday of March, Earth Hour engages millions of people in more than 180 countries and territories to play a part in shaping a new future for our planet by switching off their lights. (www.earthhour.org)

GREEN BUILDINGS

WATER WITHDRAWAL

Freshwater is used for our operations across PRC and Singapore. Water is mainly sourced from the respective local third-party water suppliers. It is used in the operation of chillers in our buildings, common water features such as toilets, fountains and water sprinklers. In our hotels, it is used for cooking, cleaning and other operations within its premises.

Water Withdrawal - PRC

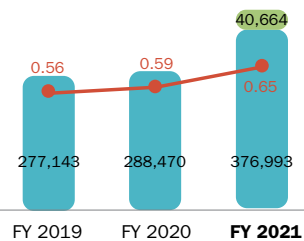
In FY 2021, total water withdrawal¹ was recorded at 818,943 m³, an increase of 20% from 681,346 m³ in FY 2020. This is mainly because of the completion of a major new commercial complex in Nanjing, as well as improved overall occupancy and operational days in Zhuhai and various cities in FY 2021. Additionally, we are strengthening our data collection system to improve data completeness and data quality. As the economy recovered from the impact of COVID-19 in PRC, all our managed properties returned to normal operations in FY 2021, which led to a higher water consumption. Our hotels also recorded a slight increase in the water withdrawal from FY 2020 due to a higher occupancy rate in FY 2021.

The respective breakdown of water withdrawal and intensity² for managed properties, hotels and serviced apartments can be seen in the charts below.

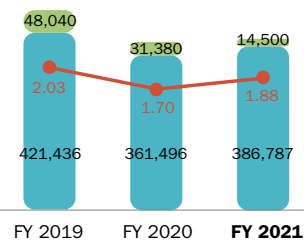
Water Withdrawal – Singapore

In FY 2021, total water withdrawal in Singapore was recorded at 169,387 m³, a 10% decrease from 189,220 m³ in FY 2020 due to work from home measures in FY 2021. The water withdrawal intensity for managed properties was 0.87 tCO₂e/m², an 18% decrease from FY 2020, whereas the water withdrawal of hotels increased slightly which is in line with the higher occupancy for our properties compared to FY 2020.

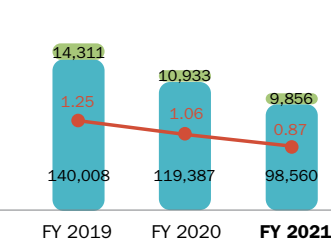
Water Withdrawal and Intensity in PRC (Managed Properties)



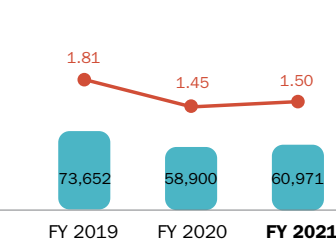
Water Withdrawal and Intensity in PRC (Hotel and Serviced Apartments)



Water Withdrawal and Intensity in Singapore (Managed Properties)



Water Withdrawal and Intensity in Singapore (Hotel and Serviced Apartments)



Water Withdrawal – Third-party Water (m³)
 Water Withdrawal – Surface Water (m³)
 Water Withdrawal Intensity (m³/m²)

Water Withdrawal – Third-party Water (m³)
 Water Withdrawal – NEWater (m³)
 Water Withdrawal Intensity (m³/m²)

- The water consumption of managed properties covers buildings' common area only.
- Water intensity per square meter is calculated based on total water consumption over the total GFA in sqm during the reporting period. The increase in water intensity in FY 2021 is attributable to the GFA being calculated from the full set of managed properties from financial year ended December 31, 2019 ("FY 2019") to FY 2021, whereas the scope of water data collection has increased and now covers additional managed properties.

GREEN BUILDINGS

WASTE MANAGEMENT

The scope of waste generation includes all managed properties, hotels and serviced apartments in PRC and Singapore. All waste is disposed through licensed third-party contractors in PRC and Singapore. Both hazardous and non-hazardous waste are segregated within the premises and collected regularly by the third-party vendors for proper disposal. Hazardous waste comprises of waste cooking oil and batteries from our hotels. Non-hazardous waste comprises of domestic waste and recyclables.

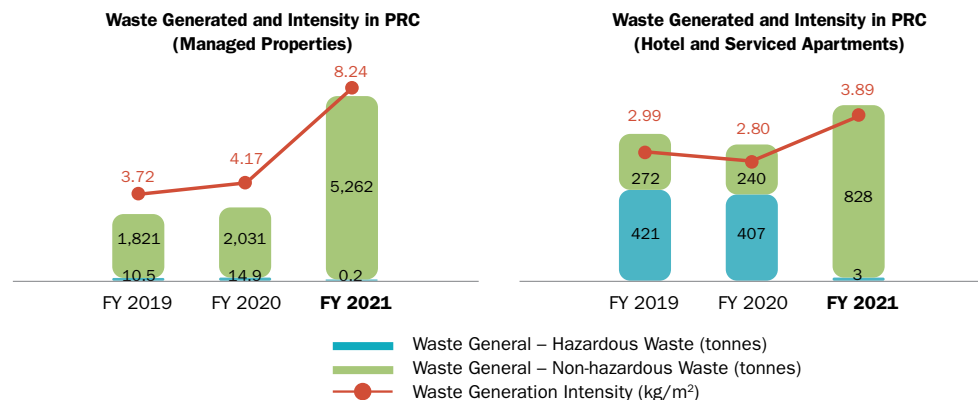
Waste Management - PRC

In FY 2021, total waste generated from PRC¹ was at 6,093 tonnes, with 2.6 tonnes of waste battery from electromobiles and emergency power supply prepared for reuse, 0.2 tonnes of waste battery used for other recovery operations, and 6,090 tonnes of general waste collected by third-party contractors for disposal².

In FY 2021, we reclassified wet waste from hotels as non-hazardous waste instead of hazardous waste, as it was classified in FY 2020.

At our managed properties, almost only non-hazardous waste was generated, resulting in a significant increase from FY 2020, due to improvements in our data collection process and increase in assets tracked due to completion of a major new commercial complex in Nanjing and retail spaces in Hangzhou, operations in Zhuhai as well as improved overall occupancy and operational days in various cities in FY 2021. As the PRC's economy and business activities recovered from COVID-19, almost all our managed properties returned to normal operations in FY 2021, which led to higher waste generation as well. The significant increase in waste intensity^{3,4} in FY 2021 is attributable to the recovery of the economy from COVID-19 and the increase of delivery packages and take-away packages due to social distancing measures. Hazardous waste volume has been reduced to 0.2 tonnes in FY 2021 due to the waste reclassification.

Waste generated at our hotels and serviced apartments saw a 28% increase due to the higher occupancy rate in FY 2021. Hazardous waste saw a significant decrease in FY 2021 due to the wet waste reclassification.



Waste Management - Singapore

In Singapore, only non-hazardous waste comprising general waste and recyclables such as paper, plastic, metals and glass were generated and disposed. From FY 2019 to FY 2021, total waste generated has remained constant. The stream of waste originating from the use of personal protection equipment which includes face masks, face shields, gloves and gowns was part of the waste disposed due to COVID-19 management measures. In Singapore, recyclable waste will be segregated at the hotels prior to sending to recycling facilities. Thereafter, waste which is non-recyclable along with the other domestic waste will be sent to waste-to-incineration plants. A breakdown of non-hazardous waste diverted from disposal and diverted to disposal are provided below.

Waste Generated and Intensity in Singapore



Waste diverted from disposal by recovery operation - Singapore (kg)		
Non-hazardous waste	FY 2020	FY 2021
Recycling	13,535	11,209
Waste diverted to disposal by recovery operation - Singapore (kg)		
Non-hazardous waste	FY 2020	FY 2021
Incineration (with energy recovery)	1,082,441	1,100,097

- 1 The waste generated from managed properties in PRC covers buildings' common and tenants areas.
- 2 Due to the waste disposal reclassification in FY 2021, the disposal methods are not comparable to that of FY 2019 and FY 2020.
- 3 Waste generation intensity per square meter is calculated based on total waste generation over the total GFA in sqm during the reporting period.
- 4 As each province has their own standards to treat and classify waste, Yanlord has adopted an active approach to ensure our waste management operations will fully compliance with the various province standards.

GREEN BUILDINGS

ENERGY AND EMISSIONS MANAGEMENT AT YANLORD

Similar to the reporting scope for water withdrawal and waste generated, data disclosed covers Yanlord’s managed properties, hotels and serviced apartments in PRC and Singapore.

Energy - PRC

Our primary energy sources include fuel, electricity, heating and cooling. Fuel is mainly used by companies’ vehicles in the form of motor gasoline, generators in the form of diesel and boilers in the form of natural gas. In PRC, the total energy consumption recorded in FY 2021 was 352TJ, of which managed properties¹ energy consumption accounts for around 57%. As with water consumption and waste disposal data, in FY 2021, we improved our data collection process and tracked more assets due to the completion of a major new commercial complex in Nanjing and retail spaces in Hangzhou. The improved overall occupancy and operational days in various cities also caused an increase in managed properties’ electricity consumption compared to previous years. As PRC’s economy and business activities recovered from COVID-19, almost all our managed properties returned to normal operations in FY 2021, which led to a higher electricity usage of both managed properties and hotels.

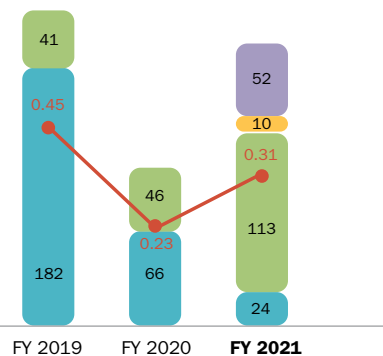
The respective breakdown for managed properties, hotels and serviced apartments can be seen in the charts below. The corresponding increase in energy intensity² can also be seen in the graph below.

Energy - Singapore

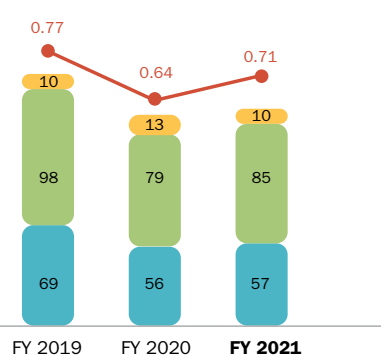
In Singapore, the main source of fuel at managed properties is electricity. At our hotels and serviced apartments, both electricity and fuel (for cooking and operating company’s vehicles) are consumed.

The total energy consumed fell from 103 TJ in FY 2020 to 91 TJ in FY 2021. Less transfer required by in-house guests due to COVID -19 travel restrictions led to a decrease in fuel consumption by our hotels. Our managed properties in Singapore recorded a lower electricity consumption in FY 2021 compared to FY 2020 due to lower usage of centralised air-conditioning as more office tenants worked from home in FY 2021. For detailed breakdown of energy consumption and intensities by business segments, please refer to the charts below.

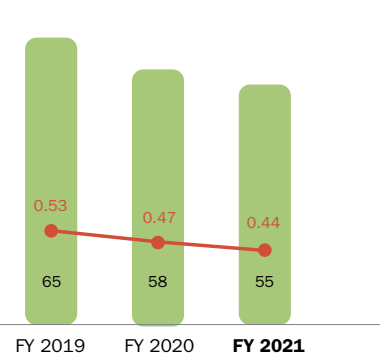
Energy Consumption and Intensity in PRC (Managed Properties)



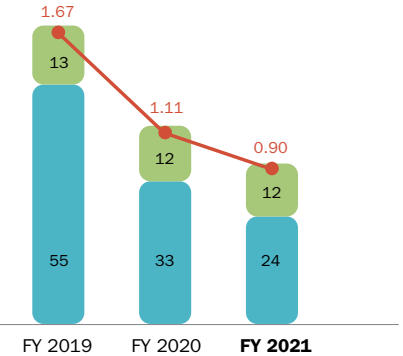
Energy Consumption and Intensity in PRC (Hotel and Serviced Apartments)



Energy Consumption and Intensity in Singapore (Managed Properties)



Energy Consumption and Intensity in Singapore (Hotel and Serviced Apartments)



■ Energy Consumption – Fuel (TJ)
■ Energy Consumption – Electricity (TJ)
■ Energy Consumption – Heating (TJ)
■ Energy Consumption – Cooling (TJ)
● Energy Intensity (GJ/m²)

■ Energy Consumption – Fuel (TJ)
■ Energy Consumption – Electricity (TJ)
● Energy Intensity (GJ/m²)

1 The energy consumption managed properties of PRC covers buildings’ common area only.
 2 Energy intensity per sqm is calculated based on total energy consumption over the total GFA in sqm during the reporting period.

GREEN BUILDINGS

GHG Emissions - PRC

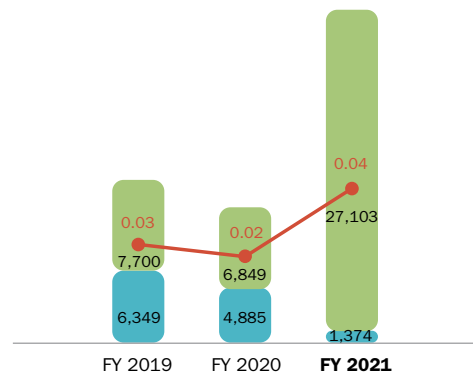
As with the increase in energy usage, GHG emissions have also increased across our managed properties and hotels in PRC. Total GHG emissions (Scope 1¹ and Scope 2²) in FY 2021 was 45,584 tCO₂e, which saw a huge increase from FY 2020. As GHG emissions are calculated based on energy consumption, the increase in GHG emissions is similarly attributable to an increase in scope of data collection and improved overall occupancy and operational days in various cities. As PRC's economy and business activities recovered from COVID-19, almost all our managed properties returned to normal operations in FY 2021, which led to a higher electricity usage of both managed properties and hotels. The GHG emissions intensity levels also rose as GFA covers all managed properties, whereas the scope of energy consumption data collection expanded to cover more managed properties in comparison to previous years.

Please refer to the charts below for a detailed breakdown of GHG emissions by Scope and overall GHG emissions intensity³ by business segment.

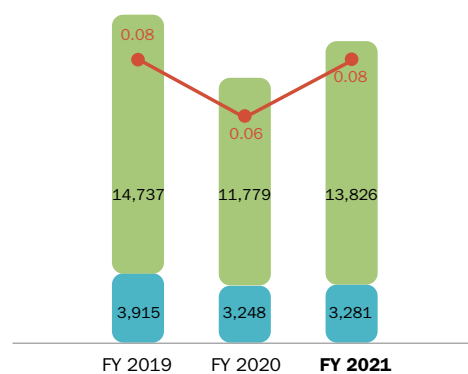
GHG Emissions - Singapore

As with the drop in energy usage, GHG emissions¹ has also decreased across our managed properties and hotels in Singapore. The GHG emission intensity has fallen from 0.14 tCO₂e/m² to 0.08 tCO₂e/m² from FY 2019 to FY 2021.

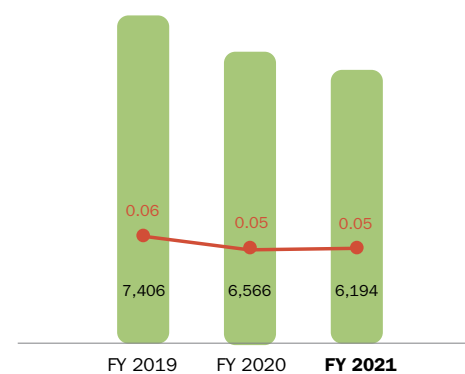
Energy Consumption and Intensity in PRC (Managed Properties)



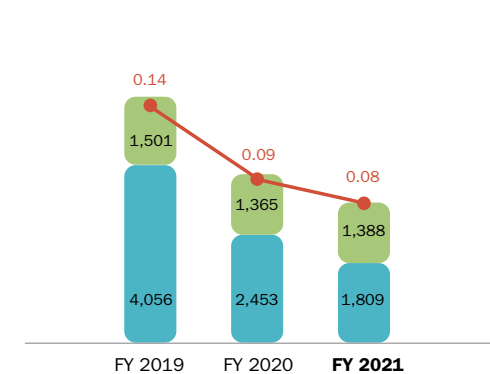
Energy Consumption and Intensity in PRC (Hotel and Serviced Apartments)



GHG Emissions and Intensity in Singapore (Managed Properties)



GHG Emissions and Intensity in Singapore (Hotel and Serviced Apartments)



■ GHG Emissions – Scope 1 (tCO₂e)
■ GHG Emissions – Scope 2 (tCO₂e)
● GHG Emissions Intensity (tCO₂e/m²)

■ GHG Emissions – Scope 1 (tCO₂e)
■ GHG Emissions – Scope 2 (tCO₂e)
● GHG Emissions Intensity (tCO₂e/m²)

- 1 GHG emissions are calculated following the requirements and principles of ISO 14064-1 and Greenhouse Gas Protocol. Scope 1 emission factors are sourced from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- 2 Scope 2 grid emission factors are obtained from 2012 Baseline Emission Factors for Regional Power Grids in China (Ministry of Ecology and Environment of the PRC).
- 3 GHG emission intensity is calculated based on the total energy consumption per GFA.
- 4 Scope 2 grid electricity emission factors are obtained from Singapore Energy Statistics, Energy Market Authority's annual publication on energy statistics in Singapore.

Creating Shared Value for Our Society

ECONOMIC PERFORMANCE · LOCAL COMMUNITY AND SOCIAL INVESTMENT



Yanlord Arcadia, Shanghai, PRC
仁恒海上源, 上海, 中国

ECONOMIC PERFORMANCE

In FY 2021, Yanlord closed the year with a total revenue of RMB34.833 billion and earnings before interest expenses and tax of RMB8.788 billion. The profit attributable to owners of the Company was RMB2.656 billion. For the detailed breakdown of our financial results, please refer to the relevant sections of Annual Report 2021.

Financial Results ¹	FY 2021 RMB billion
Economic Value Generated	
Revenue	34.833
Other operating income and other gains	0.701
Fair value gain on investment properties	0.133
Share of net profit of associates and joint ventures	1.251
Total	36.918
Economic Value Distributed	
Operating costs	
Cost of sales, selling, administrative and operating expenses (excluding employee benefits expense and donations)	26.391
Employee wages and benefits	1.726
Payments to capital providers	
Finance cost	1.031
Profit attributable to non-controlling interests	1.381
Payments to government	
Income tax obligation (Accrual to government)	3.719
Community investment	
Donations	0.013
Total	34.261
Net Operating Economic Value Retained	
Net amount	2.657



1. Information in this table is derived from Yanlord's audited financial statements and other accounting/financial data. This information is intended to summarise the overall contribution of Yanlord to its stakeholders and not intended to replace or provide an alternative to the audited financial statements which is made available in the Annual Report 2021.

LOCAL COMMUNITY AND SOCIAL INVESTMENT

MANAGEMENT APPROACH

At Yanlord, we are committed to being a good corporate citizen across all markets we are operating in. Cognisant of the impacts our businesses may have on the environment as well as our local communities, we focus on finding balance between meeting expectations of our investors as well as giving back to the community. As we looking to minimise the negative impacts our operations may bring, we are proactive in executing various environmental and socially responsible initiatives.

Community investments are spearheaded by the respective offices located across various regions of PRC and Singapore. We support and contribute to the key areas in line with social issues currently faced in PRC. They include areas of poverty alleviation, especially in less developed areas, education, special needs and underprivileged communities.

We firmly believe in giving back to the community and supporting those in need. We lead by example and have made contributions towards several causes, health institutions and educational institutes such as those listed below. In FY 2021, we contributed to the following causes:



Education	<p>Donation of RMB56 million from FY 2019 to FY 2021 in total to Shanghai International Studies University and its affiliated high schools at Longgang District to aid the public-school expansion plan within the Shenzhen Province.</p> <p>Donation of RMB2 million to Zhuhai Care Association to support education for the vulnerable communities as well as other operational expenses of the institution.</p>
Poverty Relief	<p>Donation of RMB330,000 to the Yao Ethnic Minority's Autonomous County of Bama through our Shenzhen Subsidiary. Some 200,000 residents of the Yao Ethnic Minority's Autonomous County are benefited from the contributions made by Yanlord and other donors.</p>
Health	<p>Donation of RMB3 million to Fudan University's Eye, Ear, Nose and Throat Hospital to provide surgical treatment and rehabilitation for glaucoma patients below the age of 18.</p>
Culture and Heritage	<p>Donation of RMB10.2 million to the Zhuhai Charity Federation to fund the renovation plan of a local clan's temple with a history of around 500 years. This is part of our ongoing efforts to preserve the local culture and heritage where we operate in.</p>

LOCAL COMMUNITY AND SOCIAL INVESTMENT

Case Study:

BRIGHT ROAD 2.0 - CHARITY PROJECT FOR GLAUCOMA (IN PARTNERSHIP WITH FUDAN UNIVERSITY)

In November 2021, Fudan University's Eye, Ear, Nose and Throat Hospital launched Bright Road 2.0, which aims to provide surgical treatment and rehabilitation of glaucoma patients below the age of 18.

Yanlord Shanghai contributed RMB3 million to provide monetary support to patients with financial difficulties, as well as to provide monetary support for the purchase of mobile eye screening devices for the purpose of early detection of glaucoma in areas such as Tibet and Yunnan.

Yanlord Shanghai has long been a supporter of the Bright Road project, supporting the first Bright Road project in May 2017 when it was established as the Bright Road Special fund through Fudan University's Educational Development Fund. Yanlord had also contributed RMB3 million then. Within four years of the project's establishment, 60 individuals were able to regain their vision with the medical support provided from the fund. With their vision restored, the quality of their lives improved significantly.



The Chairman and Chief Executive Officer of Yanlord, Mr. Zhong Sheng Jian, and the CPC Secretary of Fu Dan University Ms. Jiao Yang pictured above.

LOCAL COMMUNITY AND SOCIAL INVESTMENT

Case Study:

YANLORD ARCADIA – CONTRIBUTIONS TO THE URBAN RENEWAL OF YANGPU DISTRICT

In collaboration with the PRC government, Yanlord supported the urban renewal of Yangpu District project by financing and providing necessary resources required in the transformation and rejuvenation of the neighborhood. The Yangpu District is one of Shanghai’s most underdeveloped towns, and it lacks proper infrastructure to support safe living conditions for the community. By supporting the upgrade of the infrastructure and amenities of the area, we aim to minimise the potential hazards and improve the livelihood of the local community.

Throughout the project development, Yanlord provided our expertise in the planning and designing phase and facilitated in the relocating local residents prior to the construction of the area. In addition, Yanlord has also helped to raise funds prior to the start of the project in 2017.

Our contributions have helped to successfully execute the redevelopment project, improving the living condition of the 4,000 households living in the neighborhood. With the newly refurbished buildings, residents are given the option to either receive a compensation and move out of their apartment or to purchase the property at a subsidised rate.

Before Urban Renewal Project



Yanlord Arcadia – Contributions to the Urban Renewal of Yangpu District



Yanlord Arcadia, Shanghai, PRC
仁恒海上源, 上海, 中国

GRI CONTENT INDEX

General Standard Disclosures			
GRI Standard	Disclosure	Section of Report and/or Explanation for Omission	Page Reference
GRI 102: General Disclosures 2016	Organisational profile		
	102-1	Name of the organisation	About this Report 3
	102-2	Activities, brands, products, and services	About this Report 3
	102-3	Location of headquarters	About this Report 3
	102-4	Location of operations	About this Report 3
	102-5	Ownership and legal form	About this Report 3
	102-6	Markets served	About this Report 3
	102-7	Scale of the organisation	Introduction and Leadership Statement 6-8 Employee Demographics 40
	102-8	Information on employees and other workers	Employee Demographics 40-42
	102-9	Supply chain	Sustainability in our Value Chain 17
	102-10	Significant changes to the organisation and its supply chain	There were no significant changes in FY 2021
	102-11	Precautionary Principle or Approach	Anti-corruption and Business Ethics 20-23
	102-12	External Initiatives	Sustainable Development Goals 15-16
	102-13	Membership of Associations	WSH Advocate Programme organised by the Workplace Health and Safety Council - Singapore
	Strategy		
	102-14	Statement from senior decision-maker	Board Statement 8
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Introduction and Leadership Statement 6
	Governance		
	102-18	Governance structure	Sustainability Governance 10
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Stakeholder Engagement 11-13
	102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	Stakeholder Engagement 11-13	
102-43	Approach to stakeholder engagement	Stakeholder Engagement 11-13	
102-44	Key topics and concerns raised	Stakeholder Engagement 11-13	

GRI CONTENT INDEX

General Standard Disclosures				
GRI Standard	Disclosure		Section of Report and/or Explanation for Omission	Page Reference
GRI 102: General Disclosures 2016	Reporting Practice			
	102-45	Entities included in the consolidated financial statements	Notes to Financial Statements	138-159
	102-46	Defining report content and topic Boundaries	Materiality Assessment	14
	102-47	List of material topics	Materiality Assessment	14
	102-48	Restatements of information	Not applicable	
	102-49	Changes in reporting	Not applicable	
	102-50	Reporting period	1 January 2021 to 31 December 2021	
	102-51	Date of most recent report	29 May 2020	
	102-52	Reporting cycle	Annual	
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