



2022 Corporate Social Responsibility Report

QiaoYin City Management Co., Ltd.

About This Report

This Report is the second corporate social responsibility report issued by QiaoYin City Management Co., Ltd. to its stakeholders. It provides a detailed disclosure of the practices and performance of QiaoYin City Management Co., Ltd. in terms of economic, environmental, social, and corporate governance responsibilities in 2022, with the aim of effectively communicating with stakeholders and responding systematically to their expectations and requirements.

Reporting Period

The Report mainly covers the period from January 1, 2022, to December 31, 2022, with certain content moderately extended to previous and subsequent years to enhance its comparability and forward-looking aspects.

Reporting Scope

The Report discloses information on the performance of economic, social, and environmental responsibilities by QiaoYin City Management Co., Ltd. (hereinafter referred to as "QiaoYin" or "the Company" or "we"/"us") as well as its subsidiaries (branches). Relevant typical cases come from affiliates of the Company.

Information Source

The information and data disclosed herein are sourced from internal official documents, rules, and annual reports of QiaoYin City Management Co., Ltd. The Board of Directors and all directors of the Company guarantee that there are no false records, misrepresentations, or major omissions in this Report, and will assume joint and several liabilities for the authenticity, accuracy, and completeness of the content hereof. The financial data in this Report is denominated in CNY. In the event of any discrepancy with the financial report, such financial report shall prevail.

Preparation Basis

United Nations: 2030 UN Sustainable Development Goals (SDGs)

Global Reporting Initiative: Sustainability Reporting Guidelines (GRI Standards)

Chinese Academy of Social Sciences: Guidelines for Compiling Chinese Corporate Social Responsibility Reports (CASS-ESG 5.0)

China National Standard: Guidance on Social Responsibility Reporting (GB/T36001-2015)

International Organization for Standardization: ISO 26000:2010 Guidance on Social Responsibility

Shenzhen Stock Exchange: Self-regulatory Guidelines No. 1 for Listed Companies - Standardized Operation of Companies Listed on the Main Board

Report Access

This Report is available in electronic form for your reading, which can be accessed on the Company's official website at www.gzqiaoyin.com.

Contents

Chairman's Message	02		
About QiaoYin	04		
QiaoYin's Sustainability Management	08		
Fostering Sustainable Development with Effective Management	12	Prioritizing Sustainability in Urban Management	24
Enhancing Governance for Risk Mitigation	14	Exceptional Customer Services	26
Steadily Advancing with Compliant Operations	18	City Steward Strategy	30
Fortifying Our Foundation Led by Party Building	22		
Advancing Low-Carbon Energy and Green Economy	36	Innovating Technology for Building Smart Cities	44
Low-Carbon and Energy-Saving Operations	38	Smart Sanitation Platform	46
Green Circular Economy	40	Smart City Management	48
Empowering Employees and Building Unity for Growth	52	Driving Social Progress and Achieving Prosperity	60
Safeguarding Employee Rights and Interests	54	Supplier Management	62
Valuing Talent Development	55	Giving Back to Society	64
Standing Together with Care and Support	58		
		Looking Ahead	68
		Indicators and Standards Reference	69
		Reader Feedback Survey	71

Chairman's Message

2022 is a year of great importance. It saw not only the opening of the 20th National Congress of the Communist Party of China, the full implementation of the 14th Five-Year Plan, and the start of a new journey to build China into a modern socialist country in all respects; it also saw how QiaoYin adhered to the right path to innovate and tackle challenges against the trend. Facing the pressure of the economic downturn and the ongoing impacts of the international situation, we have maintained our strategic focus and made a concerted effort to compete in the trillion-worth blue ocean of citywide governance; the total amount of all the winning bids for the year came to 9.287 billion yuan, ranking first in the industry for three consecutive years. In addition, we have upgraded from serving cities to managing cities to operating cities, speeded up the extension of our industrial chain, and diversified our business models.

QiaoYin has been marching forward at full blast combat while combating pressure throughout the year. Externally, we take the initiative to expand into new markets. Internally, we hold to good conduct, self-discipline, and self-innovation. In the face of adversity, we have been operating stably and moving forward steadily, accelerating the construction of a new pattern of diversified development. We have incorporated the sustainable vision into every aspect of our corporate development, including strategic planning, governance and operations. We seek to constantly elevate our sustainability management practices, proactively

fulfill our corporate social responsibilities, and provide exceptional services and technical expertise for clients, peers, and society. Through these efforts, we are dedicated to creating a more livable environment and foster sustainable social development.

"Innovation" serves as our oars to open up a new space for development. As the industry leader that boasts the widest urban presence, QiaoYin steadily improves its performance and keeps expanding its business scope. Through the iteration of our urban housekeeping philosophy, we have come up with an innovative citywide service pattern named "@City" and completed our first model project in Magang Community, Baiyun District, Guangzhou. Meanwhile, we diversify into the renewable resources sector and promote a green economy to achieve urban governance from a macro view and the happiness of thousands of households from a micro view simultaneously.

"Quality" works as our anchor to build a new flagship for development. QiaoYin strives to upgrade quality services by launching an integrated platform and probing into the applicable scenarios of intelligent environmental sanitation while accelerating the digital transformation to improve the efficiency and quality of corporate operations. Our smart city housekeeping service system uses digital technologies to improve management effectiveness and reduce the operational intensity, safety risks, and operating costs while promoting a green circular economy,

reducing labor input and greenhouse gas emissions, and contributing to the "dual carbon" strategy. Completed in 2022, QiaoYin Building will be built into an integrated modern industrial center, becoming a flagship of science and innovation in the Guangdong-Hong Kong-Macao Greater Bay Area.

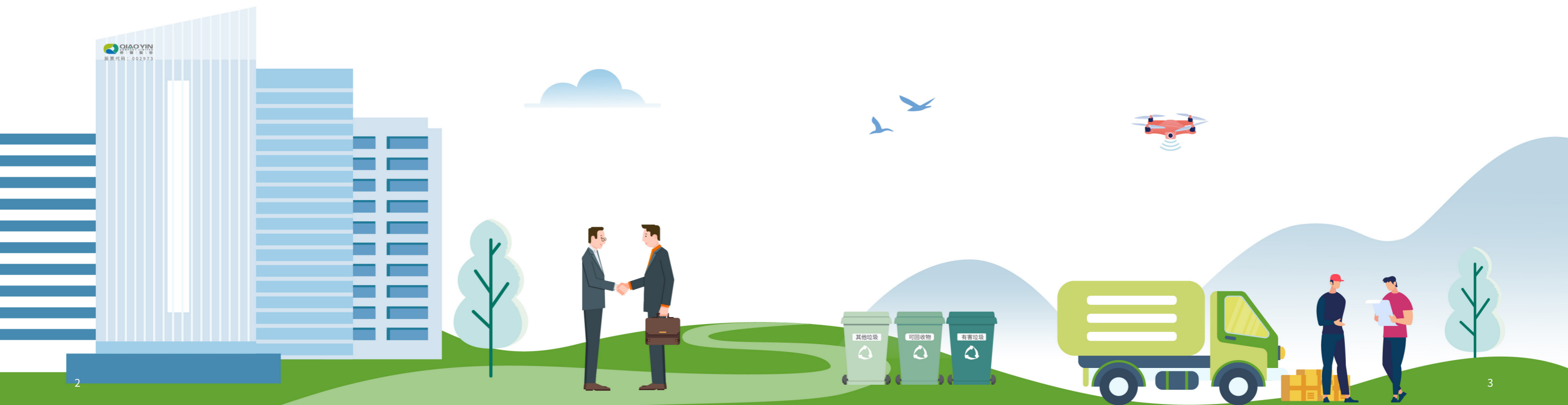
"Professionalism" functions as our rudder to gather fresh impetus for development. QiaoYin values its employees as precious assets and strives to build a professional team that resembles an army, a school, and a family. To that end, efforts have been intensified to build a team of talents that stick together like soldiers; nearly 500 training sessions have been held in 2022, with more than 60,000 participants expanding their knowledge like students; multiple measures have been taken to care for employees as family members. Moreover, we have strengthened corporate governance, reduced costs, increased profits, upgraded internal management, and troubleshoot the ills of the corporate structure, thus keeping our team energized.

"Benevolence" acts as our sail to lead a new trend of good causes that benefit the people. As a voluntary model corporate citizen, QiaoYin is committed to developing great social missions, fulfilling its social responsibilities, and giving back to society through public welfare initiatives such as annual public welfare donations, environmental protection activities, rescue and relief efforts, and contribution to the national strategy of "rural

revitalization". We strive to take the lead in engaging the industry in good causes and practice corporate social responsibility.

As 2023 unfolds, QiaoYin is about to weigh anchor for that new destination and sail through all the white-water rapids toward long-term, high-quality, and sustainable development. In 2023, we will intensify our efforts on the main lines of business to achieve their goals and strive to promote comprehensive management services for modernized cities to improve our core competitiveness. And we will make every effort to explore new businesses and take root in the renewable resources sector, making profits and going green at the same time. We will also keep our commitment to fulfilling social responsibility, advancing sustainable development, and giving back to the community. We will strengthen our faith, forge ahead with bravery and determination, and make joint efforts to become the world's leading sustainable service provider of integrated improvement of the human living environment






Chairman of QiaoYin City Management Co., Ltd.



About QiaoYin

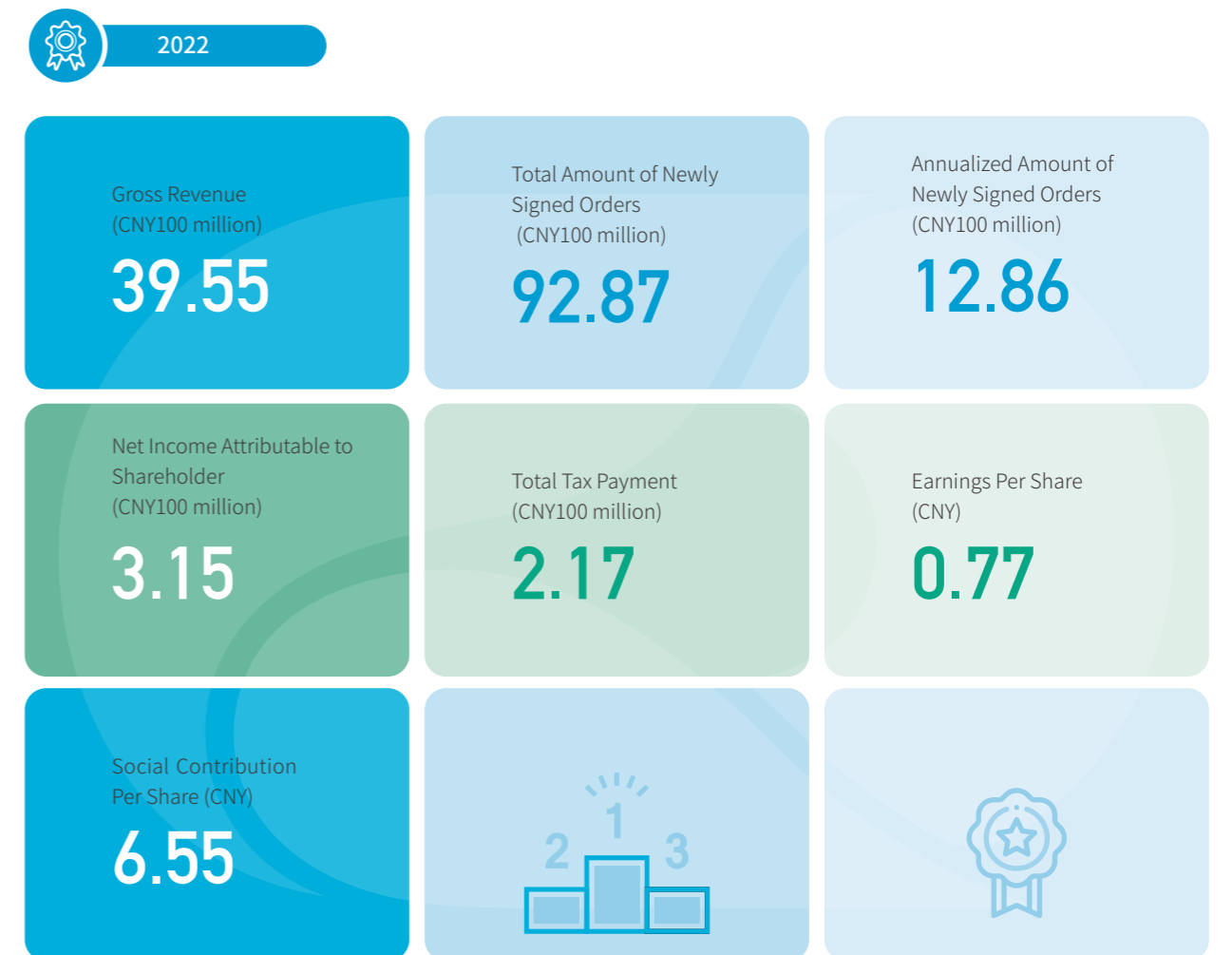
Company Profile

Founded in 2001, QiaoYin City Management Co., Ltd. is China's first A-share listed company in urban and rural utility services, as well as a national leader in comprehensive services for upgrading human settlement and an industry-standard setter. QiaoYin has deployed a network of "City Stewards" centered on the integration of urban management to accelerate the implementation of new businesses such as "No Waste and Low Carbon" and "Rural Revitalization." We strive to explore scientific, refined, and intelligent urban management solutions and provide customers with multi-level, all-around, and diversified professional environmental sanitation services and solutions. Now we have established a comprehensive urban management service system that leads the nation, serving approximately 100 cities in 26 provinces nationwide.

 Vision To build a world-leading brand for integrated upgradation of human settlement	 Mission Beautifying every city we live in	 Purpose Serve the society, serve our customers, and serve our employees
 Values Seek excellence, be down-to-earth, make self-improvement, be persistent, and achieve a win-win situation	 Enterprise Spirit One Army, One School, One Family	

Data of 2022

QiaoYin is committed to exploring "lifecycle management" for the city, centering on our core strategy of integrated upgradation of human settlement. To achieve this, we launched the "@City" full-domain comprehensive management service model in 2021, offering a new modern, comprehensive service system that integrates urban public services, micro-renovation, and characteristic operations for the entire urban area.



Major Honors

Government Department


 The 7th Guangdong Provincial Government Quality Award Nomination



 Guangzhou Brand Good Life New TOP20 Technology Brands in 2022 (Trophy)




Media


 China's Top 100 ESG-Listed Companies





 Most Socially Responsible Listed Company

Industrial Organization

 National Market Quality Credit Rating Certificate (2022-2025 National Market Quality Credit Level A Customer Satisfaction Service)




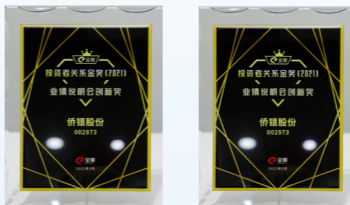
 China's Top 50 Environmental Enterprises (plaque)




 Plaque of Top 10 Influential Enterprises in Environmental Sanitation in 2022 (www.solidwaste.com.cn, E20 Environment Platform)



 Science and Technology Award of China Association of Urban Environmental Sanitation - Third Prize in Science and Technology Application (Research on the Whole Process Application of New Smart Environmental Sanitation Integration)

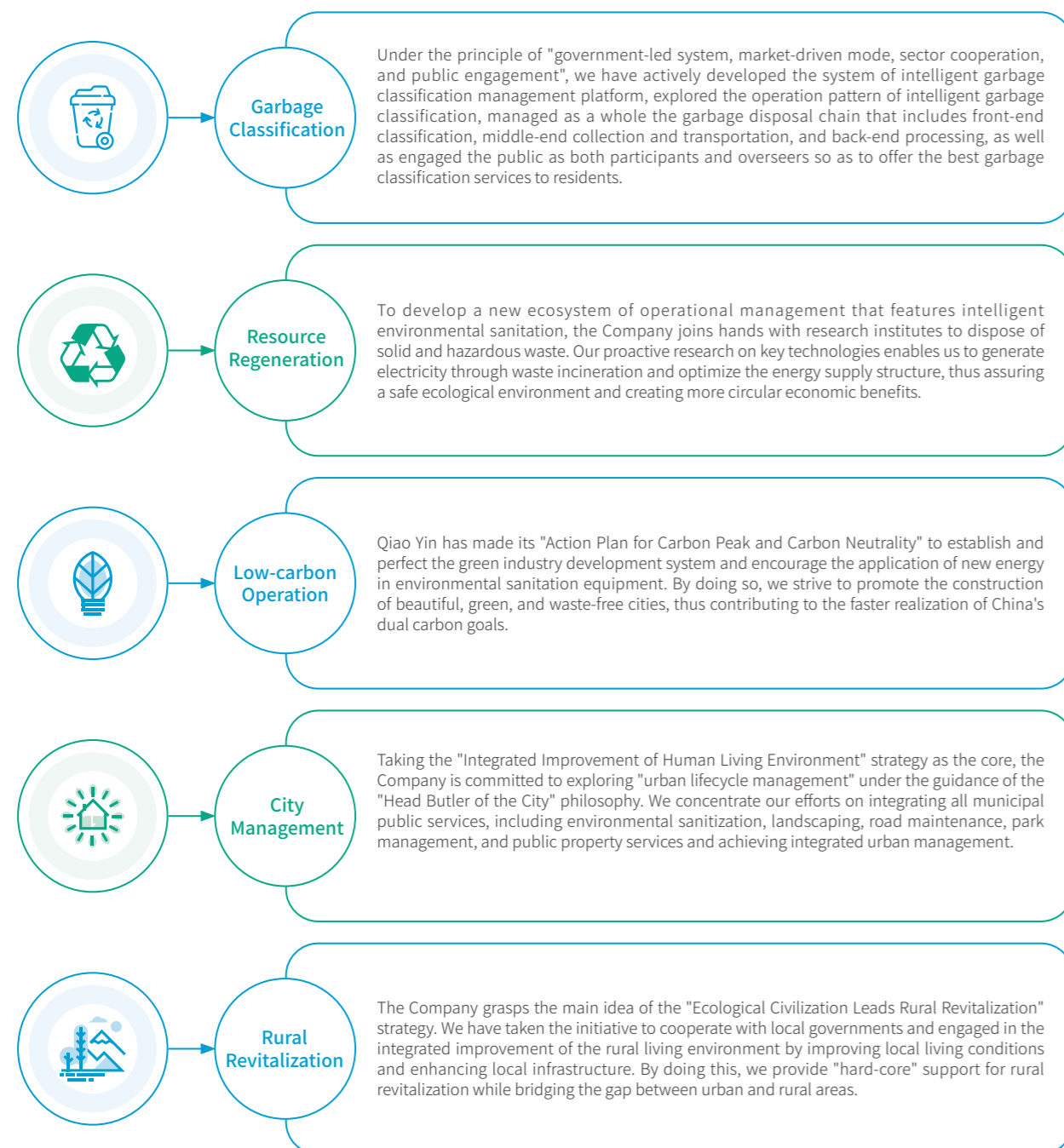


 Investor Relations Gold Award Series - Performance Presentation Innovation Award - Best New Media Operation Award

QiaoYin's Sustainability Management

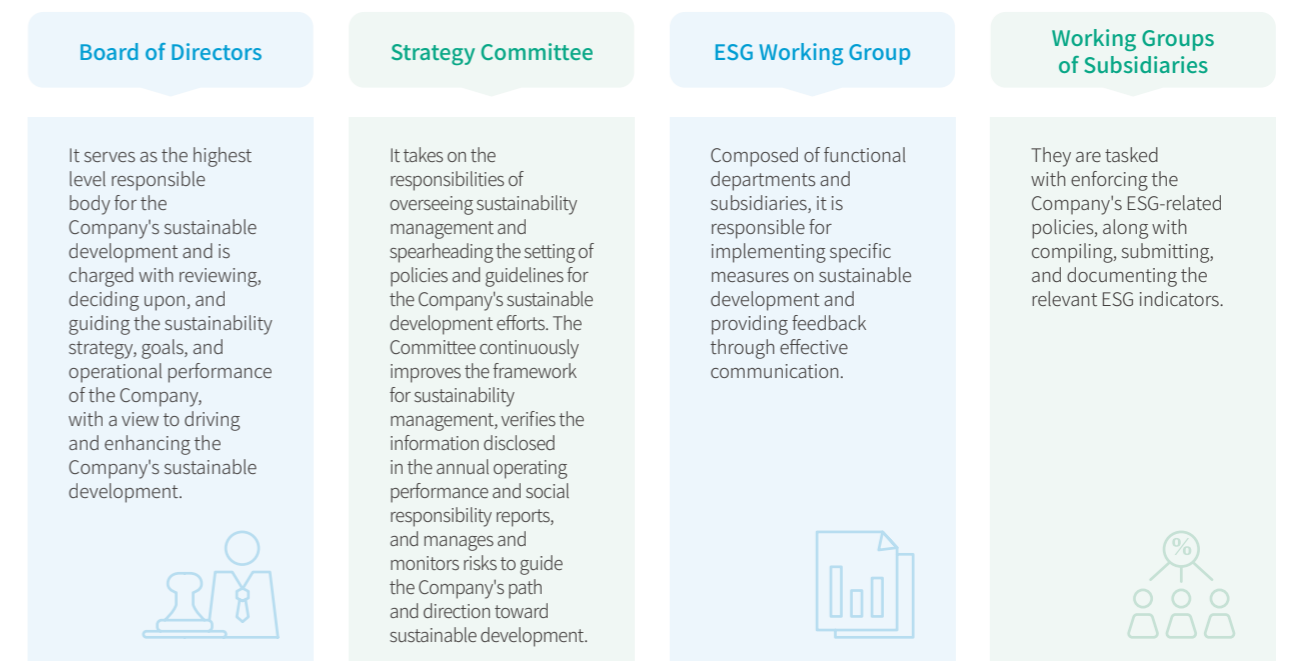
Sustainability Philosophy

We have incorporated the sustainable vision into every aspect of our corporate development, including strategic planning, governance, and operations. We seek to constantly elevate our sustainability management practices, proactively fulfill our corporate social responsibilities, and provide exceptional services and technical expertise for clients, peers, and society. Through these efforts, we are dedicated to creating a more livable environment and fostering sustainable social development.



Management Mechanism

We are advancing a systematic approach to sustainable development in line with domestic and international legal and regulatory frameworks and initiatives. Related efforts include refining the sustainability management structure, consolidating the sustainability-related policies and processes, and embedding a sustainable vision into all of our business and management practices.



Stakeholders' Participation

QiaoYin attaches great importance to communications with stakeholders. As a group that interacts and shares a win-win situation with the Company, the stakeholders' expectations, and demands are important references for the sustainable development of QiaoYin. We will seek expectations and feedback from external stakeholders including our investors, customers, employees, and suppliers as well as media and the government, via various channels on a regular basis.

Stakeholders	Expectations and Demands	Communication and Response
Shareholders and investors	Return on investment Protection of rights and interests Corporate transparency	General meetings of shareholders Reports published on a regular basis Improved profitability Daily information disclosure Visitor survey Optimized risk management
Government and regulatory agencies	Legal operation Tax payment according to law More job opportunities Implementation of all policies High-quality development Ecological protection	Actively accepted supervision Information reporting Working meetings Government-enterprise cooperation Undertaking social responsibilities
Employees	Legitimate rights and interests Good benefits and development opportunities Healthy and safe working environment Democratic participation right	Career promotion mechanism Guaranteed compensations and benefits Health and safety management system Equal communication and appeal mechanism
Customers	High-quality service Information security Protection of rights and interests of customers	Responsible operation Customer satisfaction survey
Suppliers	Open and fair procurement Faithful Win-win cooperation	Established supplier management system Performance of contracts and supplier evaluations according to law
Communities	Support for the public good Creating more job opportunities for the community	Engagement in charity Promoted rural revitalization Shared development achievements
Industry	Fair competition Promoted industry progress	Industry cooperation Facilitated daily communication Engagement in project cooperation
Environment	Green operation Energy conservation and emissions reduction Environmental pollution treatment Improved resource and energy efficiency	Promoted green projects Development of a circular economy Technology iterations Adherence to green operation
Community and public	Public good Rural Revitalization	Public donations Voluntary activities Paired assistance

Analysis of Substantive Issues

Through engagement in substantive issue analyses on social responsibility standards and industry benchmarks, both domestically and internationally, while examining China's macro-policy orientation, we have identified and prioritized the 19 most significant social responsibility issues to be featured prominently in the annual report, taking into account our Company's development strategies, practices, and stakeholder considerations. The ESG Working Group is tasked with the implementation of and ongoing communication on relevant substantive issues. In 2023, we will further advance our ESG initiatives and prioritize ESG reporting as a vital tool to review and improve our management practices.

ESG Project	Responsible Unit	Responsible Unit											
		Bond Dept	Legal Dept	Finance Dept	Business Center	Investment Dept	HR Dept	National Operations Management Center	Environmental Engineering Division	General Office	Information Technology Dept	Purchasing Dept	Subsidiary
Corporate Governance	Corporate Governance	✓	✓							✓			
	Risk Control	✓	✓	✓		✓	✓	✓					
	Integrity	✓			★					★			
	Party-building leadership												
	Sustainable management	☆	★	★	★	★	★	★	★	★	★	★	★
	Investor relations	☆											
Economic Responsibility	Brand service				★					★			
	Technological innovation										☆		
	Responsible operation	✓			★	★	★	★				★	
Environmental Responsibility	Low-carbon and environment-friendly	✓						★			★	★	
	Toxic emissions and waste	✓						★			★	★	
	Climate Change Response	✓						★			★	★	
	Garbage Sorting							★			★		
	Water resources stress								★		★		
	Green Office										☆		
	Clean energy	✓						★			★	★	
Social Responsibility	Employees' rights and interests, compensations and benefits	✓					☆			★		★	
	Training and development	✓					☆			★		★	
	Employees' health and safety	✓					☆			★		★	
	Care for employees	✓					☆			★		★	
	Democratic management						★			★			
	Supply Chain Management											☆	
	Industry cooperation				★	★							
	Public good and community involvement	✓					★			☆		★	
	Rural Revitalization	✓					★			☆		★	
	Note:	☆	indicates "responsible for" or "heavily involved in"										
	★	indicates "responsible for a specific part thereof"											
	✓	indicates "participation" or "support"											

Chapter 1

Fostering Sustainable Development with Effective Management

Concept:

Qiaoyin continues to improve the level of corporate governance, adding an ESG working group to enrich the governance structure. The company abides by the laws and regulations of the industry formulating relevant management systems, discloses various information openly and transparently, maintains investor communication channels, and pays attention to reasonable investment returns for investors. The company's comprehensive risk management emphasizes the importance of business ethics, and supervises the integrity of employees and related personnel. While the 20th National Congress of the Communist Party of China was held, it attaches great importance to the work of party building, gives full play to the leading role of party building, and promotes the long-term development of the company with practical actions.

Our Actions

- Enhancing Governance for Risk Mitigation
- Steadily Advancing with Compliant Operations
- Fortifying Our Foundation Led by Party Building

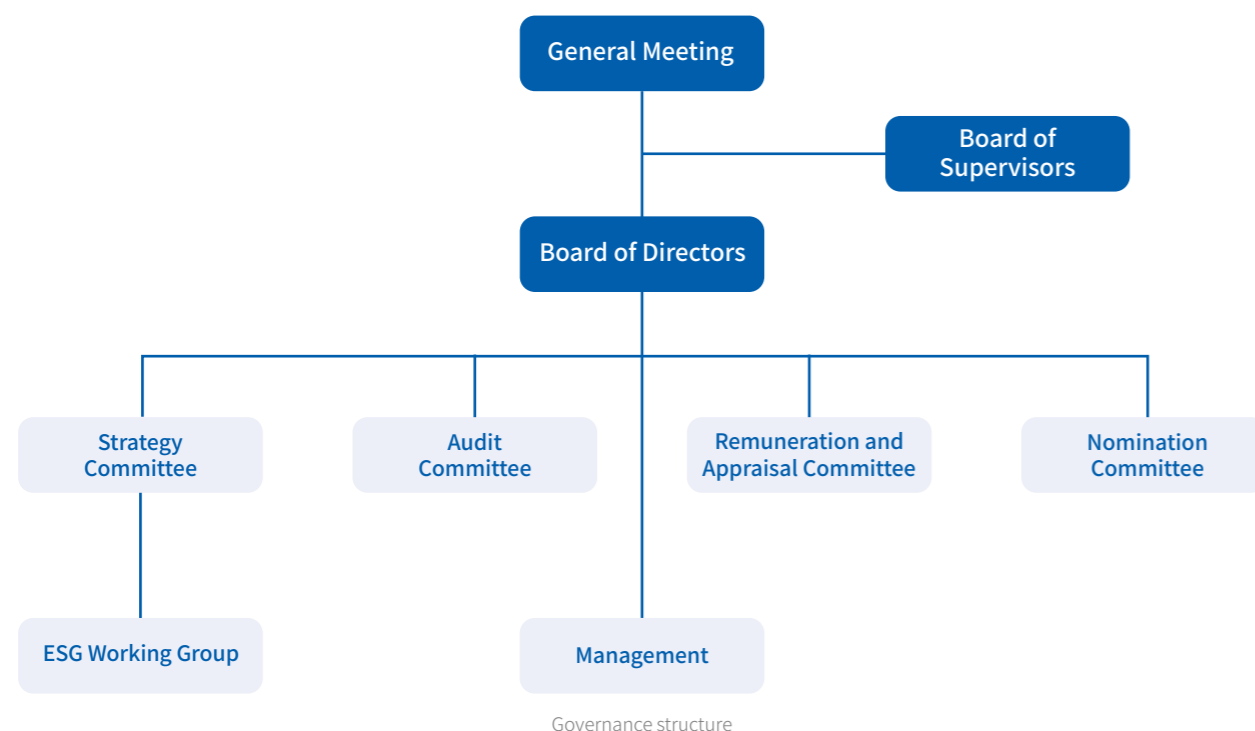
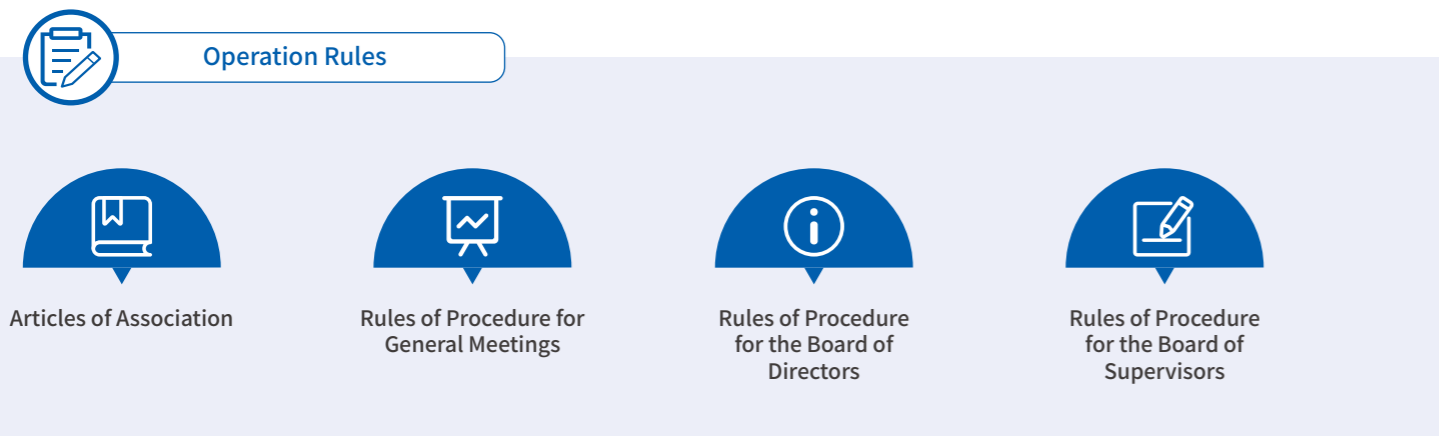
SDGs



Enhancing Governance for Risk Mitigation

Governance Structure

In strict accordance with the requirements under the Company Law, Securities Law, Governance Guidelines for Listed Companies, and other relevant laws and regulations, we have established a sound and standardized corporate governance structure, clarifying the decision-making and operation management system of the General Meeting of Shareholders, Board of Directors, Board of Supervisors and management, as well as their responsibilities, procedures, and obligations in decision-making, supervision, execution and other aspects, which have thus formed a scientific assignment of tasks and effective counterbalance of the power body, decision-making body, supervisory body, and management body, so as to effectively safeguard the interests of our investors and stakeholders.



General Meeting

In accordance with the Company Law, Articles of Association, and other relevant regulations and requirements, we have formulated the Rules of Procedure for General Meetings. The General Meeting of Shareholders operates in compliance with relevant provisions and all meetings are convened and held in accordance with relevant procedures to ensure equal rights of all shareholders and safeguard the legitimate rights and interests of the Company and shareholders.

Board of Directors

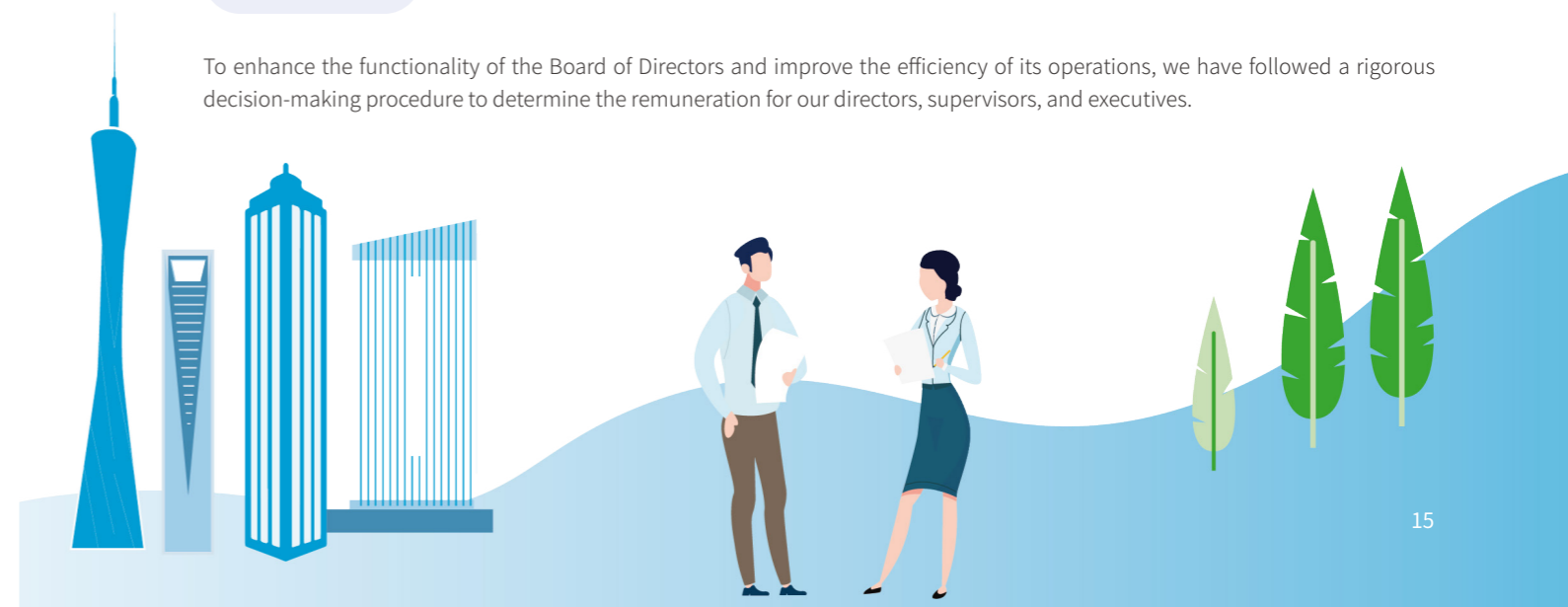
We have put in place regulations such as the Rules of Procedure for the Board of Directors and strictly follow the director election procedures set forth in the Articles of Association to guarantee an open, fair, and independent selection process for directors. We highly value the diversity of our board members. Their knowledge structure and professional expertise align with the Company's demand for strategic development, which can help the Company to get familiar with the keynotes of national policies and the development direction of the industry, and fully supports the Company's strategic decision-making and stable development. The resumes of the board members, as well as information on their industry/professional backgrounds and any other concurrent positions they hold in other companies, have all been disclosed on our official website and annual reports. All directors work conscientiously and perform their duties lawfully, and attend each board meeting to review major issues and make decisions for the Company.

There are four specialized committees established under the Board of Directors - Strategy Committee, Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee - to assist the board in fulfilling its decision-making and monitoring roles, which play a significant part in promoting the Company's standardized operation and healthy development.

Board of Supervisors

We have formulated the Rules of Procedure for the Board of Supervisors. A meeting of the Board of Supervisors is convened and presided over by the person in charge of the Board of Supervisors. In daily work, the supervisors work in a diligent and responsible manner, supervise and review the Company's annual financial statements, profit distribution plans, and other issues, and supervise behaviors of the Company's directors and executives and issue written opinions thereon.

To enhance the functionality of the Board of Directors and improve the efficiency of its operations, we have followed a rigorous decision-making procedure to determine the remuneration for our directors, supervisors, and executives.



Composition of the Board of Directors

7 board directors **3** independent directors **4** female directors

Composition of the Board of Supervisors

3 board supervisors **1** employee representative supervisor

Meeting Convening

3 general meetings of shareholders, deliberating, reviewing, examining, or listening to **21** proposals and reports;

10 Board of Directors meetings, deliberating, reviewing, examining, or listening to **64** proposals and reports;

Including **1** Strategy Committee meetings, **5** Audit Committee meetings, **2** Remuneration and Appraisal Committee meetings, and **2** Nomination Committee meetings.

8 Board of Supervisors meetings, deliberating, reviewing, examining, or listening to **39** proposals and reports.

Information Disclosure

In strict accordance with the Articles of Association, Information Management Measures, and other laws and regulations, we have formulated relevant rules such as the Information Disclosure Management Rules, Rules for Registration and Management of Persons with Access to Insider Information, and Related-Party Transaction Management Rules, and have proactively strengthened communication with the Shenzhen Stock Exchange and the Guangdong Securities Regulatory Commission to enhance the transparency of the Company's operations. By effectively fulfilling our information disclosure obligations, we promptly and fairly disclose our major events and operation status to all investors with truthful, accurate, timely, and complete content, effectively safeguarding their right to know. All major proposals are subject to the necessary deliberation procedures and full disclosure in strict accordance with the requirements of the Articles of Association and the internal management system. There were no instances of non-compliance or penalties imposed on QiaoYin during the reporting period.

KPI Recap

214

A total of **214** announcements were disclosed during the reporting period

Investor relations

We have established rules and approaches that prioritize the protection of shareholders and other stakeholders, continuously regulating investor management activities and expanding communication with them. We have also conducted on-site and online communication, etc. to create conditions for investors to gain further insight into our company's operations, thus facilitating their understanding and trust-building with us.

Communication Channels with Investors

- Actively communicate with investors through our official website, phone calls, emails, SZSE's online interactive platform, Investor Reception Day, and temporary arrangements for receiving investors for investigation or visit, etc.;
- Participate in strategy meetings and industry development seminars organized by professional investment management units from time to time to increase investors' understanding of our company's operations, business, and management;
- Disclose the Record Form of Investor Relations Activities on SZSE's online interactive platform from time to time and actively respond to investors' inquiries about our company;
- Hold an online performance briefing for 2022 to communicate with investors about our performance, development, and other issues of concern;
- Use new media platforms such as WeChat Official Account, WeChat Channels, and Douyin to update our latest operating status.


While maintaining steady growth in economic benefits, we are committed to providing investors with a reasonable return on investment based on our profitability and production needs. To achieve this, we have implemented a prudent dividend distribution policy that ensures continued and stable dividends to investors. Meanwhile, we have established a sustainable, stable, and scientific mechanism for returns to investors based on the profit distribution policies set forth in the Company's Articles of Association and 3-Year Shareholder Return Plan (2020-2022), through which we actively reward our shareholders and protect their long-term investment value. The dividends paid out in the past two years are shown below.

Dividend Year	Total Cash Dividends (tax included, CNY10,000)	Net Profit Attributable to Parent (CNY10,000)	Cash Dividend Ratio
2021	4,086.63	25,515.30	16.02%
2020	4,086.60	37,567.21	10.88%

Steadily Advancing with Compliant Operations


Enterprise-wide Risk Management

We place a high priority on risk management and internal control system establishment. In compliance with relevant national laws and regulations, as well as the Basic Norms for Enterprise Internal Control and its supporting guidelines and other internal control regulatory requirements, we have developed a management system and a sound internal control framework with appropriate working rules in light of our company's actual situation. These efforts ensure the stable operation of the company, facilitate effective tracking and implementation of compliance management work responsibilities, and establish high standards and strict requirements for preventing and controlling major operational risks. Viewing institutional improvement as a vital component of boosting the company's high-quality development, we have established a complete, effective, and sound risk control system and internal control system, which enables us to identify, assess, warn, and handle risks in all business processes in an accurate, fast, comprehensive and effective manner, fully exerting the characteristics of risk management and control.



Operation Quality

- To increase the efficiency of project operation and management for affiliates and subsidiaries, the Company has conducted routine inspections on the operation quality, asset management, and production safety of the projects operated by each affiliate or subsidiary. In case of any problems identified during the inspections, the affiliates or subsidiaries are required to address the issues in a bounded time and provide the results of their corrective actions. The inspection results will also be submitted to the relevant departments of the Company as part of the proof for project assessment.



Internal Control Management


- The internal audit team conducts annual routine and special audits following the annual internal audit plan. In case of any issues discovered during the audits, the auditors will make audit recommendations and require the auditee to implement corrections, which greatly encourages the Company's compliance operations and reasonably secures internal control goals.

Internal Control Building



Risk Type	Potential Risk	Countermeasures
Operational Risk	<ul style="list-style-type: none"> Challenges posed by political and economic events to the internal and external economic environment, corporate strategy, and management practice Risk to the Company's operation due to improper control of the Company's operational decisions by the actual controller Business risks caused by the delay of the company's business qualification approval process 	<ul style="list-style-type: none"> Adopt a forward-looking strategic planning approach to enhance management capability, information technology capability, and operational efficiency, and to improve overall competitiveness Strengthen the corporate governance framework to enhance the standardized and scientific decision-making mechanism and proactively mitigate possible legal disputes Conduct regular audits by Legal and Audit Departments on all business segments, record the validity of business qualifications, timely identify risks, and take appropriate actions
Occupational Safety Risk	<ul style="list-style-type: none"> Safety risks arising from traffic hazards 	<ul style="list-style-type: none"> Reduce the impact of relevant risks on production safety and operation by conducting audit monitoring, audit training, and data analysis in equipment operation safety and firefighting system effectiveness Apply the "Smart Sanitation" to quickly collect safety information concerning risk warning, disaster notification, command and response, safety and disaster prevention, etc., identify and react to potential safety hazards and risks in real-time, and implement the concept of "prevention is more important than rescue"
Financial Risk	<ul style="list-style-type: none"> Financial risks caused by rising raw material prices 	<ul style="list-style-type: none"> Optimize the order structure, set up a strategic cooperation mechanism with suppliers, and upgrade the supply chain management system to save procurement costs

We have established a joint litigation treatment mechanism and a case registration management system to strengthen our company's legal risk prevention and control. We will register and assign all cases received as soon as possible, and assign certain personnel to take over such cases. The Legal Department will work with relevant departments to establish a joint team for communication about the case in a timely manner at a "one case, one group" meeting, for a comprehensive analysis of the case. A standardized response plan will be established for the acceptance, sorting, prosecution/response, feedback, closure, and all the other processes of the case, and all litigation materials for each case will be kept for the reference and comparative treatment of similar cases. In order to ensure the reasonable digestion of risk management concepts, improve overall risk prevention awareness, and standardize emergency response measures, we have provided risk management training for our personnel on a regular basis, including the Corporate Procurement Risk Control and Cooperation with State-Owned Enterprise Platforms, the Ad-Hoc Training for Case Analysis and Process Optimization and other topics.

KPI Recap


A total of **14** training sessions on compliance and risk management were conducted during the reporting period, which covered the entire company to facilitate daily work alignment.

Transparent Tax Payment According to Law

We strictly abide by relevant tax laws and regulations involved in operations, such as the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China and the Announcement on Relevant Policies for Deepening the Value-added Tax Reform. We actively cooperate with the implementation of government tax policies, pay taxes to local governments in a lawful and transparent manner, report and disclose tax information in accordance with the law, and make due contributions to economic development. Moreover, we have developed the Implementation Rules for Tax Management Measures to standardize the tax management process, strictly prohibit tax evasion and tax fraud, and reduce tax risks. This system covers tax governance framework and responsibilities, invoice management, tax payment, management of tax media and anti-counterfeiting tax control systems, as well as supervisory and improvement mechanisms. It will guarantee compliant tax payment with laws in the places where economic activities occur and value is created, ensuring that every tax due is fully paid and tax obligations are fulfilled in a standardized manner.

Tax Management System

Level 1 Overall Objectives of Tax Management					
Pay all taxes owed and enjoy all benefits entitled					
Level 2 Five Major Tax Policies	Strict compliance with local tax regulations	Effective control of tax risks	Formulation of reasonable transfer pricing rules	Development of tax planning that is legally compliant and commercial in nature	Enhancement of tax information transparency
Level 3 Content and Specific Tasks	<ul style="list-style-type: none"> Maintain accurate accounting records Declare and pay taxes on time and accurately The Issue, deliver, collect, and keep tax payment vouchers 	<ul style="list-style-type: none"> Establish a professional team to collaborate with external advisors Establish an effective risk prevention and control mechanism Maintain good communication with tax authorities 	<ul style="list-style-type: none"> Match profit distribution with value creation Avoid transferring profits to low-tax regions 	<ul style="list-style-type: none"> Ensure tax planning is legal and commercial in nature Establish an investment framework and transaction model that meets business needs and is commercial in nature Do not design business for tax planning Avoid the misuse of tax havens 	<ul style="list-style-type: none"> Comply with statutory disclosure obligations in operating regions

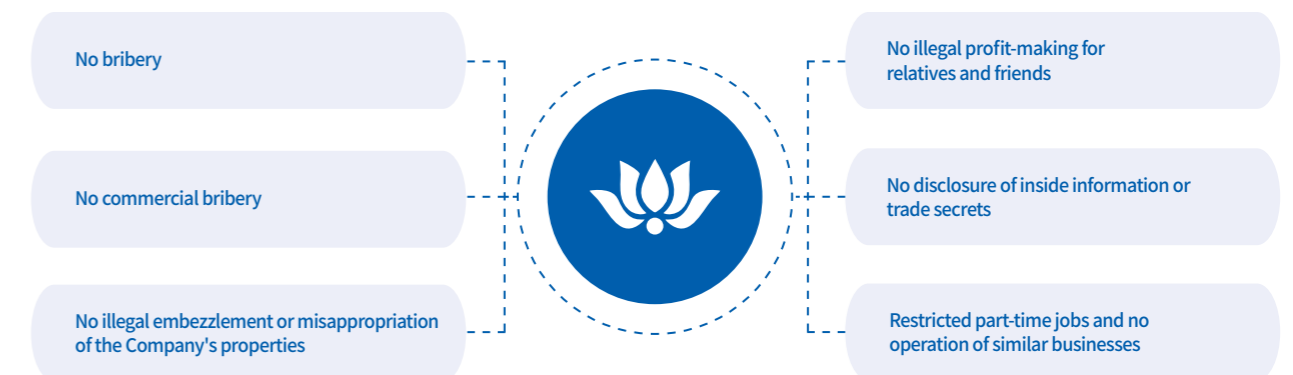
Information Security and Privacy Protection

QiaoYin is committed to strictly standardizing information security in all operational aspects in accordance with laws, regulations, and regulations such as Data Security Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, and Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems. By continuously improving our systems and taking multiple measures simultaneously, we aim to mitigate information security risks and create a secure and orderly operating environment. Meanwhile, we have developed a range of regulations based on the Administrative Measures for the Classified Protection of Information Security, including System Account Management Regulation, Patch Management Regulation, Operations and Maintenance Security Management Regulation, Management Regulation for VPN Remote Access to Internal Network, and Virus Protection Management Regulation, providing clear guidance for information security involved in daily office operations.

We regard the protection of customer privacy as a top priority and keep the information provided by our customers confidential by all means. We have explicitly set forth prohibitions in the employee handbook and the employment contract against disclosing company secrets, customer information, or other confidential matters. Where necessary, we will enter into confidentiality agreements with customers to establish additional provisions for protecting trade secrets in commercial cooperation. In 2022, no incidents occurred concerning the invasion of customer privacy.

Integrity

QiaoYin attaches great importance to internal governance and control, and strictly prevents and controls the Company's corruption risks. To this end, we have successively formulated the Administrative Measures for Prohibiting Commercial Bribery and the Administrative Measures for Anti-Corruption of QiaoYin City Management Co., Ltd. to establish a commitment mechanism and reporting mechanism for preventing corruption, which puts the Audit and Supervision Department responsible for executing relevant mechanisms and exercising its disciplinary inspection and supervision duties. From multiple dimensions such as reporting channels, protection of informants, reporting procedures, and post-reporting handling measures, we have created an internal environment where informants are provided with channels for reporting corruption and are well protected from retaliation. We have also executed the corruption prevention commitment mechanism for key sectors and key personnel. Relevant personnel is required to sign the Corruption Prevention Commitment and accept supervision records as required by the Company's anti-corruption supervision and management department.



We have made explicit our stance against fraudulent behavior to all employees and suppliers and entered into the Agreement of Transparent Cooperation with suppliers to prevent non-compliance events from happening at the outset, contributing to a healthy and orderly economic environment for the company and our business partners. We also provide multiple reporting channels for relevant stakeholders and standardize the reporting procedures to ensure no improper interest transfer in corporate operations, thus enabling smooth commercial activities. Moreover, we promote integrity through a combination of online and offline efforts and disseminate notifications of negative events.

Complaint Channels

Hotline: 13710380637

E-mail: zljcb@gzqiaoyin.com

Fortifying Our Foundation Led by Party Building

We have consistently emphasized the importance of Party building, harnessing the leading role of the Party organization in enterprise development. In all our endeavors, we always prioritize adherence to Party leadership and strengthening of Party building, and through a diverse range of initiatives, we have effectively propelled our Party building forward. On the occasion of the 20th National Congress of the Communist Party of China, we thoroughly implemented the Party's policies and organized a series of celebrations, fully demonstrating our profound understanding of high regard for the Party. Additionally, we have made Party building an integral part of our corporate culture, championing it as a beacon to navigate the company's development and solidifying a steadfast groundwork to advance our sustainable development goals.

Case Spotighting the 20th National Congress

On October 16, the 20th CPC National Congress was held in Beijing, and the QiaoYin Party Branch organized the company's Party members and employees to watch the opening ceremony. After listening to the report delivered by General Secretary Xi Jinping, QiaoYin employees expressed their determination to fully implement the spirit of the Congress with the virtue of perseverance and to translate the CPC Central Committee's strategic move into their own work tasks, thus contributing their efforts to the realization of the Chinese Dream of great national rejuvenation.



Pictures of Liu Dan representative, the Party Secretary of the Company and the Chairman of the trade union, attending the 20th National Congress of the Communist Party of China

Case Promoting Party Building

Liu Dan, Secretary of the QiaoYin Party Branch, Purchasing Director, and Union Chairman, attended the 20th CPC National Congress as a representative of Communist Party members from Guangdong's urban services, sanitation, and private enterprise sectors, who are at the forefront of grassroots efforts. After returning to work, Liu Dan went deep into the front line and initiated mass meetings, seminars, and surveys to jointly study and implement the spirit of the 20th National Congress with Party members and the public. Meanwhile, to consolidate the foundation of Party propaganda services, QiaoYin concentrated on enhancing urban grassroots Party building efforts, whilst coordinating efforts with other grassroots units such as village and subdistrict communities, and social organizations to establish Party organizations. By enriching the atmosphere, diversifying activities, and broadening services, QiaoYin aims to improve the grassroots activity sites, motivate Party members to engage in activities, and unleash the role of grassroots Party organizations as a fighting fortress and Party member vanguard, to bridge the "last mile" in providing services for the people.



Promoting and implementing the spirit of the 20th CPC National Congress



Chapter II

Prioritizing Sustainability in Urban Management

Concept:

Qiaoyin maintains excellent customer service and passes the three major management system certifications, leading the industry standards and regulations. The company sets the "quality demonstration" as the core goal, builds a green circular industrial chain, and creates a high-quality urban service benchmark. The company implements the "urban steward" strategy, actively explores new ways of comprehensive urban management services, implements the "@city" global service model, integrates the four functions of zero-waste city, rural revitalization, and property services, realizes the integration of urban management, and promotes the company's sustainable development of business governance.

Our Actions:

- Exceptional Customer Services
- City Steward Strategy

SDGs:

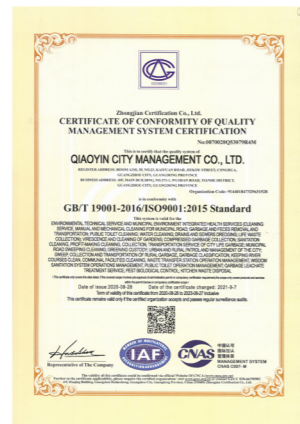


Exceptional Customer Services

QiaoYin is fully certified in our operating services and is also a leader in setting industry standards. In terms of qualifications, we have obtained over 60 national, provincial special-grade, and first-class certifications, including the Special Grade Qualification for Cleaning, Collection, Transportation, and Sanitation Services in Guangdong Province, the License for Operational Cleaning, Collection, and Transportation of Urban Domestic Waste, and the National First-Class Qualification for China's Cleaning Industry. In addition, we pioneered in the industry to obtain the triple certification for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System.



ISO 14001 Environmental Management System



ISO 9001 Quality Management System



ISO 45001 Occupational Health and Safety Management System



Case Co-organizing Training on Garbage Collection and Transportation Standards to Guide Industry Norms

In September 2022, a training and promotion session on the Regulations for Collection and Transportation of Household Waste and the Quality Standards for Collection and Transportation of Household Waste was held in Guandu District, Kunming. The event was hosted by the China Association of Urban Environmental Sanitation (CAEPI) and organized by the Special Committee for Environmental Sanitation Operations and the Standardization Committee, with support from QiaoYin City Management Co., Ltd. It pooled domestic industry experts and elites in Guandu to exchange ideas and learn about industry standards and development prospects. Zhou Danhua, Vice President of QiaoYin and Deputy Director of the Special Committee for Environmental Sanitation Operations of CAEPI, organized and participated in the entire conference. Professor Chen Haibin of Huazhong University of Science and Technology, the editor-in-chief of said two standards, provided on-site training and promotion.

This conference played a positive role in promoting the full implementation of standards, improving the professional competence of practitioners, and standardizing the collection, transportation, and quality management of household waste, as well as further promoting the sustained and healthy development of the industry. Throughout the process, QiaoYin was engaged in the preparation of the national industry standards and also supported the convening of the standard training and promotion event, fully demonstrating its pioneering spirit in waste collection and transportation and its sense of responsibility as a leader in the industry.

Over the years, we have earned widespread recognition for our sustained growth in performance, high-quality services, and standardized governance. We have been honored with over 2,000 awards, including Guangdong Provincial Government Quality Award Nomination, Golden Bull Award for Listed Companies, China's Most Promising Company, and China's Top 50 Environmental Enterprises. Going forward, we will remain committed to taking part in the development of relevant standards and working with all stakeholders to advocate for the adoption of scientific quality management systems and models, in order to create a sustainable industrial ecosystem and boost high-quality and sustained industry growth.

KPI Recap

Leading and participating in the preparation of approved standards, in total of

14

Ongoing Standards, in total of

3

National Standards

Requirements for Cleaning Service of Urban and Rural Communities
General requirement for Setting up Municipal Waste Collection Devices



Group Standards

Urban road cleaning operation procedures
Domestic garbage collection and transportation operation rules
Standards of setting food waste collection and transfer facilities
Technical regulations for collection and transportation of garden waste
Dredging and collecting offshore surface garbage procedures
Technical Standards for Underground Garbage Collection Stations
Technical regulations for intelligent system of household garbage collection and transportation

High-Quality Services

With the core goal of creating "quality demonstration", QiaoYin has adhered to the principles of dedication to sincerity, the meticulousness of strategies, and excellence in operation to establish "four standardized management systems" and build a green recycling industry chain, contributing benchmarks for high-quality urban services and continually meeting people's pursuit of a better life.

Project Quality Control Process

Mobilization System

- We have established the Administrative Measures for the Mobilization Evaluation of New Environmental Sanitation Projects, specifying the quality and effect required for the mobilization of new projects as well as the duties, tasks, and work standards of each department. We have also established new project mobilization quality evaluation standards, covering 39 indicators, which will be measured based on the actual completion conditions, as well as the corresponding performance indicators.

Evaluation System

- We have established the Administrative Measures for the Evaluation System of Environmental Sanitation Projects for each functional department to strengthen the management at all levels, so as to promote the construction of an overall evaluation management system, reflect the operating status of each project in an objective and comprehensive manner by operation statistics, evaluation ranking, announced rewards and punishments, supervision and rectification and other means, and eventually achieve a high-quality, efficient, low-consumption, balanced, safe and civilized evaluation system.

Inspection System

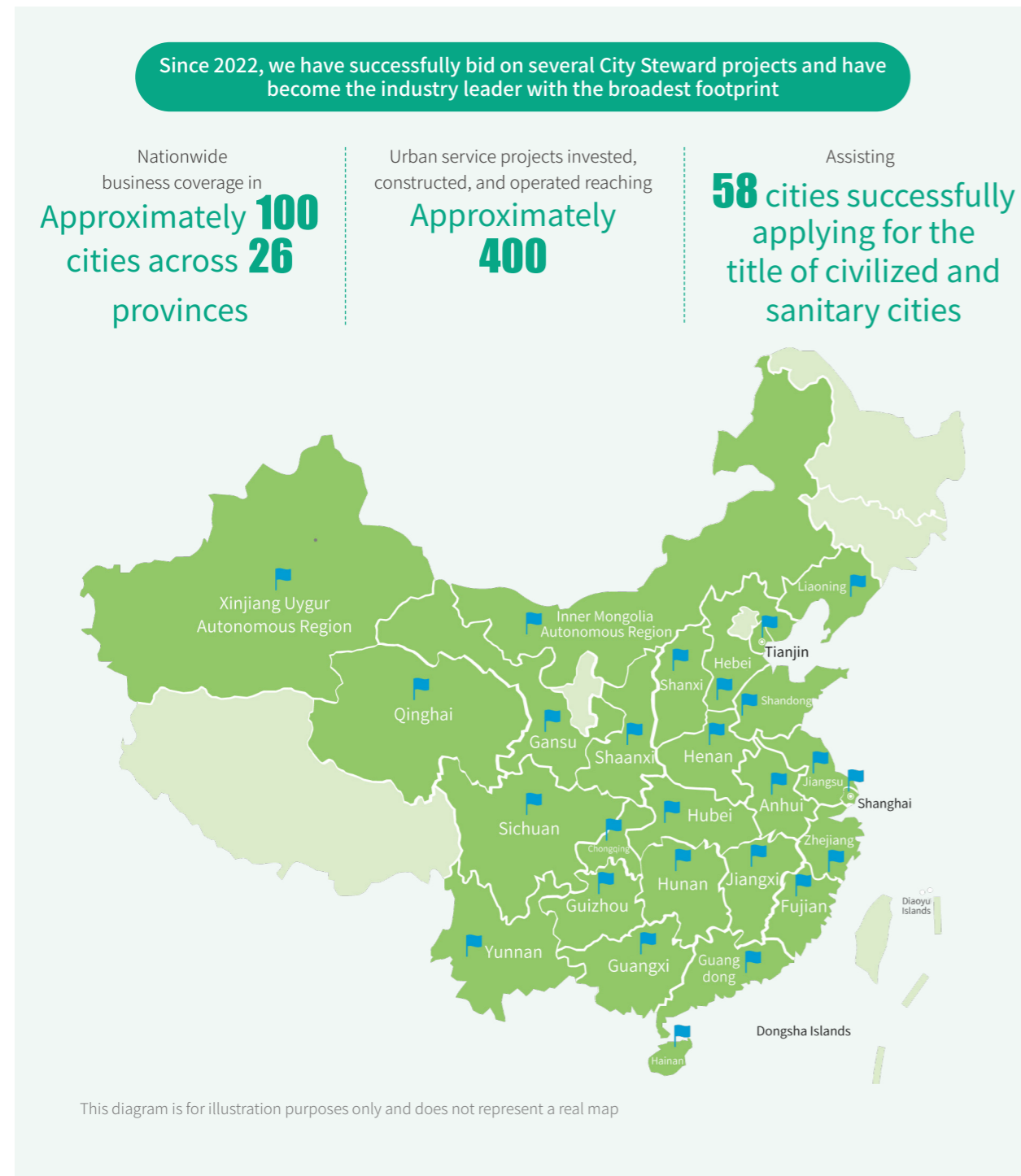
- We have established the Administrative Measures for Project Inspection to improve operating efficacy and reduce project operation risks. With project operation management as the center, focusing on the Company's "seven major work priorities", we have conducted inspections on the public relations, receivable management, cost control, brand promotion, production safety, quality management, asset management, and other aspects of each project.

Responsibility System

- We have established the Administrative Measures for Project Responsibility System to further improve the management quality of the project responsibility system, regulate relevant processes of the responsibility system, and clarify work requirements for the signing, monitoring, assessment, and exercise of rewards and punishments of the project responsibility system, so as to ensure goals of the responsibility system can be achieved. The management of the responsibility system includes the verification of the profit value of the responsibility system, settlement of costs and expenses, corruption problems in the responsibility system, reward and punishment methods in the responsibility system, evaluation of the safety management coefficient of the project, etc.

Business Coverage

We are committed to advancing urban service quality through three key areas: refined management, low-carbon development, and intelligent services. As of now, we have invested in constructed and operated approximately 400 urban service projects across approximately 100 cities in 26 provinces (including autonomous regions and municipalities directly under the central government) across China, assisting 58 cities in successfully applying for the title of civilized and sanitary cities.



City Steward Strategy

With a corporate mission of "beautifying every city we live in," we are committed to exploring "lifecycle management" for the city, centering on our core strategy of integrated upgradation of human settlement. To achieve this, we have released the development strategy of City Steward, with the aim of integrating all municipal utility services, such as environmental sanitation, landscaping, road maintenance, park management, and public property services, to achieve integrated urban management.



Water Cleaning Vessels



Cleaning Vehicles

Case Urumqi City Steward – CNY 1.3 billion

On June 23, 2022, QiaoYin announced that the company had been pre-selected to provide urban and rural property services for the Midong District of Urumqi, with a service period of the "1+3+3+3" model. This project is a classic City Steward venture, covering comprehensive cleaning of urban and rural roads in Midong District, snow and ice removal, dust suppression, cleaning and maintenance of pedestrian overpasses, cleaning, and maintenance of underground passages, river channel cleaning, maintenance of central green spaces and squares, and cleaning and maintenance of public toilets, as well as residential property services. This project embodies QiaoYin's core strategy of integrated upgradation of human settlement.



Case Integrated Sanitation PPP Project in Guandu -- CNY 6.7 billion

The Integrated Sanitation PPP Project in Guandu, with a cooperation period of 20 years and a contract value of about CNY 6.7 billion, was selected as a national demonstration case for integrated environmental sanitation in 2019. This project is a typical City Steward project, providing services including road cleaning and maintenance, garbage collection and transportation, public toilet operation and maintenance, landscaping management and maintenance, river and wetland management and maintenance, landscape lighting operation and maintenance, vehicle and ship equipment updating and maintenance. QiaoYin teamed up with the local government to promote Guandu's cultural and tourism industry and support Kunming in its efforts to become the sixth National Civilized City. On October 11, 2021, the first phase meeting of the 15th Meeting of the Conference of the Parties (COP-15) to the UN Convention on Biological Diversity was held in Kunming. Ahead of the grand event, Qiaoyin made every effort to ensure the city's appearance and environmental protection, garnering coverage by Yunnan Daily.



01 @City "Full-Domain Governance Service Model"

As pointed out by General Secretary Xi Jinping, "We must establish a full-cycle management awareness, accelerate the modernization of urban governance systems and governance capabilities, and strive to find a new way of governance that conforms to the characteristics and laws of super-large cities. We must strengthen the rule of law, be good at using rule of law thinking and methods to solve the difficult problems of urban governance, and make the rule of law a social consensus and basic norm. We must pay attention to scientific, refined, and intelligent efforts, give full play to the advantages of Shenzhen's information industry development, and promote the innovation of urban management methods, management models, and management concepts to make the city run more intelligently and smarter.

As the pioneer of the City Steward strategy in the industry, QiaoYin has been striving to explore new ways of providing comprehensive urban governance services. This year, we unveiled the @City Service Model through iteration and upgrading, advocating for a city management service that integrates "grassroots red base + flexible governance + urban public services + micro-renovation + characteristic management + zero waste and low carbon." The goal is to accelerate the construction of a new modern, comprehensive service system for the entire urban area, activate the city's "self-restoration capability" and develop it into a self-regulating and self-evolving organic entity. This will foster organic circulation in urban governance and spur the sustainable development of the company's city management operations.

The QiaoYin @City Service Model is aligned with national policy guidelines and provides urbanization management services to address the needs of society and the people, gradually reducing the gap between urban and rural areas and changing the development structure of the urban-rural binary economy.



Grassroots Red Base – A "Living Community" Featuring Party-Masses Integration

We concentrate on enhancing urban grassroots Party building efforts, whilst coordinating efforts with other grassroots units such as village and subdistrict communities, and social organizations to establish Party organizations. By enriching the atmosphere, diversifying activities, and broadening services, we aim to improve the grassroots activity sites and motivate Party members to engage in activities. We insist on the integration of Party building, resources, and emotions and unleash the role of grassroots Party organizations as a fighting fortress and Party member vanguard, in order to bridge the "last mile" in providing services for the people and consolidate the foundation of Party propaganda services.

Flexible Governance – A Stable and Harmonious "Living Community"

Entrusting service-oriented and transactional work, beyond government administrative management and law enforcement, to third-party service enterprises is an effective solution to address governance challenges such as urban service blind spots. This flexible governance approach enhances the resilience of the city and improves efficiency in urban governance, normalizing cleanliness, order, and safety.

Urban Public Services – A "Living Community" with Gathered Strength

Using public services as a carrier and focusing on urban space operation, industry support and development, and community livelihood services, we provide integrated public space services covering environmental sanitation, garbage sorting, water body maintenance, park management, and property management, aiming to help city governments, enterprises and residents solve the challenge of management involving multiple departments, reduce costs and improve quality, and create a better city.

Micro-Renovation – A Beautiful and Livable "Living Community"

Driven by the needs of residents, we integrate regional resources and implement comprehensive renovation for urban and rural land use. This approach maintains the basic configuration of the current construction pattern while improving infrastructure through partial building dismantling, function replacement of buildings, preservation and repair, and improvement, protection, and revitalization of the land. Through this approach, we aim to serve community needs and create a sustainable ecosystem for better living.

Characteristic Management – A "Living Community" that Fosters Mutual Prosperity

With the goal of promoting urban development, social progress, and the improvement of people's material and cultural living standards, we work under government macro-control to collaborate with city management departments and ecological chain enterprises to manage cities with a business philosophy. We capitalize on various operable resources, primarily public resources, through market operations to enhance the self-sustaining function of enterprises. We also use the operating income of public resources to invest in public services to improve the living environment and create an environment of excellence. In doing so, we promote the maximum preservation and appreciation of urban property assets, improve the city's functions, and achieve self-accumulation and self-development of the city.

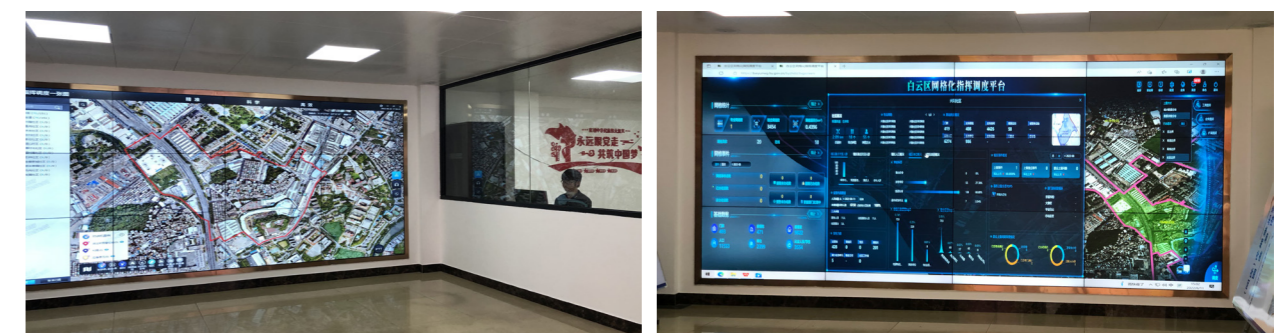
Zero Waste and Low Carbon – A Green and Healthy "Living Community"

We aim to reshape cities with a low-carbon philosophy, using a low-carbon economy as a development model and direction. This involves citizens embracing a low-carbon lifestyle philosophy and behavior characteristics, while the government seeks to create a low-carbon society as a benchmark and blueprint for urban construction. We adopt a carbon-inclusive incentive mechanism and focus on the development of low-carbon energy while implementing circular use, such as recycling renewable resources, utilization of organic waste resources, and handling and utilization of construction waste. This helps reduce pollution and carbon emissions in the city, promote healthy, simple, low-carbon living and consumption, provide resource guarantees to achieve carbon peak and carbon neutrality goals, and ultimately achieve sustainable development of the city.

The @City Service Model helps connect the village with the city, using the city's resources to improve village life and promote shared benefits and governance. This fosters a mutually beneficial cycle between the city and the village.

Case @City's First Representative Initiative -- Magang Project in Baiyun District, Guangzhou

The project in Magang Village, Baiyun District, adopts a strategic partnership with state-owned enterprises and the government to provide property and environmental sanitation services upon which it has expanded to include housekeeping, housing rentals, and community services for the elderly while providing a comprehensive platform for large-scale property management through finely-tuned management. Meanwhile, the project integrates various management services, such as micro-renovation of the community and smart community management, to form a full-domain governance service model while leveraging its own advantages.



Comprehensive platform of Magang Project

02 No-Waste City

Since our establishment in 2001, we have been working towards our core strategy and vigorously promoted a dual-drive model of "urban-rural utilities + zero waste and low carbon" based on the integrated urban-rural sanitation system. This has resulted in a comprehensive city management service system characterized by scientific management, precision operations, intelligent technology, and low-carbon urbanization.

Case Full-Coverage Garbage Sorting Services in Foshan

The goal of carbon neutrality has been incorporated into the overall layout of China's ecological civilization construction. To realize the challenging goals of carbon peak and carbon neutrality, market forces are critical, and effective waste-sorting practices are essential. In September 2022, QiaoYin was pre-awarded the contract for the full-coverage garbage sorting service project in Chancheng District, Foshan, with a total project value of approximately CNY 116 million. The project aims to provide comprehensive garbage sorting services by strengthening waste reduction at the source, promoting coordinated resource utilization of garbage, and improving residents' awareness, participation, and accuracy in garbage sorting, ultimately achieving full-coverage garbage sorting in the district. This project will reduce greenhouse gas emissions from fossil energy throughout the garbage sorting process and assist in achieving China's carbon peak and carbon neutrality goals.



Case Market-Oriented Sanitation Services in Xihu District, Nanchang

In August 2022, QiaoYin was pre-awarded the contract for the market-oriented environmental sanitation service project in Xihu District, Nanchang City, Jiangxi Province, with a bid amount of approximately CNY 828 million and a service period of "1+3+3" model. Services cover the roads, water bodies, and green spaces within Xihu District, empowered by a combination of professionalism and strength to bolster the city development in Jiangxi, which demonstrates QiaoYin's commitment to social responsibility as a leading provider of urban and rural utilities.



03 Rural Revitalization

We are making steady and continuous progress in advancing the rural revitalization campaign. By launching an upgraded service model "@City", we provide an integrated solution for environmental sanitation services covering cities, counties (districts), towns (subdistricts), villages, and households. Our rural business covers the entire chain of environmental sanitation, cleaning, transport and transfer systems, sewage and wastewater treatment for villages and towns and rural medical institutions, small-scale on-site garbage disposal, public toilet management, and park maintenance. Through cooperation with local government functional departments, we give comprehensive considerations to personnel allocation, technology introduction, equipment purchase, allocation of resources, funding, and public services to establish a solid foundation and a pattern that integrates urban and rural areas in support of the rural revitalization campaign.

Case Lixin Urban-Rural Integration Project

In January 2021, QiaoYin was awarded the first package of Procurement of the Urban-Rural Integrated Environmental Sanitation Project (Franchise Operation) in Lixin County with an estimated investment amount of CNY 2.6 billion. The franchise operation period spans 26 years, including a one-year construction period and a 25-year operating period. In line with the Lixin County Government's urban development vision of simultaneously obtaining titles of National Garden City, Provincial Civilized City, and Human Settlements and Environment Award City and goals of building a modern garden city as a "Water Town in North Anhui, Jiangnan of the Huaihe River", QiaoYin fully plays the role of City Steward to improve the environmental quality and urban management efficiency of Lixin County.



Opening	Fostering Sustainable Development with Effective Management	Prioritizing Sustainability in Urban Management	Advancing Low-Carbon Energy and Green Economy	Innovating Technology for Building Smart Cities	Empowering Employees and Building Unity for Growth	Driving Social Progress and Achieving Prosperity	Appendix
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Case Urban-Rural Environmental Improvement Service Integration Franchise Project in Duyun City

QiaoYin has entered into a contract with Duyun City on the Urban-Rural Environmental Improvement Service Integration Project with a total project amount of CNY 3.33 billion. The project covers both the environmental protection and sanitation sectors. QiaoYin will in partnership with the Duyun Municipal Government to achieve the goal of creating a "Green Duyun" and adopt a comprehensive, refined, and intelligent operation mode to improve the environmental quality and urban management efficiency of Duyun City.



QiaoYin signed a contract for the Duyun Urban-Rural Environmental Improvement Service Integration Project

04 Property Services

Starting with basic property services, we focus on whole-process integrated property services and management, and property asset operation services. We offer value-added services in community life, space operations, rental and sales management, home services, and parking management.

Starting from our basic property services, we keep innovating, segmenting targeted sectors, and establishing property service standards tailored to various business forms and models. Also, we continue to expand the scope of property services and gradually breed diversified, integrated urban services and management.

Commissioned by property owners, we target profitable property, help owners increase the value of the subject property and provide professional investment invitations and operation services, thereby improving comprehensive management services and increasing the income of property operations.



Based on the demands of different business models of property projects and service targets, we offer quality property services and foster a series of special value-added services for customers through various management methods and skills.

Case Yangpu Haili Project Property Management for 2022 in Shanghai

Property management is an extension of urban environmental management services that significantly affect citizens' sense of well-being. The Yangpu Haili Project's service encompasses customer service, order maintenance, environmental sanitation, maintenance and repair of facilities and equipment, with heightened requirements for service refinement and humanization. QiaoYin's successful bid for the property project demonstrates the bid inviter's recognition of QiaoYin's strengths in City Steward services. Currently, QiaoYin's City Steward business has expanded to 26 provinces (autonomous regions and municipalities directly under the central government) across China, marking QiaoYin's successful presence in the key cities of the Yangtze River Delta Economic Zone. QiaoYin will deepen the City Steward strategy by increasing property services in Guangzhou and Shanghai, two major international cities.

Chapter III

Advancing Low-Carbon Energy and Green Economy

Concept:

Qiaoyin advocates low-carbon and emission-reducing green industry. In line with China's overarching goals for green development, carbon peak & carbon neutrality strategy, and common prosperity, the Company, a core force in promoting the strategy and leading the way in creating a beautiful China, is actively putting the concept of "lucid waters and lush mountains are invaluable assets" into practice by establishing a sound system for green industrial development, improving the company's quality, and boosting the construction of green, beautiful, and no-waste cities, all to promote China's early realization of carbon peak & carbon neutrality goals.

Our Actions:

- Low-Carbon and Energy-Saving Operations
- Green Circular Economy

SDGs:



Low-Carbon and Energy-Saving Operations

Green Office

We strongly advocate for green office practices and intensify our promotion and training on environmental protection and energy conservation, aiming to inspire and encourage employees to actively engage in environmental protection actions through effective management and guidance.

Green Office Initiatives



- Use energy-efficient lighting fixtures, such as LED lights;
- Post water-saving and energy-saving slogans in areas such as switches and faucets;
- Provide complete garbage sorting facilities and equipment and strengthen publicity and guidance;
- Activate online OA paperless office processes to reduce paper usage;
- Promote a green meeting model by implementing an electronic signature system for board documents, enabling online review and electronic signature for voting resolutions.

Green Production

To fully implement the carbon peak & carbon neutrality goals and the principles of green development, we are actively promoting green production to further advance our objectives of energy conservation and emission reduction measures in urban governance.

New-Energy Equipment

We vigorously promote the use of new energy for environmental sanitation operation equipment. As of the reporting period, the Company possessed in total of **13,973** electric vehicles replacing fuel cars and **76** large-sized alternative fuel vehicles.



Mechanized Working Methods

We promote intelligent and mechanized city governance to reduce the need for manual labor in tasks such as cleaning and sweeping, and improve the efficiency of city governance through equipment upgrading and mechanical cleaning. We have raised our vehicle-to-labor ratio and increased the level of mechanization by more than three times over the last three years.



Case Pingdingshan Environmental Sanitation Integration Project

The service range under the franchise agreement for Package 2 of the Xinhua District Environmental Sanitation Integration Project in Pingdingshan City, Henan Province includes mechanized operation, cleaning and maintenance, and digital platform construction for urban roads; flushing and scrubbing of primary and secondary roads and sidewalks in the urban area; daily cleaning and picking up of litter in green belts; cleaning and washing of garbage bins; and door-to-door collection of garbage from roadside stores.

In Henan province, QiaoYin has provided City Steward services in cities such as Anyang, Luoyang, Xinyang, Zhoukou, and Zhumadian. Winning a new project in this region demonstrates the government's high recognition of QiaoYin's comprehensive strength.



Case Guangzhou Municipal Integrated Environmental Sanitation PPP Project

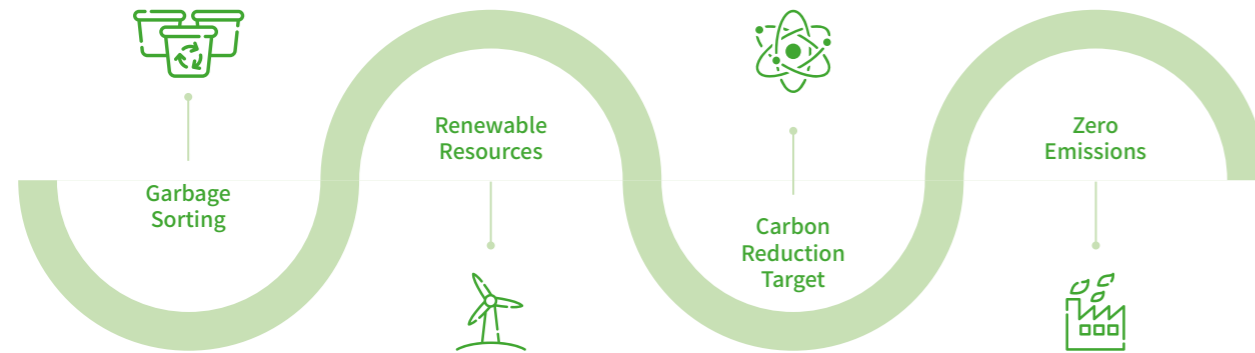
The Guangzhou Municipal Integrated Environmental Sanitation PPP Project is the largest fully mechanized single water-land cleaning project in China, achieving 100% mechanized operation. There are nearly 20 pure electric sanitation vehicles newly purchased for the project, achieving zero pollution and zero emissions and effectively reducing PM2.5 concentrations in the air. In addition to the above, QiaoYin also actively innovates sanitation service models and fully implements a 4.0 service model supported by big data, powered by modern intelligent machinery, enabled through smart sanitation cloud services, and aimed at achieving ultra-clean surroundings, thus truly realizing the mechanization, intelligence, and refinement of environmental sanitation management.



Guangzhou Municipal Integrated Environmental Sanitation PPP Project

Green Circular Economy

In light of the increasingly severe environmental challenges facing the globe and the pressing need to address them, we have taken proactive measures to counter climate change while implementing green business strategies. To effectively address environmental problems, we center on the environmental industry, making efforts to mitigate water and solid waste pollution, air pollution, deforestation, and other related issues.



Climate Change Response

Against the backdrop of a severe global warming crisis and the urgent need to address numerous environment-related challenges, we, as a leader in China's city management services, have consistently fulfilled our green responsibilities by focusing on nurturing environmental quality and co-creating beautiful habitats. Through our concrete actions, we are contributing towards the creation of a "cleaner" and more beautiful world.

In line with China's 14th Five-Year Plan, we have constructed a green, low-carbon, circular development system and developed the QiaoYin Action Plan to achieve carbon peak and carbon neutrality, which involves instituting a broad range of energy-saving measures and instilling a culture of low-carbon accountability across our operations.



Development History of QiaoYin's Renewable Resources and Circular Economy Business

2021 In 2021, Guangdong QiaoYin Carbon Resources Management Co., Ltd. was established;
The QiaoYin Action Plan for Carbon Peak and Carbon Neutrality was formulated;

2022 QiaoYin signed the Investment Agreement for the Carbon Neutral and No-Waste City Project in the High-Tech Zone with the Management Committee of Nanchang High-Tech Industrial Development Zone to jointly promote the construction of "No-Waste City" in Nanchang High-Tech Zone.

In addition, we actively drive the no-waste and low-carbon process, and have built a business system that integrates green industry development, full-chain garbage sorting management, and pollution prevention measures for both production and living.

Case QiaoYin Selected for Xinhua News Agency's 2022 Practices of Lucid Waters and Lush Mountains as Invaluable Assets

In August 2022, the Eighth Green Development Forum hosted by Xinhua News Agency released a showcase of "Practices of Lucid Waters and Lush Mountains as Invaluable Assets." QiaoYin was included in the case of "Fostering City Steward Services and Building a Low-Carbon Green Model", providing a vivid example of leading high-quality green development.

Expert Panel's Comments

"As China's first A-share listed company in urban and rural utility services, QiaoYin actively practices the Two Mountains Theory. With the mission of "beautifying every city we live in," QiaoYin has established a sound framework for green industrial development, boosted urban ecological restoration and integrated upgradation of human settlement, and pushed for the construction of green, beautiful, and no-waste cities. QiaoYin has also created model projects for green and low-carbon development. Its achievements in terms of the urban cleaning area and city management service project quantity have ranked first in the country, and its selection as a practical example for this initiative is well-deserved."

Moving forward, we will firmly center our efforts on the national initiative of advancing green development and expand our green business footprint by developing comprehensive energy management in low-carbon parks, promoting an urban circular economy, and offering low-carbon transportation services.



Green Business Layout in the Next Five Years

- Promote the city-wide electrification process by investing in and operating photovoltaic energy storage, charging and inspection, and shared charging and battery-swapping infrastructure;
- Provide comprehensive solutions for cities, such as recycling renewable resources and construction of circular economy industrial parks, with the integration of two networks of urban sanitation system and renewable resources system to promote the construction of no-waste cities;
- Provide consumers with urban green transportation services, green living services, and shared electric car travel services through an information-based shared travel system;
- Establish a carbon credit network platform to guide the public to practice low-carbon behaviors.

Environmental Industry

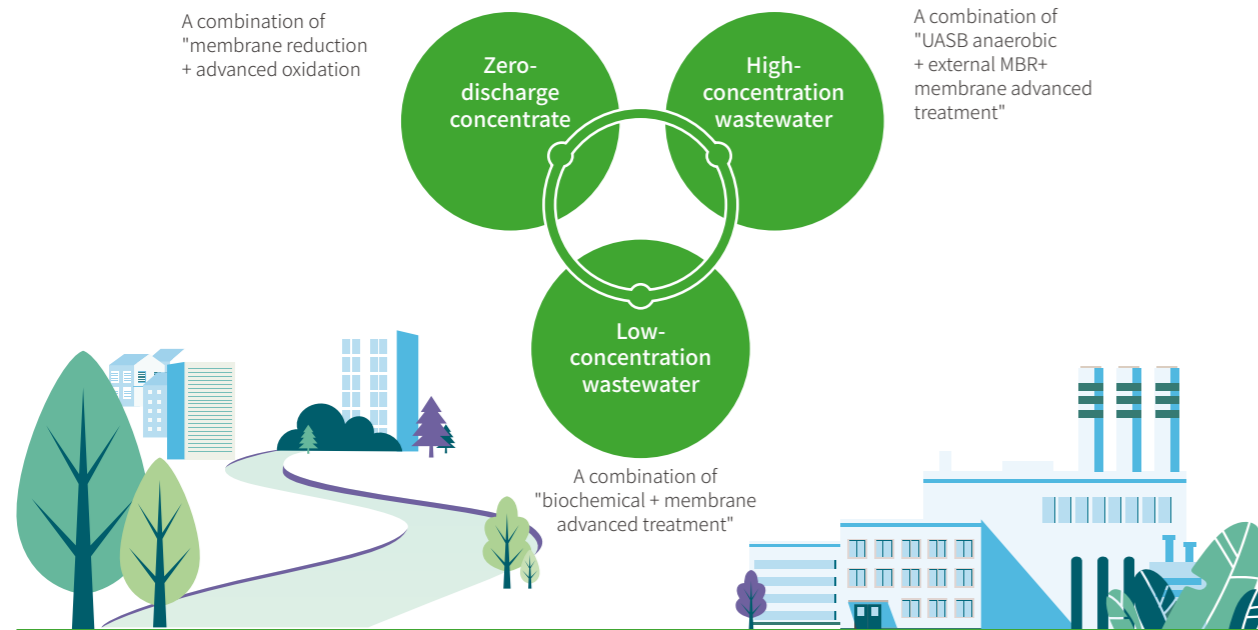
We have deep roots in the environmental industry, with a commitment to environmental protection projects and a mission to provide targeted solutions to environmental challenges. We value environmental responsibility and adhere to the fundamental principle of green development. We continuously promote technological innovation and product upgrades to create a clean and beautiful world. We prioritize project lifecycle management and adopt a circular economy model to minimize resource consumption and waste, and effectively reduce corporate carbon emissions while actively responding to the global call for emissions reduction. By utilizing various measures, we strive to promote environmental protection and recycling, continuously contributing our efforts to build a clean and beautiful world. We firmly believe that with a collective effort across the globe, we will surely create a cleaner, more beautiful, and livable world for all.

Water Pollution Control

Improving the water environment is an important element in the enhancement of human settlements. So far, QiaoYin has cleaned over 160 million square meters of water.

Case Wastewater Treatment Plant Project in Fushan Circular Economy Industrial Park in Luogang, Guangzhou

QiaoYin's Wastewater Treatment Plant Project at Fushan Circular Economy Industrial Park is the largest single high-concentration wastewater treatment project under franchise operation in China. The project was completed in November 2019 and operated under the "construction-operation-transfer" model. After undergoing purification treatment, all of the waste leachate is recycled back into the park, achieving "zero discharge" of wastewater. The plant has a wastewater processing capability of 4,000 tons every day, and it handles about 1.46 million tons of waste leachate annually, equivalent to the total amount of leachate produced by a landfill that serves a city with 10 million inhabitants in one and a half years. The project plays a crucial role in maintaining the water quality and ecological equilibrium of the area's watershed.



Solid Waste Pollution Treatment

As one of the earliest enterprises to respond to garbage sorting, we have established a full-chain management system involving front-end garbage sorting, mid-end garbage collection and transportation, and tail-end garbage processing. We have successfully delivered professional garbage sorting services to cities such as Foshan, Fuqing, Zhanjiang, Kunming, and Yichun.

Case Household Waste Sorting and Rural Environmental Remediation Project in Jing'an County, Jiangxi Province

This project is a national demonstration project for rural garbage sorting and treatment in Jing'an County, Jiangxi, achieving a full-chain management from waste source sorting, mid-end transportation, to tail-end disposal. With this project, Jing'an County has reduced waste by about 25% through the reuse of recyclable waste and by about 40% through the production of organic fertilizer from kitchen waste.



Case Disposal of livestock and poultry dead from illness without damages in Lufeng by Qiaoyin

In May 2022, the company invested and built the disposal program of livestock and poultry dead from illness without damages in Lufeng and officially put the program into trial operation. The program covers an area of about 10 acres, with a design processing capacity of 30 tons per day. The collection of the program adopts the mode of "decentralized collection, centralized processing, airtight transportation, and whole-process monitoring", collects and processes sick and dead livestock and poultry and slaughter waste in the breeding and slaughtering phases of 14 townships around Lufeng City, achieving "collecting on the same day, warehousing on the same day, and collecting all receivables". The disposal adopts the "dry method" process, and the dead livestock and poultry are finally formed into "animal oil" and "bone residue cake" products through material crushing, high temperature processing, oil extraction and separation. Among the products, the extracted animal oil can be used as raw material for biodiesel, and the bone residue cake can be used as raw material for organic fertilizer, so as to achieve harmlessness, reduction and recycling, and help Lufeng achieve high-efficiency and recyclable green growth.



Air Pollution Treatment

By extensively employing new-energy equipment, we have significantly improved the effectiveness of air pollution control across various regions, leading the way for the sanitation industry to advance into the "zero-emission" era. We operate multiple new specialized spray and dust suppression vehicles, which can quickly and effectively decompose pollutants and dust particles in the air, achieving the desired results of purification and dust removal. Our key area spray and dust suppression project in Tianhe District, Guangzhou significantly enhances the city's air quality and citizens' happiness index.

Response to Deforestation

Each year on the Arbor Day, we will purchase tree seedlings and organize employees to engage in voluntary tree planting events. Starting from 2021, QiaoYin Charitable Foundation will allocate not less than CNY 1 million annually towards afforestation efforts, with the goal of creating a "QiaoYin Carbon Neutral Base" in a decade.

Case QiaoYin Awarded the China ESG Frontiers Awards 2022 Annual Environmental E Institution Award

At the Second China Carbon Trade & ESG Investment Summit organized by the China Financial Advancement Forum (CFAF) in July 2022, QiaoYin was honored with the Frontiers Awards 2022 Annual Environmental E Institution Award in recognition of the company's exceptional performance in ESG aspects such as green development, technological innovation, public welfare and business ethics, and corporate governance.



2022 China Listed Companies Forum Public Welfare Award and China ESG Frontiers Awards 2022 Annual Environmental E Institution Award

Chapter IV

Innovating Technology for Building Smart Cities



Concept:

Qiaoyin Focuses on digital transformation, to create an online platform for sanitation services across the country and use digitalization to drive innovation and development. For intelligent management of vehicles and personnel, the online platform presents multi-dimensional management indicators, improves management radius and efficiency, and optimizes project operating costs. This helps create a smart city, quickly realize transformation, and improve the company's economic efficiency and competitiveness.

Our Actions:

- Smart Sanitation Platform
- Smart City Management

SDGs



We have built a nationwide management and data analysis platform for environmental sanitation services through the @City Management Cloud Platform (consisting of two sub-systems of Smart City Management and Smart Environmental Sanitation Platform). By embracing digitalization to drive re-innovation and re-development, we have systemically promoted refined and efficient management and operations, empowered every aspect of environmental services, and broken down information barriers regionally, thus reducing costs and increasing benefits on the whole. Through the smart terminal platform, the @City Management Cloud Platform enables 24/7 real-time management of all aspects of personnel, objects, and events involved in city management and environmental sanitation services. With instant alerts, precise command, fine scheduling, and comprehensive control functions, the platform assists enterprises in intelligent supervision and scientific decision-making, thereby enhancing their work efficiency and quality while laying a solid technological foundation.

Smart Sanitation Platform

Key Data

The total number of equipment networked to the QiaoYin Smart Sanitation Platform has exceeded **9,500** and over **8,000** of them are in operation online.

Decision-making Command

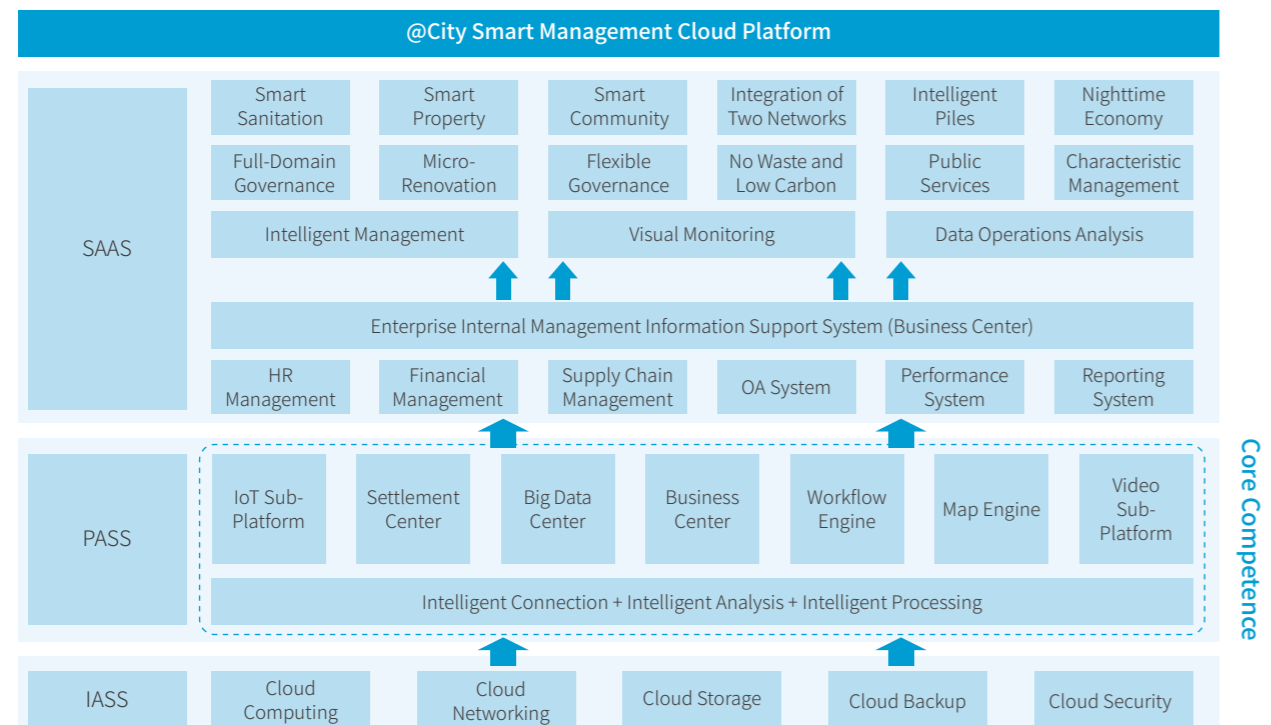
Make effective use of GIS, monitoring, real-time communication and other subsystems to fully display the project situation. Accelerate information transmission, timely respond to incidents, and command and deploy manpower as soon as possible.

System Linkage

Configure the system in a modular manner and allow for custom combinations. Effectively form multi-system intelligent linkage through platform integration and management of data flow. Upgrade automation to intelligence.

Operation and Maintenance

Perceive the running status of system equipment and take preventive measures. Enhance the efficiency of maintenance personnel and improve the quality of engineering maintenance through real-time task flow. Ensure the lifecycle management of operation and maintenance services.

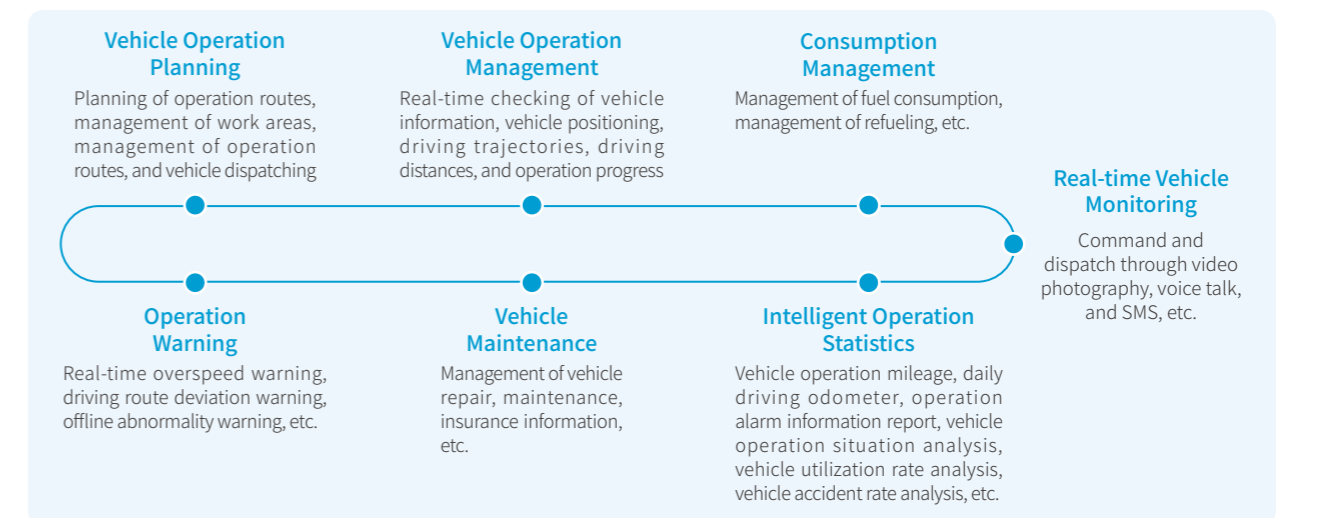


Opening	Fostering Sustainable Development with Effective Management	Prioritizing Sustainability in Urban Management	Advancing Low-Carbon Energy and Green Economy	Innovating Technology for Building Smart Cities	Empowering Employees and Building Unity for Growth	Driving Social Progress and Achieving Prosperity	Appendix
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We actively respond to the Overall Layout Plan for building a Digital China, which aims to build an inclusive and convenient digital society and promote precise digital social services. Meanwhile, we have increased investment in digital technology in order to fulfill our strategy of high-quality development, refined management, improved urban sanitation services, and the goal of "beautifying every city we live in." With the use of technologies including vehicle CAN communication control, vehicle networking, Beidou GIS, and artificial intelligence, we have established a truly digital operational management platform.

Vehicle Management

We have employed a digital operation management platform to enable the complete digitization of the vehicle operation process, providing a clear presentation of multidimensional management indicators such as operation efficiency and quality. This significantly enhances our service quality and management efficiency, expands our management scope and details, and optimizes our project operation costs, thus fostering a positive and proactive corporate culture and facilitating our company's digital transformation strategies.



The vehicle management platform achieves full coverage of company project vehicles and enables lifecycle management of vehicles.

Personnel Management

The working status of front-line operation personnel of the project, such as going on duty, getting off duty, being late, leaving early, being on duty, being off duty, sitting on duty, negative working hours and working mileage, is intelligently managed by the smart sanitation terminal.

Personnel Operation Area Monitoring

Operation area monitoring alarm: The system automatically detects the absence of operation personnel, adjusts the operation area or other abnormalities, and prompts users to confirm and deal with them

Precise Personnel Performance

The system automatically counts the data on the attendance of personnel, inspection times in the operation area, total operation mileage, operation hours, stay and leave every day, and then automatically calculates the performance score for the day

Intelligent Personnel Evaluation

The system makes data statistics according to supervision information and forms various statements to facilitate the management decision-making of supervisors. The scope of statistics includes the summary of personnel operation results, operation process, personnel attendance information, and violations

Automatic Personnel Scheduling

The system automatically generates the weekly working schedule of each personnel according to the big data of commuter time within the past one month, and the administrator only needs to temporarily adjust the leave and temporary shift of the personnel

Smart City Management

Smart Garbage Sorting Platform

QiaoYin's smart garbage sorting management framework consists of five layers: perception terminal, transmission network, business application layer, operation brain, and display layer, providing monitoring and data analysis-based decision support for waste classification and operation management. The platform effectively oversees the entire process of urban waste sorting, transfer, and treatment, achieving modern, data-driven, and intelligent management.

By combining blockchain technology with a garbage-sorting platform, we can:

Improve the efficiency and accuracy of garbage sorting by using blockchain technology and smart hardware to achieve consensus storage and supervision of data related to waste identification, collection, processing, and distribution;

Encourage public participation in garbage sorting through a credit point and incentive mechanism that utilizes blockchain technology and digital currency, thus promoting social responsibility and environmental awareness among the general public;

Ensure the transparency and security of garbage sorting by taking advantage of blockchain's tamper-proof, traceable, and decentralized features to enable trustworthy recording and verification of the entire process, preventing data fraud and information leakage;

Realize full process visualization of garbage sorting by using blockchain technology and smart hardware to enable real-time data uploading, tracking analysis, and tracing of each step of the process, including front-end sorting, mid-end collection and transportation, and tail-end processing of waste, thus providing a comprehensive evaluation of sorting effectiveness.



Garbage Sorting Operations Platform

- Publicity Management
- Points Exchange Machine Management
- Statement Ledger
- Video Surveillance
- Training Management
- Volunteer Management
- Data Integration
- Public Monitoring
- Sorting Facility Management
- Data Cockpit
- Personnel Management
- Sorting Effectiveness
- Bagging Machine Management
- Front-end Weighing
- Owner Assessment Rating
- System Configuration
- Resident Management



Garbage Sorting WeChat Account

- Sorting Promotion
- Public Services
- Other Links



Resident Mini-Program

- Personal Center
- Appointment for Home Pickup
- Registration/Login
- Advertising
- Message Center
- Disposal Records
- Activity Sign-up
- Nearby Disposal Points
- Points Exchange
- Sorting Academy
- Order and Payment
- Customer Satisfaction Survey
- Points Details
- Event Reporting



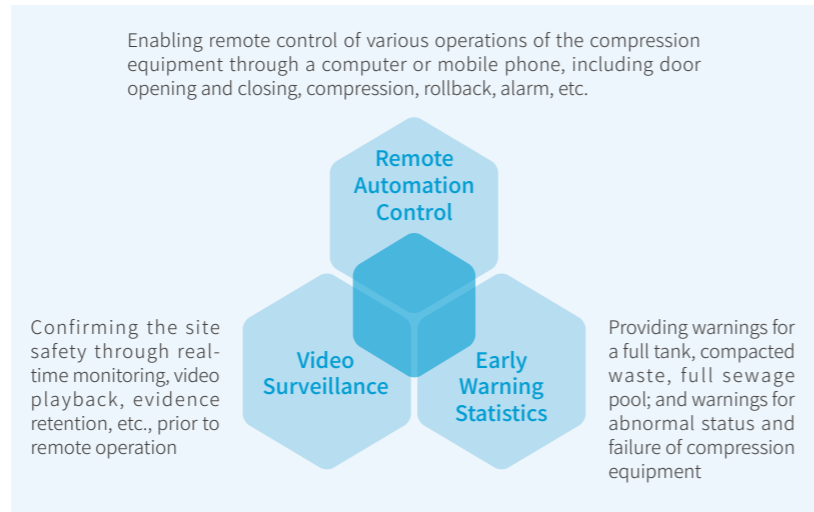
Operations App

- | | | | | | | | | |
|-----------------|-------------------|---------------------------|-------------------------------------|-------------------------|--------------------------|--------------------------------|---------------------|---------------------|
| Enterprise Side | • Basic Functions | • Attendance Management | • Sorting Disposal | • Inspection Management | • My Orders | • Asset Inventory | • Cleaning Records | • Points Redemption |
| | Government Side | • Owner Assessment Rating | • Garbage Disposal Point Monitoring | • Sorting Indicators | • Supervision Management | • Resident Sorting Information | • Violation Records | |



Unmanned Compression/Transfer Station

We remotely control the transfer station through a cloud-based control platform, thus achieving unattended operation on site and reducing personnel costs while improving management efficiency.



Smart Public Toilet

We have been committed to building a smart city steward service system through digitalization to enhance management efficiency, reduce job intensity, safety risks, and operational costs. We have developed three major "black technologies": an intelligent environmental recycling booth, an integrated waste-free smart public toilet, and a self-digesting septic tank processor.

Case Smart Public Toilets

Smart public toilets adopt biodegradable water circulation and "AAO+Mbbf" membrane treatment technology, which is humanized, intelligent, and environmentally friendly. Its characteristics are ready-to-spread and use, modern and high-end appearance, zero discharge after fecal water treatment, no need to clean up, luxurious and comfortable interior of the toilet, and fine cleaning service to create a "five-star" toilet standard and realize the economic values of commercial toilets. In addition to realizing economic value, integrated public toilets can also have social effects such as environmental protection and energy saving, improving people's livelihood, enhancing the image of the city, reducing government financial investment, and supporting city publicity. These public toilets contribute to the improvement of the urban living environment. They have been put into operation in the London Community of Foshan City, Guangdong Province, Qingshan Lake in Baoshan City, Yunnan Province, and Swan Lake in Nanchang City, Jiangxi Province, and have won unanimous praise from users.



Smart Toilets in the London Community of Foshan City, Guangdong Province



Smart Toilets in Qingshan Lake, Baoshan City, Yunnan Province

Case Enhancing Refined City Management with Smart Communities

In November 2022, Liu Dan, the Party Branch Secretary of QiaoYin City Management Co., Ltd., stated in an interview with Guangdong TV's "Guangdong News" that "we will continuously implement modern comprehensive service management models in various cities and incorporate 'one-stop' solutions including community micro-renovation and smart community management." According to Liu Dan, the bigger the city, the more refined the management needs to be. Over the past decade, Liu Dan has worked with her colleagues to continuously innovate work methods in order to increase the level of refined city management.



Liu Dan featured in an interview for Guangdong TV's "Guangdong News"

Adhering to the "one-network management" concept, the QiaoYin Smart Sanitation System encompasses a range of services including sanitation, smart urban management, municipal management and maintenance, public toilet management, landscaping maintenance, water body maintenance, public property management, urban parking services, and engineering construction, thus interconnecting external capacity and internal business for an integrated approach. With comprehensive module coverage of customer management, supply chain management, operations management, procurement management, warehouse management, and transportation management, this system enables rapid digitization and offers critical support to enterprise backbone personnel in seizing market opportunities, allocating resources effectively, optimizing the combination of production elements, and thereby improves enterprise economic performance and competitiveness.



Chapter V

Empowering Employees and Building Unity for Growth

Concept:

At Qiaoyin, we take great pride in our united front as "an army, a school, and a family". Our company culture is reflected in our continuous efforts to enhance human resource planning, adjust internal functions, and optimize related rules and regulations ensuring fair employment and compliance management. We actively engage in employee training programs, enrich our talent pool, improve employee compensation and benefits systems, and safeguard employee rights and interests. Our dedication to creating a positive and nurturing work environment is evident in our commitment to building a symbiotic relationship between the company and our employees for mutual success.

Our Actions:

- Safeguarding Employee Rights and Interests
- Valuing Talent Development
- Standing together with Care and Support

SDGs:



Safeguarding Employee Rights and Interests

QiaoYin upholds the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China," and embraces our united front as "an army, a school, and a family." We developed the Management Measures for Recruitment through a democratic and legal process, promoting the spirit of exemplary workers and craftsmanship. We have also built a multi-level talent recruitment and development system, cultivating numerous skilled talents and outstanding workers for the industry. Additionally, we strive to create a favorable working environment for our employees. QiaoYin believes in impartiality, fairness, and openness in employment. We firmly oppose all forms of discrimination based on race, gender, age, family background, religion, and other reasons. The company strives to ensure that every employee is treated fairly and equally throughout the recruitment, employment, payment, training, promotion, compensation, and all other stages of their journey with us. In 2022, we made significant efforts to diversify our recruitment methods to attract a wider range of talented individuals. Additionally, we reorganized our existing workforce, optimizing our company structure to enhance productivity.

As of the end of 2022

QiaoYin has a diverse workforce of **61,703** individuals, including over **470** employees with disabilities, **274** military personnel.

Our team is comprised of **45.60%** male and **54.40%** female employees.



Valuing Talent Development

QiaoYin has implemented various measures for talent development, such as refining promotion channels and managing core talents. These efforts aim to enhance the overall business capabilities and modern management performance of the company, as well as unify all employees and promote their professionalism. We hope to achieve greater success by stimulating active thinking, unlocking potential, and driving growth aligned with the company's strategic goals.



The company is constantly advancing its performance management through informatization. In assessing individual performance, regional and project operation managers undergo a comprehensive evaluation of key performance indicators, with monthly reviews of the assessment results. To enhance performance improvement and empower employees, departments are encouraged to conduct discussions with team members regarding their performance.

QiaoYin Academy, established by QiaoYin City Management Co., Ltd., aims to cultivate talent to support the organization's strategic growth. Its training philosophy emphasizes the integration of general education, professional teaching, and practical experience to provide employees with a well-rounded training system. Internally, the academy has developed a comprehensive online and offline training system to enhance the professionalism and efficiency of team members. Externally, QiaoYin has partnered with Alibaba Cloud to conduct in-depth research on emerging technologies and industry challenges, with the goal of promoting the overall enhancement of the living environment.

In 2022

QiaoYin trained **64,000** employees through **498** training sessions

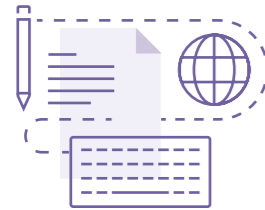
Training System



Training System

Marketing

Market training focuses on specialized training for new businesses. Industry experts are invited to conduct a series of specialized training courses to address interdisciplinary technology gaps.



Marketing

External

External training includes field practice and experience sharing for fleet managers and landscape professionals. Project managers also provide regular training to off-site staff on the latest management and operation requirements to ensure alignment.



External Training

Opening	Fostering Sustainable Development with Effective Management	Prioritizing Sustainability in Urban Management	Advancing Low-Carbon Energy and Green Economy	Innovating Technology for Building Smart Cities	Empowering Employees and Building Unity for Growth	Driving Social Progress and Achieving Prosperity	Appendix
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Advanced Training

The company offers advanced project-based and function-based training in collaboration with talent training organizations for mid-level management and grass-root teams to foster stronger teamwork and collaboration.



Advanced Training

Specialized

Our specialized training covers professional topics like project management, leadership, industry updates, as well as personal and cultural development such as tea culture.



Specialized

As QiaoYin's core business experiences rapid growth and holds significant potential for future development, investors and major shareholders are increasingly concerned with the company's governance structure and long-term growth strategy. The implementation of an equity incentive plan can effectively translate potential into tangible returns, sustaining a virtuous cycle of company growth.



Case Launching QiaoYin's First Equity Incentive Plan

On the evening of January 25, 2022, QiaoYin, known as "the first listed company of the environmental sanitation industry," announced its 2022 Equity Incentive Plan (draft), which aims to grant up to 6 million shares of stock options to 75 outstanding employees, equivalent to about 1.47% of the total share capital. The equity incentive mainly targets core management personnel, regional managers, and business teams. About 17.55% of the total grant, or 960,000 shares of stock options, will be given to the company's board of directors and senior management team, with the remaining going to incentivize employees in marketing and operation divisions.

Standing Together with Care and Support

We take immense pride in our solidarity, functioning as "an army, a school, and a family," and are committed to a people-centric management philosophy. At QiaoYin, we prioritize the physical and mental well-being of our employees, appreciate their diligent efforts, and have implemented a comprehensive employee compensation and benefits program to guarantee a secure and dependable work environment. Our team has fostered an amiable and supportive work culture to strengthen camaraderie and create a sense of home for our employees.

QiaoYin's Care for Employees

- Holding an annual employee anniversary awards ceremony
- Collectively signing open-ended labor contracts
- Birthday celebrations
- Supports in poverty areas
- Issuing filial piety awards to project managers
- Offering holiday benefits

QiaoYin Compensation & Benefits Overview

Guaranteed Base Salary	Year-End Bonus	Performance Incentives
Social Insurance	Paid Annual Leave	Stock Incentives
Annual Physical Examination	Medical Subsidies	Holiday Benefits
Free Shuttle Bus	Employee Canteen	Employee Dormitory

QiaoYin Compensation & Benefits Overview

Case TAN · Environmental Sanitation — First Green Living & Environmental Festival

In October 2022, QiaoYin held its inaugural green living and environmental festival, featuring a range of activities that included an "Environmental Sanitation Talent Show" on Douyin, environmental sanitation-themed mindful hiking, low-carbon camping parties, environmental sanitation-inspired murals and markets, and a public vote for environmental sanitation ambassadors. These events energized the sanitation workers, demonstrating the company's deep respect and concern for the cityscape enhancers who have been tirelessly serving on the front lines of urban services for many years.



Case Clean City, Shared Responsibility

In October 2022, over 80 members of the CPC from QiaoYin participated in the "Clean City, Shared Responsibility" campaign, dedicating their time to cleaning the streets and public toilets in 33 villages in Taiping Town. The company put its advocacy for sanitation workers into action by upgrading sanitation equipment, effectively reducing their workload, and enhancing their safety, happiness, and sense of accomplishment.



"Clean City, Shared Responsibility" Campaign

Case Hosting Anniversary Ceremony for Employees

In November 2022, QiaoYin held its inaugural employee anniversary ceremony to honor and thank employees who have dedicated 5, 10, and 15 years of service to the company. The event, which took place both online and offline, recognized a total of 122 employees. QiaoYin's executives awarded customized commemorative coins to 37 on-site employees, while others who were working remotely or impacted by the pandemic joined the event virtually.



Group Photo of the Employee Anniversary Ceremony



Customized Commemorative Coins

Han Dan, Executive Assistant to the QiaoYin CEO, expressed her appreciation for all employees, saying, "QiaoYin owes its success to the dedication and hard work of each and every employee. I am truly grateful for your efforts. Let us continue to work together, grow together, and achieve more milestones for QiaoYin in the next 5, 10, and 15 years. Here's to a bright future ahead!"

In 2022, QiaoYin hosted 8 large-scale employee events, including celebrations for New Year, traditional festivals like the Lantern Festival and Dragon Boat Festival, a parent-child summer camp, a blind dating event for Chinese Valentine's Day, and a Mid-Autumn Festival carnival. These events were instrumental in promoting a family-oriented corporate culture.



Parent-child Summer Camp



Dating Event for Qixi, Chinese Valentine's Day

As a custodian of modern cities, QiaoYin has developed a comprehensive public environment management service system and implemented a project quality management system based on a four-tier grid structure during its 20 years of operation. QiaoYin has also established efficient emergency response mechanisms and implemented a detailed production management system that includes "Management Regulations Safety Production." Additionally, a safety leadership team has been formed to ensure that the organization, systems, technology, materials, and financial resources are in place to create a secure and dependable work environment for employees.



Chapter VI

Driving Social Progress and Achieving Prosperity

Concept:

Qiaoyin positively sets up cooperation with the society with closed-loop management of the suppliers and build-ups of double-win relationships with the suppliers. The Company has consistently demonstrated its social responsibility by actively promoting public welfare initiatives. The company has been dedicated to various causes, including epidemic prevention and control, rural revitalization, and advocating for the well-being of environmental sanitation workers. These continuous efforts have resulted in a significant contribution towards creating a more beautiful China and fostering a harmonious society.

Our Actions:

- Supplier Management
- Giving Back to Society

SDGs:



Supplier Management

To better manage procurement, improve efficiency, and reduce costs, QiaoYin has made revisions to the Procurement Management Regulations and created the Guidelines for Public Bidding in Procurement based on national laws, regulations, and the company's operations. These efforts aim to standardize the procurement process. To achieve closed-loop management of suppliers, the company has established a classification and grading system for supplier management, including supplier sourcing, certification, selection, cooperation, procurement evaluation mechanisms, and an incentive and elimination system. QiaoYin has also created a database of all suppliers it has worked with in the past two years, which includes comprehensive evaluations and scores on supplier performance in various areas, such as quality and service. The supplier evaluation results serve as an important basis for the company's supplier qualification review, invitations to bidding, quota allocation, product testing, supplier grading, and future evaluation.

Building a Supplier Management System

- 

01 Supplier Management Guidelines
To improve the quality of suppliers and optimize the supplier management system.
- 

02 Approved Supplier Database
883 engineering suppliers and 388 material suppliers are audited and recorded.
- 

03 Supplier Evaluation
Quarterly and semi-annual evaluations and assessments of suppliers are conducted to control risks during fulfillment.
- 

04 Supplier Blacklist
24 suppliers have been added to the blacklist.
- 

05 Systematic Management
245 suppliers were audited and added to the database in 2022.

QiaoYin collaborates with partners across its supply chain to establish a sustainable and accountable network. During supplier selection, the company considers various factors, including environmental protection, safety, and well-being. QiaoYin also signs an Environmental Commitment Statement with suppliers and mandates certification of their quality management and environmental management systems, construction qualifications, and other relevant documents. In line with its goal of improving cost efficiency, QiaoYin has consistently pursued ways to optimize its procurement processes. In 2022, the company employed various procurement methods such as bidding and negotiation, and implemented pre-purchase quantity control to effectively manage and reduce procurement costs.

KPI Recap

Materials and equipment procurement cost savings: **24.62** million RMB

Daily necessities quality control cost savings: **9.6** million RMB

In 2022's engineering bidding and procurement, we achieved a cost saving of **40.69** million RMB with a cost reduction rate of **9.67%**, thanks to the thorough bid collection and multiple rounds of negotiations.



Giving Back to Society

Community Services

QiaoYin is committed to fulfilling its social responsibilities and contributing to society through various public welfare initiatives, setting an example for the private sector. When the economy was in decline, the company mobilized teams to collect garbage and donated essential goods and supplies to ensure the well-being of the community. By prioritizing people's needs, QiaoYin played an active role in promoting the growth and vitality of society.

Case Efficient Garbage Collection by Rapid Response Team

In October 2022, amidst a shortage of community volunteers, the Nansha Environmental Sanitation Project team responded quickly by assembling a group of 40 CPC members to form a task force, which was rapidly deployed to support Tangkeng New Area. The emergency response team worked tirelessly for over ten hours each day, aiding with garbage collection, entrance and exit control, and supplies transportation and distribution. Through their impressive level of efficiency and strong teamwork, the team demonstrated outstanding performance in this battle.

Case Donating Vital Supplies for Community Support

In November 2022, QiaoYin Charity Foundation responded promptly to the urgent shortage of essentials in Guangzhou's Liwan District by donating much-needed goods and daily necessities to Dongxiang Street and Chongkou Street. The company's donation aims to provide timely and tangible support to the local residents and supplement their urgent needs.



Donating Essential Supplies

Disaster Relief

Case Full-scale Flood Prevention for Safe Operations

Since the flood season in March 2022, QiaoYin has taken extensive measures to enhance safety management for its projects in anticipation of potential thunderstorms and heavy rain. These efforts include standardizing safety protocols for frontline workers' commuting and operations, as well as for the management of vehicles and equipment, warehouses, transit stations, public toilets, and water. The company has also developed an emergency response plan for heavy rain and floods, and ensured that flood prevention responsibilities are delegated and coordinated across various levels. Project teams have focused on five key realms of "prevention, investigation, training, rescue, and relief," and have successfully carried out flood prevention, rescue, cleaning, and disinfection efforts before, during, and after the floods.

In mid-June 2022, the Guangzhou section of the Pearl River successively detected tide levels beyond the warning level, attributed to continuous heavy rains and the opening of several reservoirs upstream. The flood carried debris such as water hyacinths downstream, leading to a significant surge in the amount of garbage in the river. On June 15th, over 200 tons of waste were collected from the Pearl River, exceeding the usual amount by more than tenfold.

To ensure the safety of sanitation workers and effectively clean the water, QiaoYin's team in charge of the Guangzhou integrated environmental sanitation project collaborated with the municipal urban management department to launch an emergency cleaning plan. The team deployed all large-scale cleaning boats to focus on removing floating garbage in the river, intensifying and extending their cleaning efforts. They also used temporary floating barriers to intercept and collect garbage upstream, and concentrated cleaning efforts in the backflow area to clear the river of debris.



Pearl River Garbage Collection Surpassed the Average by Tenfold



Enhancing Standardized Management for Frontline Workers' Safety

Case Restoring Cities After Natural Disasters

In July 2022, a Category 12 typhoon caused significant damage to several cities. QiaoYin's various project teams worked together to aid in post-disaster restoration efforts. The company's project team in Dianbai District of Maoming, Guangdong, formed a 15-person emergency response team, with 147 employees on standby to efficiently restore urban greenery by clearing 220 broken branches and 60 tons of landscaping waste. In Yangdong District of Yangjiang, the company dispatched more than 600 employees and 200 vehicles and equipment around the clock to clear road debris, fallen branches, and leaves. In Chikan District and Xiashan District, employees quickly restored roads for use by cleaning up tree branches, fallen leaves, accumulated sand and silt, and other debris on the streets and sewers.



Employees Clearing Roads

Advancing Society through Public Welfare

QiaoYin is committed to making a positive impact on society through active participation in various public welfare activities, including funding for education, disaster relief, poverty alleviation, and other important causes. With the company's dedicated efforts, vulnerable groups have received much-needed assistance, and peaceful living in stability has been promoted. Moving forward, QiaoYin will continue to uphold its strong sense of social responsibility by expanding its reach in the realm of public welfare and charity, and making significant contributions toward promoting social progress and harmony.

Case Supporting Characteristic Development through Education Donations

In August 2022, QiaoYin donated 1 million RMB to the Huadu District Education Foundation in Guangzhou to boost sports in primary and secondary schools. This includes funding for the construction of more basketball courts, facility and equipment upgrades, and more basketball events. QiaoYin's contribution supports the high-quality development of sports in Huadu District and cultivates outstanding basketball players. The impact of QiaoYin's donation extends beyond sports by supporting the rural revitalization of Huadu District. This aligns with their commitment to promoting diversity and characteristic development in rural areas.



QiaoYin's Education Donations

Case Boosting Public Health through Medical Donations

QiaoYin donated medical equipment worth 10 million RMB to Suiyang County, Guizhou. The donation will help improve medical services in grassroots facilities, speed up the development of a comprehensive medical network across the county, and enhance the overall quality of healthcare. The company hopes to contribute to the health and well-being of the county's residents, while also promoting local economic development through its own growth. By working towards the mutual benefit and win-win outcomes, QiaoYin demonstrates its commitment to making a positive impact on the communities it serves.



QiaoYin's Medical Donations

Community Relations

Case Organizing Community Basketball Games

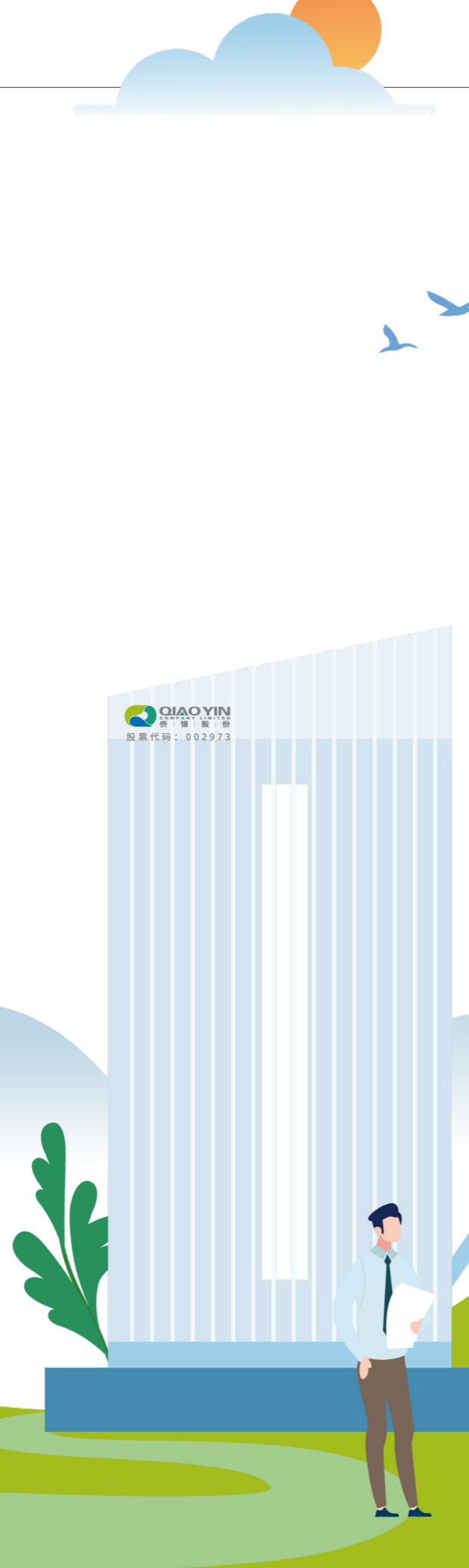
QiaoYin sponsored a series of 3x3 basketball tournaments as a model of mass sports events that are "government-led, corporate-operated, and socially involved." The company played a leading role in building a high-level public fitness service system and supporting diverse sports activities, aligning with the government's efforts to promote health and unity among communities.



Looking Ahead

Looking ahead, QiaoYin will continue to prioritize sustainable development as a strategic goal. We will seize the opportunities presented by the 14th Five-Year Plan, and drive technological innovation and digital transformation. Our focus will be on improving waste sorting, expanding recycling resources, optimizing low-carbon operations, and making contributions to urban management and rural revitalization. We aim to improve service quality and customer satisfaction, while promoting smart and eco-friendly products and services. As we move forward, we will place an even stronger emphasis on the construction of ecological civilization, and strive to practice sustainable development, so as to make greater contributions to building a better society.

As we move forward, QiaoYin will maintain a steady pace of growth, continuously pursue excellence, fulfill social responsibility, adapt to the latest economic trends and digital transformation, collaborate with partners from various industries, and jointly promote sustainable development, creating a new chapter in our bright future.



Indicators and Standards Reference

Table of Contents		SDGs	GRI Standards	CASS-5.0
About This Report			G2-2,G2-3,G2-4	P1.1,P1.2,P1.3,G3.7
Chairman's Message			G2-22	P2.2,P3.1,A1
QiaoYin Highlights in 2022	Company Profile		G2-1	P4.1,P4.2,P4.4
	Data of 2022		G201-1	A2
	What We Do			P4.3
	Major Honors			G3.11
	Sustainability Philosophy		G2-22	P2.1,G2.1,G3.2
	Management Mechanism		G2-12,G2-14	G2.2,G3.1,G3.3
	Stakeholders' Participation		G2-29	G3.6
	Analysis of Substantive Issues			G3.5
Fostering Sustainable Development with Effective Management	Enhancing Governance for Risk Mitigation		G2-9,G2-16,G403-2,G403-7	G1.1,G1.2,G1.10,S3.7
	Steadily Advancing with Compliant Operations	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	G205-1,G205-2	G1.3,G1.4,G1.5,G1.6,G1.7,G1.8,G1.9,S4.6
	Fortifying Our Foundation Led by Party Building			
Prioritizing Sustainability in Urban Management	Exceptional Customer Services	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	G2-28,G416-1	E1.1,E1.2,E1.5,E1.6,E1.7,S4.1,V2.5V2.7,V2.8
	City Steward Strategy	10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	G203-1,G203-2,G304-1,G306-1	E1.8,E4.1,E4.3,V1.1,V1.2,V1.3,V1.4,V3.3

Advancing Low-Carbon Energy and Green Economy	Low-Carbon and Energy-Saving Operations	 	G 3 0 2 - 4 , G 3 0 2 - 5 , G 3 0 5 - 5, G306-1	E2.1,E2.2,E2.4,E2.5,E2.12,E2.13,E3.3,E3.5,V4.1,V4.2,V4.3
	Green Circular Economy		G301-2,G301-3,G303-1,G303-2,G304-3,G306-1,G306-2,G306-3,G306-4,G306-5	E1.4,E2.6,E2.9,E2.14,E2.15,E3.1,E3.10,E5.3,V4.4,V4.5
Innovating Technology for Building Smart Cities	Smart Sanitation Platform	 	G417-1	E1.8,S4.3,S4.6,V2.1,V2.2,V2.4
	Smart City Management	 	G417-1	E1.8,S4.6,V2.1,V2.2,V2.4
Empowering Employees and Building Unity for Growth	Safeguarding Employee Rights and Interests	 	G2-7,G2-19,G2-20,G2-23,G2-24,G201-3,G401-1,G405-1,G405-2	S1.1,S1.2,S1.3,S1.4,S1.5,S1.6,S1.8,V3.1,V3.2
	Valuing Talent Development	 	G 4 0 3 - 5 , G 4 0 4 - 1 , G 4 0 4 - 2,G404-3	S2.1,S2.2,S2.3,S2.4
	Standing Together with Care and Support	 	G2-26,G401-2,G403-1,G403-3,G403-4,G403-6,G403-8	S1.7,S1.9,S1.10,S1.11,S3.1,S3.2,S3.4,S3.5,S3.9
Driving Social Progress and Achieving Prosperity	Supplier Management	 	G2-6,G308-1,G308-2,G414-1,G414-2	S5.1,S5.2,S5.3,S5.4,V2.6
	Giving Back to Society		G203-2	V3.4,V3.5,V3.7
Indicators and Standards Reference			A4	
Reader Feedback Survey			A5	

Reader Feedback Survey

Dear reader,

Thank you

for taking the time to read the QiaoYin City Management Co., Ltd. 2022 Corporate Social Responsibility Report. We value your feedback and suggestions, as they help us provide more valuable information to our stakeholders and improve our corporate social responsibility performance.

Multiple-choice Questions (please check the appropriate box)

1. How would you rate this report overall?

Excellent Good Average Poor Very poor

2. How would you rate the report's response and disclosure of issues of concern to stakeholders?

Excellent Good Average Poor Very poor

3. How would you rate QiaoYin's performance in terms of economic responsibility?

Excellent Good Average Poor Very poor

4. How would you rate QiaoYin's performance in terms of environmental responsibility?

Excellent Good Average Poor Very poor

5. How would you rate QiaoYin's performance in terms of safety management?

Excellent Good Average Poor Very poor

6. How would you rate QiaoYin's performance in terms of employee responsibilities?

Excellent Good Average Poor Very poor

7. How would you rate QiaoYin's performance in terms of community services?

Excellent Good Average Poor Very poor

8. How would you rate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in the report?

Excellent Good Average Poor Very poor

9. How easy do you find the report's content arrangement and layout design to read?

Very easy Hard to read

Open-ended Question

Do you have any feedback or suggestions regarding QiaoYin's efforts in fulfilling its social responsibility or regarding any aspect of this report?

Your contact info :

Name: _____

E-mail: _____

Job occupation: _____

Tel: _____

Company Name: _____

Address: _____

You can give us your valuable comments or suggestions by telephone, email or express delivery. Our contact information is as follows:

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