



股票代码：002973



# 2023

## SOCIAL RESPONSIBILITY REPORT

QiaoYin City Management Co., Ltd.

# About This Report

## Report Statement

This Report is the third Social Responsibility Report issued by QiaoYin City Management Co., Ltd., to its stakeholders. It provides a disclosure of the development practices and main outcomes of the Company in terms of environmental, social, and corporate governance responsibilities in 2023, with the aim of helping corporate investors, partners, employees and other stakeholders to gain insight into the Company's social responsibility practices and activities.

The Board of Directors of the Company and all directors warrant that this Report contains no false records, misleading statements or material omissions, and assume several and joint legal responsibilities for the authenticity, accuracy and completeness of the content herein.

## Time Frame

The Report covers the period from January 1, 2023 to December 31, 2023, with certain content moderately extended to previous and subsequent years to enhance its comparability and forward-looking aspects, and subsequent events related to 2023 have been added hereto.

## Report Terminology

The Report covers QiaoYin City Management Co., Ltd. (hereinafter referred to as "QiaoYin" or "the Company" or "we"/"us") as well as its subsidiaries (branches).

## Basis for Compilation

- United Nations: 2030 UN Sustainable Development Goals (SDGs)
- Global Reporting Initiative: Sustainability Reporting Guidelines (GRI Standards)
- Chinese Academy of Social Sciences (CASS) Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0)
- China National Standard: Guidance on Social Responsibility Reporting (GB/T36001-2015)
- SASB Standards
- SEHK: Environmental, Social and Governance Reporting Guide
- Research on Preparation of ESG Reports by Central State-owned Listed Companies
- Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies
- Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on the Main Board

## Report Acquisition

This Report is published in electronic format and accessible on the Shenzhen Stock Exchange website (<http://www.szse.cn>) and the Company's official site ([www.gzqiaoyin.com](http://www.gzqiaoyin.com)).

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## Chairman's Message

In 2023, China overcame difficulties and challenges in economy. The spirit of the 20th National Congress of the Communist Party of China took root and AIGC brought about a whirlwind of technological innovation around the world. Artificial intelligence became a new field that the world was competing for. Under the heavy pressure of market changes and financial constraints, the Company ended wonderfully with new orders totaling RMB 6.034 billion and with an aggregate annualized amount of RMB 851 million. We built the first "Urban Service Industry Alliance" in the industry, led more than 100 high-quality enterprises, associations, and chambers of commerce in Guangdong-Hong Kong-Macau Greater Bay Area to develop together, and created a "strong magnetic field" for attracting investments. We accelerated the deployment of a new track for digital smart city services, established a digital smart city research institute, and promoted the win-win alliance of "Chinese urban evolution". The Company bred vitality in difficulties, innovated thinking under changing situations, and paved a new path through fierce competitions!

**Take innovation as the rudder for advancement and aim at the vast market.** Starting from traditional sanitation, QiaoYin responded to the call for new urbanization, formulated the development strategy as "City Steward", and then had it iterated to comprehensive urban governance services. Nowadays, under the important guidance of "new quality productive forces" proposed by General Secretary Xi, QiaoYin empowers the industry with technologies, comprehensively opens up the new field of "digital smart city services", and adds icing on the cake to urban governance. The Company has constantly explored market potential with new models, new services, and new heights, and is committed to improving the service level of comprehensive urban governance on the basis of integrity and innovation, in an attempt to improve urban full-domain comprehensive governance services and contribute to the promotion of China's urban evolution.

**Take digital intelligence as the boat to break through the waves toward the trillion-dollar blue ocean.** General Secretary Xi Jinping creatively put forward "new quality productive forces", clearly pointing out the direction for the high-quality development of the industry. The Company actively explores new ways to promote industrial innovation through digital intelligence innovation, deploys a new track for the new field of "digital intelligence city services", establishes a 1+1+3N smart city management service system, facilitates the global coverage of city management services, drives the update of all elements of city management services with digital intelligence equipment, digital smart cities, and digital smart services, and create a new model for "AI to empower urban comprehensive management services in all dimensions and scenarios".

**Take talents as the sail for ride the winds steadily to the future.** Consistently adhering to the enterprise spirit of "one army, one school, one family", the Company is committed to providing a growth platform for all kinds of talents. We insist on precise talent selection, normal stock taking, classified reserve, periodic training, and job rotation. Relying on the learning platform of QiaoYin Academy, nearly 500 online and offline training sessions were organized throughout the year, covering more than 22,000 employees. Courses such as "old customers' new demand" and emotional management helped the employees broaden their cognition. The Company has issued incentive policies to encourage the employees to actively verify and further study their academic qualifications, and gradually improve the team's overall qualities. We have established a transparent promotion, reward and punishment mechanism to crack down upon malpractices, and continuously inject high-quality fresh blood into the team. The Company continuously strengthens the talent echelon construction as well as the capacity for organizational cooperation and cooperation, to lay a solid talent foundation for its long-term stable operations.

**Take love as the oar for advancement and the source of vibrant life.** As a listed company, the Company actively fulfills its social responsibilities. We have established QiaoYin Charity Foundation that focuses on multiple areas of people's livelihood such as environmental protection, fund donation in support of education and care for the elderly, to alleviate concerns about people's livelihoods through practical actions. The company is the first in the industry to announce the "Employee Maternity Welfare Plan", providing comprehensive maternity support for the employees, completely easing their worries during the childbirth process and setting an example for other enterprises. We are expected to promote more enterprises to pay attention to and improve the employees' maternity benefits. Besides, the Company makes good use of the head office building as a "main battlefield", which is equipped with complete software and hardware facilities such as library, gym, rooftop garden, staff canteen, and shuttle buses. The employee activity club conducted nearly 100 cultural and sports activities throughout the year. It also awarded nearly 200 senior employees the Medal of Honor for the anniversary of joining the Company, encouraging everyone to learn from the role models, be loyal and practical, and build a fair, harmonious and motivating work environment.

2024 is the 75th anniversary of the founding of the People's Republic of China and a crucial year for realizing the goals and tasks of the "14th Five-Year Plan". In the new year, the Company will keep pace with the times in an ever-changing market and maintain the original intention in the midst of drastic changes. We will resolutely seize the opportunities if any and take actions at the right time. The company will correctly understand and dare to undertake the mission entrusted by the times, give full play to its own capabilities and advantages, build a new ecosystem of digital smart city services in an unswerving manner, improve urban intelligent management, continue to create a waste-free, low-carbon, green circular industrial chain, improve urban ecological environment, and strive to write a new chapter for a beautiful China.



# Chapter I Introduction to the Company

## About the Company

QiaoYin City Management Co., Ltd. (Stock Code: 002973.SZ) is China's first A-share listed company in urban and rural utility services, as well as a national leader in city management services.

Founded in 2001 and centering on our core strategy of integrated upgradation of human settlement, the Company launched the "@City" full-domain comprehensive management service model, offering a modern urban full-domain comprehensive governance service system that integrates urban public services, micro-renovation, and characteristic operations. Over 20 years, QiaoYin has been exploring a path to high-quality development of cities. As of now, we have invested in constructing and managing more than 400 urban service projects across over 100 cities in 26 provinces (including autonomous regions and municipalities directly under the central government) across China, and served a population of more than 200 million, assisting 58 cities in successfully applying for the title of civilized and sanitary cities. The Company has more than 70,000 employees, over 170 national technology patents, and self-owned special equipment of more than 40,000 sets. Granted more than 2,000 honors at varying levels, we have participated in drafting, organized and get involved in compilation of dozens of national and group standards, leading industry specifications.



**26** provinces of the country (Autonomous regions and municipalities directly under the central government)

Set up branches in more than **100** cities

Invested in, constructed and managed more than **400** city service projects



Role model in creating sanitary cities

In the year 2023, **90+** project received high praise.



Role model in creating civilized cities

Nearly **200** projects have received honors, including but not limited to Quality Benchmark, Advanced Group, Outstanding Contribution Group, Excellent Sanitation Company, Demonstration Case, and other achievements.

• Existing projects

• Areas to be developed



## Moments of Glory

### ESG Awards



"ESG Era Pioneer Listed Company" of the 8th Golden Tangerine Awards of Time Finance



"@City - Magang Project in Baiyun District, Guangzhou" was evaluated as "2023 Listed Company's ESG Innovation Practice Case"

### About Corporate Governance



Evaluated as 2023 "AAAAA-rated Enterprise in Integrity, Brand, Quality, Management and Services"



Won the "25th Golden Bull Award for a Listed Company"



Won the "2023 Most Valuable Investment Award"

### About the society



QiaoYin was evaluated as "2023 Top Creative Brand"



QiaoYin was evaluated as "Top 10 Influential Enterprises in Sanitation" for seven consecutive years

### About environment



Evaluated as "National Quality Leading Enterprise in Sanitation Management Industry"



Evaluated as "Outstanding Group in Sanitation Work of Guangdong Province"



Evaluated as "2023 Typical Demonstration Case on Digital Transformation of Sanitation in China"



Listed as "China's Top 50 Environmental Enterprises in 2023"

# Highlights

## in Guangzhou - Started with landscape and turned to sanitation

- 2001** • Founded in Guangzhou, QiaoYin started with landscaping maintenance.
- 2008** • Based on the rigid needs for urban management, transformed business from landscape design to sanitation and cleaning.

## Upgraded services - promoted integration of sanitation

- 2010** • Integrated urban and rural integration; extended businesses to technical environmental services, centralized sewage transport and treatment, municipal projects and facility maintenance, etc.; won the bid for the key Pearl River environmental cleaning project of Guangzhou "Green Asian Games".
- 2016** • Enabled the intelligent sanitation service platform and system, in an attempt to become an Internet ecology enterprise.

## A shares were listed - achieved swift development as a "City Steward"

- 2017 City services** • Served cities through sanitation integration projects, which covered urban and rural areas. Vertically integrated the upstream and downstream industrial chains. Horizontally expanded the service areas, and established the "four major systems" of standardized services. Won the bid for the Kunming Guandu Sanitation Integration Project with the largest contract value that year, evaluated as "Top Ten Influential Enterprises in China's Sanitation Industry" and included in the "National Ranking List of Road Cleaning Area in the Sanitation Industry".
- 2019 City management** • The annual accepted contract amount exceeded ten billion. Included in the list of "2019 Top 500 Enterprises of Guangdong Province", the Company was selected as vice chairman of China Association of Urban Sanitation. As chairman and general manager of the Company, Liu Shaoyun was elected as vice chairman of China Association of Urban Sanitation as well. The sewage treatment plant in Guangzhou Fushan Circular Economy Industrial Park has been built.
- 2020** • The Company was listed in Shenzhen Stock Exchange, where our shares became "the first shares in the city of urban management". In line with the trend of China's new urbanization construction, the Company was renamed "QiaoYin City Management Co., Ltd."
  - The industry took the lead in releasing the "City Steward" initiative for city management, explore services in depth, integrate public space and resources, and build a multi-sector intelligent sanitation system.
  - Guangzhou's first water-land integration project - Guangzhou municipal sanitation integration project was formally put into operation.
- 2021** • The Company achieved swift development in the business as "City Steward". In the current year, the total annual accepted contract amount increased by RMB 19.038 billion, and the annual service amount rose by RMB 1.418 billion, ranked the top within the industry in both figures, and evaluated as "2021 China's Listed Company with the Greatest Potential for Growth".

## Global urban and rural management - @City full-domain management service pattern

- 2022 City engagement** • Put forward the "@City" full-domain comprehensive city engagement pattern, to explore "lifecycle management" for the city, extend service boundaries and increase urban efficiency. A modernized urban full-domain comprehensive service system integrating urban public services, micro-renovation and characteristic operations has been constructed. The business landscape has been extended to 26 provinces (including autonomous regions and municipalities directly under the central government). The Company was ranked No.1 for three consecutive years (2020-2022) in the annual total bid amount.
  - In reliance upon its advanced management model and high-quality services, in 2022, QiaoYin was nominated for the "7th Guangdong Provincial Government Quality Award". The Requirements for Cleaning Service of Urban and Rural Communities, a national standard drafted with our involvement, was formally approved and released. QiaoYin was included in the list of "Top 500 Enterprises in Guangdong Province". As Party Branch Secretary of the Company, Liu Dan was elected as national Party delegate and attended the 20th National Congress of the Communist Party of China.
- 2023** • The Company moved to Qiaoyin Building, upgraded and constructed a digital city management system, and used the @City management cloud platform to drive multiple businesses in urban space to form a closed loop of integrated services. We won the bid for the joint venture and cooperation project of comprehensive operations management services as "City Steward" of Wuhuan Group in Xuecheng District, Zaozhuang City.
  - The fundraising of no more than CNY 1.2 billion for directional additional issuance was approved by Shenzhen Stock Exchange.



2001-2008

2009-2016

2017-2021

2022-Today

# Path to Sustainability

## Sustainability Management

QiaoYin has always adhered to and deeply implemented its sustainability strategy, and deeply incorporated the concept of sustainability into the Company's strategic planning, corporate governance and operations. The Company has been improving professionalism of the sustainability management, and truly fulfilled its corporate social responsibilities with great courage. We have been consistently committed to providing our customers with excellent services, setting industry benchmarks for peers, and making contributions to the society with comprehensive wisdom and strength. With the mission of creating a livable environment, the Company actively promotes complete sustainable development of the society.

In terms of the management mechanism, QiaoYin systematically promotes the construction of a sustainability system, continuously improves the sustainability management structure, betters relevant management documents, and deeply integrates sustainability issues into different business and management processes.

### In the field of new quality productive forces

- We understand the foremost tasks for high-quality development and develop new quality productive forces according to local conditions. We have constructed a brand-new "1+1+3+N" intelligent city management service system, planned construction of future industries in advance, improved the modern industrial system, and explored the integration of production, life, and ecology, in an attempt to create a cluster for the digital smart city service industry, and facilitate digital intelligence of the comprehensive urban management industry.

### In the field of garbage classification

- The Company has further optimized the digital cloud control platform and successfully developed unmanned intelligent AI equipment for empowering comprehensive management services for digital smart cities in all scenarios. We have further improved our management and cleaning efficiency through the AI-based intelligent inspection and dispatch system. We actively explore intelligent waste management.

### At the link of renewable resources

- The Company cooperates closely with scientific research institutions to jointly construct an innovative system for solid and hazardous waste treatment, in an attempt to create a new chapter in the operation management of intelligent sanitation. We actively promote R&D and application of key technologies, successfully realize power generation by waste incineration, effectively optimize the energy supply structure, build a solid barrier to protect the safety of the ecological environment, and create more abundant circular economic benefits for the society.

### In the process of low-carbon operation

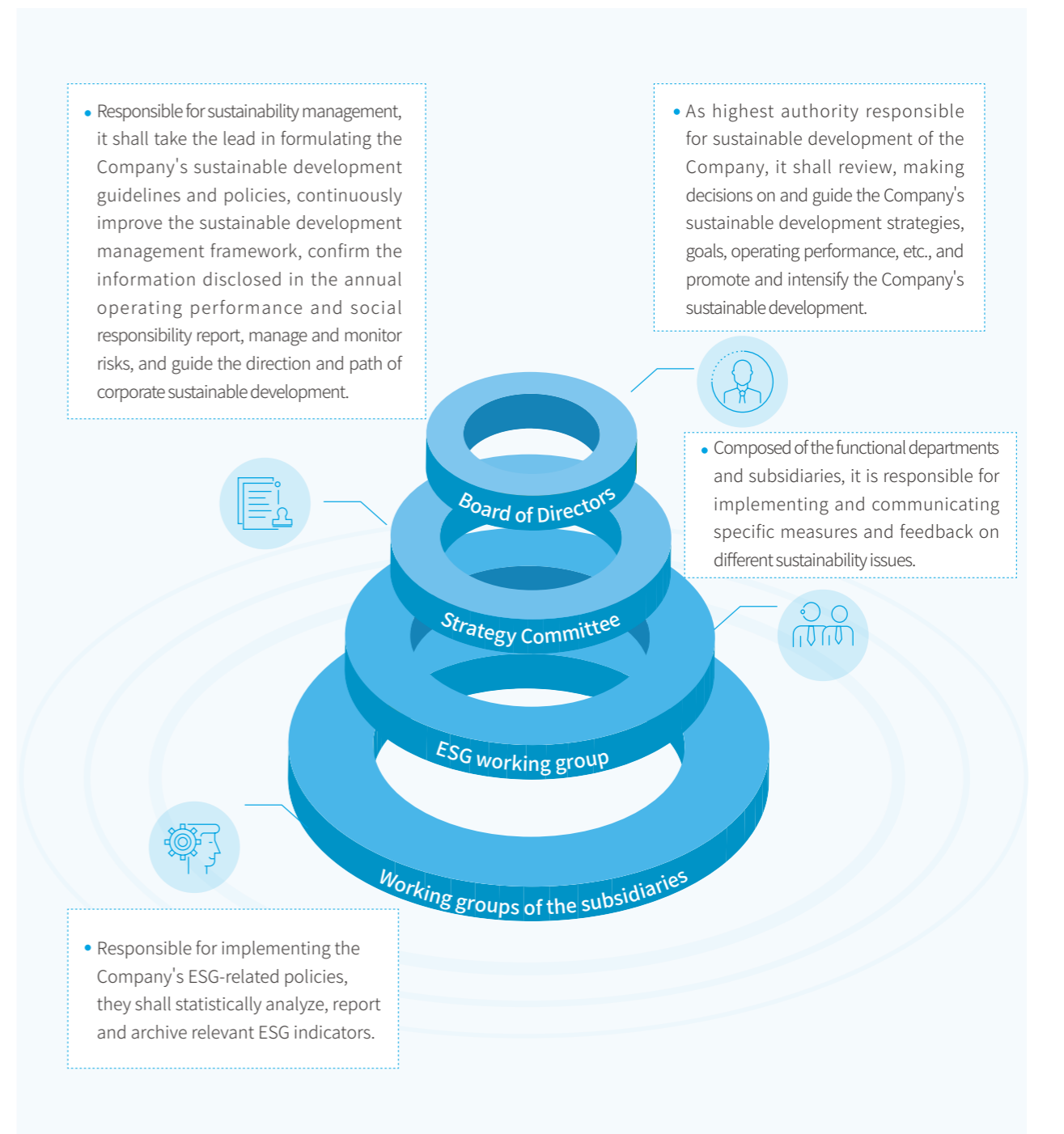
- The Company constantly deepens and expands its low-carbon actions, and actively promotes the development of carbon assets and the construction of carbon inclusive platforms. We continuously improve our green production equipment, optimize our production processes, vigorously promote the concept of green office, realize low-carbon value in an all-round way, and contribute to the construction of a low-carbon society.

### In the field of urban management

- The Company firmly adheres to the "city steward" strategy, closely focuses on the core goal of "comprehensively improving human settlements", constantly explores and performs "life cycle management" of cities. Committed to integrating various municipal public services such as urban sanitation, cleaning, landscaping, road maintenance, park management, and public property services, the Company drives the development in urban management in an integrated and all-round manner.

### In the journey of rural revitalization

- With profound understanding about the strategic essence of "leading rural revitalization through ecological civilization", we actively and closely cooperate with the local governments, and take the initiative to participate in the comprehensive improvement of the rural living environment. The Company is dedicated to improving rural living conditions, strengthening infrastructure construction, and providing secure support for rural revitalization, in an attempt to create a new pattern for urban-rural integrated development.





The Company actively responds to the UN sustainable development goals, identifies 11 key sustainable development goals based on its own business operations and continues to deepen actions, with a view to solving social problems through specific practices and promoting sustainable development of the whole society.

- The Company provides the employees with annual health checks, and continuously enriches cultural activities to protect their physical health while caring for their mental health. We are committed to creating a happy workplace.

- To create diversified training programs, the Company has constructed an all-round training management system for the employees, covering new employee training, talent echelon plan, special training and high-end training programs.

- We adhere to the principle of equal employment and ensure that female employees have equal opportunities for career development and promotion. In 2023, the Company's female employees accounted for about 54.96%, and nearly 68.6% of the middle and senior management. We have been increasing the female employees' benefits.

- The Company's salary system is intended to attract, motivate, develop and retain the required talents. The Company links employee compensation, rewards, and recognition for realizing key business strategies. We have also established an attractive performance rewards system.

- Digitization is an important breakthrough point for the sustainable development of enterprises. The Company constantly deepens the digital intelligence innovation, provides precise scheduling and real-time complete control for "personnel, objects, and events" in sanitation operations. We have successfully built a city service ecology based on digital intelligence. In addition, the Company keeps on cultivating all-round digital talents, sci-tech talents and high-performing innovation teams needed to lay a foundation for continuous industrial innovation.

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES AND COMMUNITIES



**17** PARTNERSHIPS FOR THE GOALS



**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



**13** CLIMATE ACTION



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**10** REDUCED INEQUALITIES



- The Company has developed close cooperation with its industry partners, institutions of higher learning and other stakeholders. We work hand in hand to move towards a sustainable future by participating in formulating industry standards, conducting industry-academia-research cooperation, and participating in our industry partners' cooperation.

- We have established an effective and responsible corporate governance system. We stick to our bottom line of business ethics, strictly abide by different laws, regulations and policies related to integrity, perform complete risk management and internal control, establish systems and mechanisms for compliant operations, and effectively safeguard the rights and interests of investors.

- In active response to the country's "30·60" decarbonization commitment, the Company integrates the responses to climate changes into the project development and customer services, actively develops carbon assets and builds carbon inclusive platforms, actively participates in low-carbon alliances to promote social low-carbon practices, and delivers value for the environment to the outside world while realizing green office and green development.

- The Company actively promotes efficient utilization of resources and energies. We help improve the appearance of urban and rural areas and improve the living standard by constructing low-carbon, green and sustainable sanitation infrastructure and optimizing road cleanliness.

- The Company advocates equal and diversified employment. We are committed to providing equal employment opportunities for the employees regardless of their race, complexion, ethnicity, age, gender, family background, religious belief, disability or pregnancy.

- While achieving growth, the Company keeps on sharing the development results with the society, encourages the employees to participate in community volunteer activities, and helps build a harmonious community.



## Stakeholder Communication

QiaoYin fully recognizes the importance of listening to the views of all parties when developing and promoting ESG projects. We identify key issues in terms of environment, society and corporate governance through continuous communications with our stakeholders. The Company firmly believes that the promotion of sustainable development is inseparable from the trust and support of internal and external stakeholders. The Company continuously improves the communication mechanism, to strengthen the communications with stakeholders, including government regulatory agencies, senior management, shareholders, investors, customers, media, suppliers, contractors and employees, and respond to the concerns and expectations of the stakeholders, with a view to achieving a win-win situation of facilitating the Company's development while satisfying the stakeholders.



### Main Stakeholders and Communication Methods of QiaoYin

Stakeholders	Issues of concern	Expectations and demands	Communication and response
Shareholders and investors	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Protecting investors' rights and interests</li> <li>Anti-corruption and business ethics</li> <li>Party construction management</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Protection of rights and interests</li> <li>Corporate transparency</li> <li>Sound operation</li> <li>Sustainable operation</li> </ul>	<ul style="list-style-type: none"> <li>Convening the general meetings of shareholders</li> <li>Regular publication of reports</li> <li>Improved profitability</li> <li>Daily information disclosure</li> <li>Easy Interaction</li> <li>Visitor survey</li> <li>Optimized risk management</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Internal risk control and compliant operations</li> <li>Use of resources</li> <li>Emissions management</li> <li>Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>Legal operation</li> <li>Tax payment according to law</li> <li>More job opportunities</li> <li>Implementation of all policies</li> <li>High-quality development</li> <li>Ecological protection</li> </ul>	<ul style="list-style-type: none"> <li>Actively accepted supervision</li> <li>Information reporting</li> <li>Working meetings</li> <li>Government-enterprise cooperation</li> <li>Undertaking social responsibilities</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employment</li> <li>Employees' rights, interests and benefits</li> <li>Occupational health and safety</li> <li>Employee training and development</li> </ul>	<ul style="list-style-type: none"> <li>Legitimate rights and interests</li> <li>Good benefits and development opportunities</li> <li>A healthy and safe working environment</li> <li>Democratic participation right</li> </ul>	<ul style="list-style-type: none"> <li>Equal employment</li> <li>Career promotion mechanism</li> <li>Guaranteed compensations and benefits</li> <li>Health and safety management system</li> <li>Equal communication and appeal mechanism</li> </ul>
Customers	<ul style="list-style-type: none"> <li>R&amp;D and innovation</li> <li>Product quality and safety</li> <li>Customer service and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>High-quality service</li> <li>Information security</li> <li>Protection of rights and interests of customers</li> </ul>	<ul style="list-style-type: none"> <li>Responsible operation</li> <li>Everyday communication</li> <li>Customer satisfaction survey</li> <li>Service quality improvement</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Anti-corruption and business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Open and fair procurement</li> <li>Faithful</li> <li>Stable cooperation</li> <li>Mutual benefit and win-win</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a supplier management system</li> <li>Performance of contracts according to law</li> <li>Supplier evaluation</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community development, public welfare and charity</li> </ul>	<ul style="list-style-type: none"> <li>Support for the public good</li> <li>Creating more job opportunities for the community</li> </ul>	<ul style="list-style-type: none"> <li>Engagement in charity</li> <li>Promotion of rural revitalization</li> <li>Sharing of development achievements</li> </ul>
Industry	<ul style="list-style-type: none"> <li>Industry exchange and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Fair competition</li> <li>Promotion of industry progress</li> </ul>	<ul style="list-style-type: none"> <li>Industry cooperation</li> <li>Facilitation of daily communication</li> <li>Engagement in project cooperation</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Environmental management</li> <li>Water resource</li> <li>Energies and climate changes</li> <li>Compliance management of emissions</li> </ul>	<ul style="list-style-type: none"> <li>Green operation</li> <li>Energy conservation and emission reduction</li> <li>Environmental pollution treatment</li> <li>Improved resource and energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Promoted green projects</li> <li>Developing circular economy</li> <li>Reduced resource consumption</li> <li>Technology iterations</li> <li>Adherence to green operation</li> </ul>
Communities and public	<ul style="list-style-type: none"> <li>Community development, public welfare and charity</li> </ul>	<ul style="list-style-type: none"> <li>Social welfare</li> <li>Rural revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Public donations</li> <li>Voluntary activities</li> <li>Paired assistance</li> </ul>

## Analysis of Material Issues

Through engagement in material 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 development strategies, practices, and stakeholder considerations. The ESG Working Group is tasked with the implementation of and ongoing communication on relevant substantive issues. In 2024, we will further advance our ESG initiatives and prioritize ESG reporting as a vital tool to review and improve our management practices.

Responsible Unit	Securities Depart	Legal Depart	Financial Depart	Business Center	Investment Depart	HR Depart	National Operations Management Center	Environmental Engineering Division	General Office	Information Technology Depart	Subsidiary
Corporate governance	Corporate governance	▲	▲						▲		
	Risk control										
	Practice with Integrity										
	Party-building leadership										
	Sustainability management	●	■	■	■	■	■	■	■	■	■
Investor relationships	●										
Economic Responsibility	Brand service										
	Technological innovation										
	Responsible operation	▲			■	■	■	■			■
Environmental Responsibility	Low-carbon and eco-friendly	▲					■			■	■
	Toxic emissions and wastes	▲					■			■	■
	Addressing climate change	▲					■			■	■
	Garbage sorting										
	Water resources stress										
	Green office										
Social responsibilities	Clean energy	▲					■			■	■
	Employees' rights, interests and compensations	▲				●			■		■
	Training and development	▲				●			■		■
	Employees' health and safety	▲				●			■		■
	Employee care	▲				●			■		■
	Democratic management										
	Supply chain management										
	Industry cooperation										
	Public good and community involvement	▲					■		●		
Rural revitalization	▲					■		●		■	

Notes: ● indicates "responsible for" or "heavily involved in" ■ indicates "responsible for a specific part thereof" ▲ indicates "participation" or "support"

# Topic

## AI Fully Empowers Digital Smart Cities to Foster New Quality Productive Forces

In the face of a new round of sci-tech revolution and industrial transformation, QiaoYin actively responded to General Secretary Xi Jinping's emphasis at the second session of the 14th National People's Congress that "we must resolutely understand the foremost task of high-quality development and develop new quality productive forces according to local conditions". The Company has constructed a brand new "1+1+3+N" intelligent city management service system composed of 1 interconnected city governance system, 1 @City digital management cloud platform, 3 centers (intelligent operation center, smart dispatching center and intelligent IoT center), and N city service scenarios, to promote the global coverage of city management services, help improve the efficiency of urban governance, gather new joint forces of city management, and create a closed loop of multi-scenario urban service governance systems for government, parks, and residences. We have also built a unified work management platform for resource sharing, data analysis applications and intelligent dispatching.

The Company seizes opportunities to actively cultivate and expand emerging industries, deploy and construct future industries in advance, and improve the modern industrial system. QiaoYin actively explores how to integrate production, life, and ecology. We construct systematic R&D, manufacturing, and service systems, particularly for three major industries, namely digital intelligence equipment, cloud control and services. We are committed to building a service industry cluster for digital intelligence cities. Our smart city service equipment + city-level "digital Smart City Steward" cloud control platform helps facilitate digital intelligence upgrade of the integrated urban management industry, leads the new development model of the unmanned AI+ operation robot industry in the field of integrated city management services in China, technologically empowers various integrated city service scenarios in an all-round manner and offers full-stack digital intelligence solutions to these scenarios, thus effectively driving intelligent transformation and upgrading of cities.



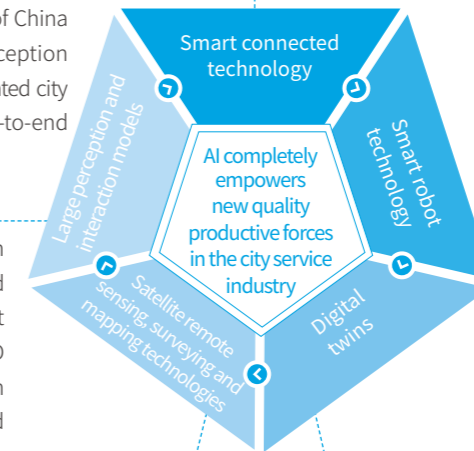
Collaborate with Academician Keqiang's Workstation in R&D and application of intelligent interconnection technologies based on integrated city management scenarios (vehicle-grade unmanned driving equipment and city-level vehicle-road-cloud integration platforms).

Collaborate with authoritative experts from the fields of interaction and perception like the University of Science and Technology of China to develop large-scale integrated perception and interaction models based on integrated city management scenarios to realize end-to-end direct interaction and intelligent control.

Collaborate with authoritative experts from the fields of remote sensing, surveying and mapping like Wuhan University to construct a "air, ground and water" integrated 3D monitoring management system through AI+ satellite telemetry based on integrated city management scenarios for long real-time monitoring in all dimensions and without dead end, to enhance monitoring and governance capacity and improve integrated city management under integrated city environment.

Collaborate with the authoritative experts from the field of scientific research, including Faculty of Robot Science and Engineering, Northeastern University, robot team of the Harbin Institute of Technology, for technical R&D and application of smart robot technologies under the integrated city management scenarios.

Digital asset management and digital twins based on integrated city management scenarios are important engines for digital city management. "Moving" the application scenarios from the real world to the computer system through 3D digitization demonstrates the most precise 3D information acquisition and digital presentation technologies with the highest granularity, the fullest coverage, the most complete types and the most abundant attributes for serving all city industries.



Smart Sanitation Robot



Smart Interconnected Unmanned Sanitation Sweeper

In terms of digital intelligence, QiaoYin has developed prototypes. We will go ahead with the iterations according to the actual market demand and product technologies. In the future, we will continue to deepen the applications of "digital intelligence" in city products, strive to build a more complete "digital smart" city, and make contributions to the intelligent construction and development of cities.



# Topic

## Performing Meticulous Services and Building a "City Brand" like Embroidery

General Secretary Xi Jinping pointed out, "City management should be as meticulous as embroidery" and "perform more meticulous city management carefully, patiently and ingeniously as if embroidery, to build a high-quality city brand like embroidery". QiaoYin gets itself deeply rooted and blossoms up through deep engagement. We perform the mission of "beautifying every city we live in". Guaranteeing our activities via "all-round coordination, full escort and meticulous support", we show the whole world our exceptional strengths in "Chinese leading city management services".

In 2023, the Company provided all-round and high-quality services for more than 50 large-scale events, including the International Day for Biological Diversity Event, 7th China-South Asia Expo - 27th China Kunming Export-Import Fair, Guangzhou International Dragon Boat Invitational Tournament, Shaanxi - China Asia Summit, Shaanxi - 2023 Euro-Asia Economic Forum, and 2023 Guandu "Light of City" Zijun Urban Torch Festival. We smoothly provided a mix of service support, and made great efforts like embroidery, thus refreshing the city "cleanliness" indicator, making the cities appear more civilized, and exploring brand new path to high-quality sustainable development of cities.

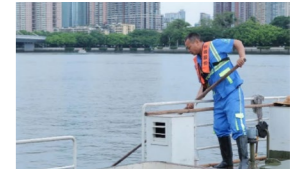


### Case Escort to Guangzhou International Dragon Boat Invitational Tournament, Highlighting the Demeanor as "City Steward"

In June 2023, the authorities of Guangzhou required the Company to escort the International Dragon Boat Invitational Tournament up to the highest standards. We performed different types of service guarantees, upgraded automation equipment, and successfully guaranteed the sanitation services for the Pearl River Dragon Boat Race, thus being unanimously praised by the owners and citizens, fully demonstrating the charm of the flower city and showing our demeanor as "City Steward". As the first integrated sanitation PPP project in Guangzhou, the Guangzhou municipal project has achieved orderly and efficient "integrated and full-coverage" management with "separation between regulation and operation", which has made the city management more meticulous, scientific and efficient.



Escort to the Dragon Boat Tournament



Meticulous Cleaning Site of Waters

### Case Internationally Amazing the World as a Pioneer for Guaranteeing Sanitation of International Competitions

QiaoYin has been providing services for guaranteeing sanitation of large-scale and grand events. With high-quality professional capabilities and continuous improvement of guarantee standards, we have successfully fulfilled the "important task" for guaranteeing sanitation, and "all-round coordination, full escort, and meticulous guarantee" as the norm for guaranteeing events, appear in international events. Appearing in international events, we have shown the world "Chinese-style leading city management services".



Full Guarantee for Sanitation Integration Project of Guandu District, Kunming



Escort to "Shaanxi - China Asia Summit"

### Case Fighting against Rain and Snow to Protect Thousands of Families

During the reporting period, the Company's snow area project initiated strong momentum against ice accumulation during snow. Our employees commissioned the forklifts and arranged large-scale machinery and equipment in advance. After the snowfall, we quickly arranged our frontline employees to carry out snow removal, giving priority to clearing main roads and sidewalks to ensure safe and smooth travel of citizens and vehicles. We performed the snow removal in a steadfast manner, made every effort to reduce traffic hazards, and provided the general public with a safe, tidy, clean urban environment.



Frontline Employees' Arduous Efforts for Snow Removal



## Vigorous Efforts for Strengthening the Spirit and Scheme for Governing · Deeply Rooted in QiaoYin

QiaoYin constantly consolidate the foundation for stable operations. We have laid a foundation in terms of high-quality governance for our long-term sustainable development by continuously standardizing our corporate governance, strengthening our prevention and control of compliance risks, improving our investor relationship management capability, creating a culture of integrity, consolidating the foundation for party building and virtue fostering, and guaranteeing our stable operations.

### Corporate Actions

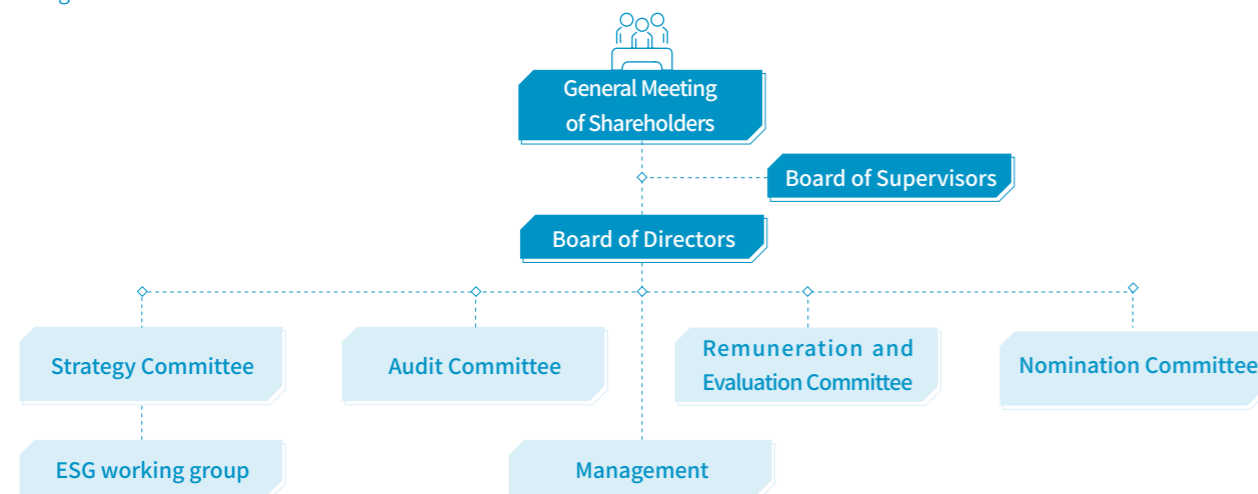
- Operation by the Board of Directors, the Board of Supervisors and the general meetings of shareholders
- Internal risk control
- Investor relationship management
- Party construction management





# Corporate Governance

In strict accordance with the requirements under the Company Law, Securities Law, Governance Guidelines for Listed Companies, 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.



Governance Structure of the Board of Directors, Board of Supervisors and General Meeting of Shareholders

## Operation by the Board of Directors, the Board of Supervisors and the General Meetings of Shareholders

### Key Performance

During the reporting period,

**3** general meetings of shareholders were convened by the Company.



### Shareholders and General Meetings of Shareholders

In accordance with the Company Law, Articles of Association, other relevant laws and regulations, we have formulated the Rules of Procedure for General Meetings. The General Meeting of Shareholders operates in compliance with relevant provisions to guarantee our shareholders' right to know, participate in and vote for our material matters, ensure that all shareholders are equal and able to fully exercise their own legitimate rights.

### Directors and the Board of Directors

We have put in place the governance regulations such as the Rules of Procedure for the Board of Directors, to ensure strict compliance with the director election procedures set forth in the Company Law, Articles of Association, other laws and regulations. The scale and members of our Board of Directors are lawful and compliant. The director election process is open, fair and independent. We highly value the diversity of our board members, to ensure that their knowledge structure and professional expertise closely align with our demand for business development, which can help us get familiar with the keynotes of national policies and the development direction of the industry, and fully support the Company's strategic decision-making and stable development.

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 of Directors in fulfilling its roles, which play a significant part in promoting the Company's standardized operation and healthy development.

### Key Performance

Our Board of Directors had **7** directors including **3** independent directors and **4** female directors.

During the reporting period, a total of **6** Board of Directors meetings and **1** Strategy Committee meeting.

**1** Strategy Committee meeting and **5** Audit Committee meetings were held.



### Supervisors and the Board of Supervisors

We elect the supervisors in strict accordance with the selection and recruitment procedures under the Company Law, Articles of Association, other laws and regulations. The members of the Board of Supervisors and their number comply with relevant laws, regulations and Articles of Association. 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, supervise behaviors of the Company's directors and executives and issue written opinions thereon.

### Key Performance

Our Board of Supervisors had **3** supervisors including **1** supervisor who was an employee representative.

During the reporting period, a total of **6** meetings of the Board of Supervisors were held.

## Information Disclosure

### Key Performance

During the reporting period, the Company disclosed a total of

**123** announcements

Consistently sticking to the bottom lines under laws and regulations, QiaoYin has 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 according to the Articles of Association, Information Management Measures, other laws and regulations. All proposals are subject to the stringent deliberation procedures. Lawfulness and compliance of the deliberation procedures are guaranteed. Disclosures are also made according to laws and regulations.

For their preparation, the interim reports are drafted by the Securities Department, carefully reviewed by the Secretary of the Board of Directors, and submitted to all directors, supervisors and executives for review and confirmation in a timely manner before release. The executives of the Company, including the chief financial officer, promptly drafts periodic report, submit them to the Board of Directors and the Board of Supervisors for review, and disclose them after such review, so as to ensure efficient and standardized information disclosure and provide a strong guarantee for the stable operations of the Company.

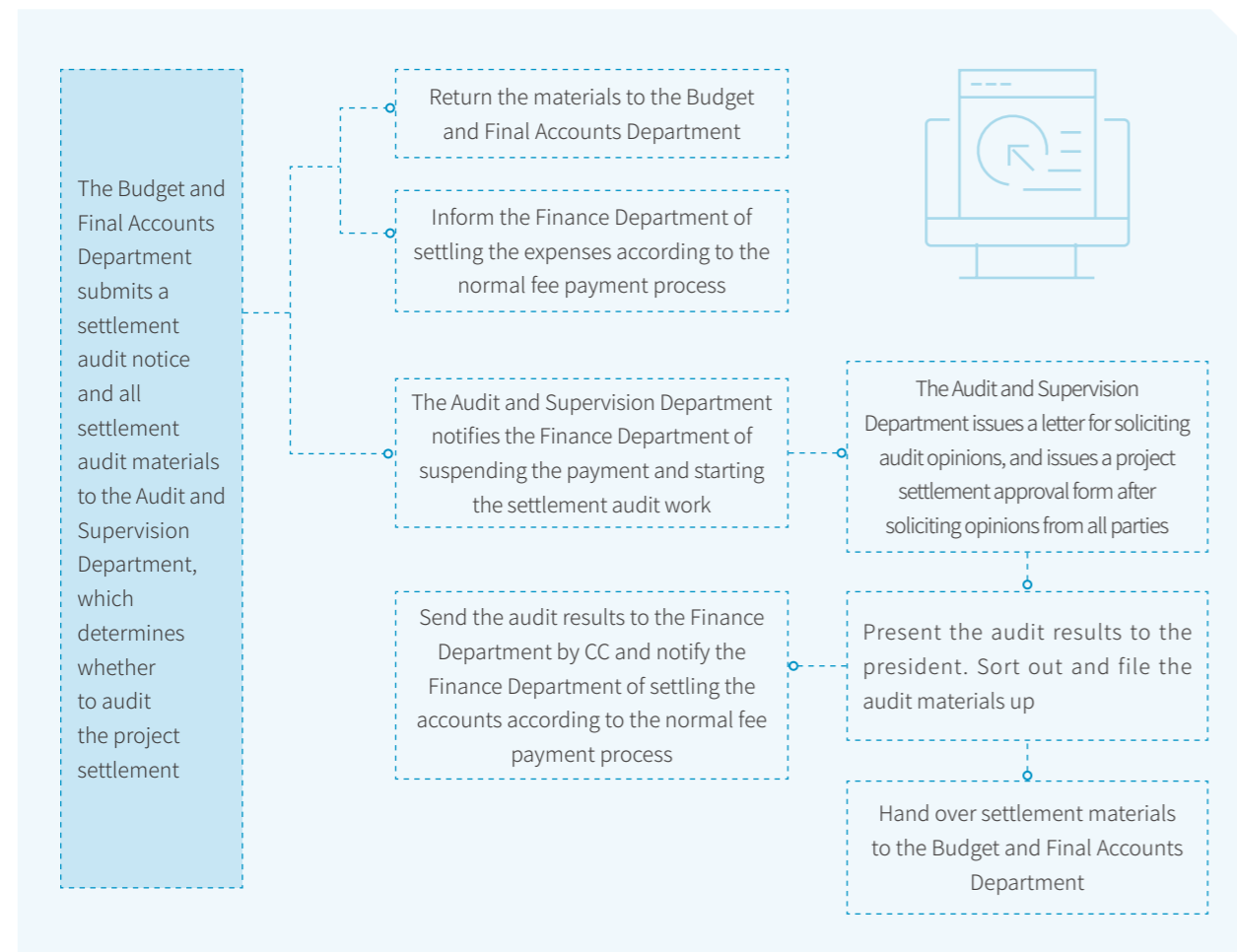
# Compliant Operations

Committed to improving its internal risk control and internal control systems, QiaoYin has updated the Internal Audit System, Internal Audit and Supervision Work Implementation Measures, Supervision and Whistleblowing Management Measures, Project Settlement and Audit Management Measures and other documents according to the Company Law, Anti-Unfair Competition Law, Interim Provisions on Banning Commercial Bribery, other relevant laws and regulations, to guarantee creation of a legal and compliant business environment, and provide a strong guarantee for its sustainable development and its fulfillment of social responsibilities.

## Internal controls

The Company's internal control is intensively performed in all business departments. All functional departments strictly follows the internal control management standards of the Company, construct their respective delicacy management systems, specify detailed rules for all key link of their business processes, and clarify the division of responsibilities and approval authorities in combination with the actual situation of the Company.

To ensure the sustained effectiveness of our internal control management, we regularly conduct spot checks and audits on the system construction and implementation of each business department. Besides, special audits are carried out on key business processes to comprehensively inspect and evaluate the legality, adequacy and effectiveness of internal control management, continuously improve our internal governance, and ensure our stable and efficient operations.

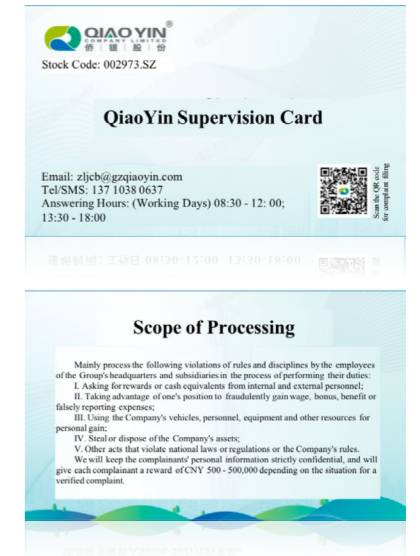


Audit Procedure for Project Settlement

## Business Ethics

The Company attaches great importance to honesty, integrity and transparency. In strict compliance with the Company Law, Basic Norms for Enterprise Internal Control, OECD Principles of Corporate Governance, United Nations Convention against Corruption, UNGC Ten Principles, Anti-Corruption Law, Law against Unfair Competition, other domestic and foreign codes of business conduct, laws and regulations, we have formulated rules and regulations such as the Anti-Corruption Management System, Supervision and Whistleblowing Management Measures, and Internal Audit and Supervision Work Implementation Management Measures, which clearly stipulate the requirements for commercial bribery, illegal profit-making, and disclosure of internal information. We take a zero-tolerance attitude towards any bribery, and have the Audit and Supervision Department handle specific affairs on our anti-corruption work.

The Company constantly strengthens the coordinated supervision mechanism, attaches importance to the fact that employees must sign a letter of commitment to prevent corruption when they join, prints complaint supervision cards to the employees, and requires all branches, subsidiaries and project departments to announce the supervision and whistleblowing methods in conspicuous positions on the walls of the office premises. Clarify the countermeasures for violations, to strictly restrict internal practices, and consolidate the achievements in anti-corruption work. In addition, the Company advocates real-name whistleblowing, strictly protects personal information of the employees who whistleblow in real names, safeguards legitimate rights and interests of the whistleblowers, and rewards each whistleblower CNY 500-100,000 for verified whistleblowing.



Complaint Supervision Card

**Whistleblowing Email:**

zljcb@gzqiaoyin.com



**Whistleblowing Tel:**

13710380637



In addition to the guarantee mechanism, the Company attaches great importance to cultivating the awareness of incorrupt employment, and actively carries out different online and offline anti-corruption training and publicity activities for all employees. For example, in the announcements such as the Notice on Strengthening Integrity and Self-discipline during the Mid-Autumn Festival and National Day, it is specified that all functional departments and projects of the Company shall earnestly fulfill the principal responsibility for building a clean government. Before the festivals, we actively carry out integrity education and publicity activities, require leaders at all levels to take the lead in enforcing disciplines, consistently set an example, strengthen education of the subordinate employees, demand a majority of employees to further increase their awareness, become conscious of honest employment, and consciously resist all kinds of temptation and malpractices.



**Case Integrity Education for Keeping Integrity in Mind and Acting in Good Faith**

The Company actively carries out training on integrity awareness. We clarify the implementation measures to all departments, subsidiaries and employees at all levels. The employees at all levels are organized to learn about internal audit and supervision work, to help them clearly understand the punishment rules for major violations and negligence, so as to effectively improve the standardization and efficiency of the Company's internal management and ensure smooth performance and sustainable development of the Company's businesses.



Integrity Education and Training for Subsidiaries

**► Tax payment according to law**

In strict compliance with the Corporate Income Tax Law, Tax Collection Administration Law, other laws and regulations, we have established a financial and taxation management system covering monetary funds, reimbursement management, expenditure approval management, which is implemented by the Company's Financial Management Center and chief financial officer. In addition, the Company performs normalized management of internal audit, financial and tax audit, actively communicates with the tax authorities on different tax matters, and earnestly fulfills the obligation to pay taxes.



# Investor Relationship Management

**► Investor relationships**

The Company actively carries out various forms of investor exchange activities, including performance exchange meetings, strategy seminars, business exchanges, exchanges on directional issuance, roadshows, visits to listed companies, institutional exchanges and conference calls. Through these activities, investors are provided with convenient channels to understand the Company, and helped to acquire a more comprehensive and in-depth understanding of the Company's operations and development strategies.

**Case Deepening Investor Communications and Actively Building Diversified Communication Platforms**

The Company always believes that maintaining good communications with investors is an important cornerstone for its steady development. In order to enhance the investors' understanding and trust, we regularly organize performance briefings, strategy seminars, regular open investor visits and different investor exchange activities. These activities are carried out to help the investors understand the Company's business results, financial status and future development strategies in more detail. We invite industry experts and analysts to discuss industry development trends, market changes and countermeasures. Besides, the investors also have chances to ask the Company questions about their concerns, and get direct answers from our executives, which further deepens their understanding and trust in us and lays a solid foundation for our long-term development.



Investor Exchange



### ► Profit Sharing

Being accountable to the investors, the Company always pays attention to the reasonable returns for the investors. We have adopted a robust dividend distribution policy and constantly implemented a stable profit distribution plan according to the profitability and development needs for production management. To actively reward our shareholders, maintain and increase the investment value of our long-term investors, we have established a sustained, stable and scientific return mechanism in accordance with the profit distribution policy stipulated in the Articles of Association and the Shareholders' Return Plan, with a view to sharing the development achievements with the investors and jointly promoting sustainable development of the Company.

Dividend Year	Total Cash Dividends (tax included, CNY10,000)	Net Profit Attributable to Parent (CNY10,000)	Cash Dividend Ratio
2023	4,086.65	31,681.47	12.90%
2022	4,086.65	31,460.11	12.99%
2021	4,086.63	25,515.30	16.02%

## Party Building and Virtue Fostering

In 2023, QiaoYin conscientiously implemented the decisions and plans of the CPC Central Committee and higher-level party committees, establishing and improving our quality responsibility system for Party building. Consistently led by Party building, we constantly strengthened the education of Party members through different party building activities, and drove the Company's high-quality development through high-quality Party building. Besides, the Company actively promoted urban grassroots Party building. We carried out red alliance co-construction activities with other companies, actively explored and innovated new paths to non-public Party building.

### Case "July 1" thematic Party Day Activity for Tracing the Footprints of Inspection Tours

In June 2023, QiaoYin actively followed the footprints of General Secretary Xi Jinping's inspection tours, carried out the "July 1" thematic party day activity in the form of a study visit, and felt the achievements of Yongqing Fang's urban micro-renovation by "like-for-like repair". After this visit, the CPC members of the Company acquired a deeper understanding of historical and cultural inheritance, urban governance, and old city renovation so that they would better serve urban development and construction in the future, and help explore new paths to high-quality development in comprehensive urban management services.



Party Members' Visit to Lingnan Architecture and Abundant Collections inside the Cultural Exhibition Halls

### Case Thematic Party School Learning for Comprehending the Spirit of the 20th National Congress

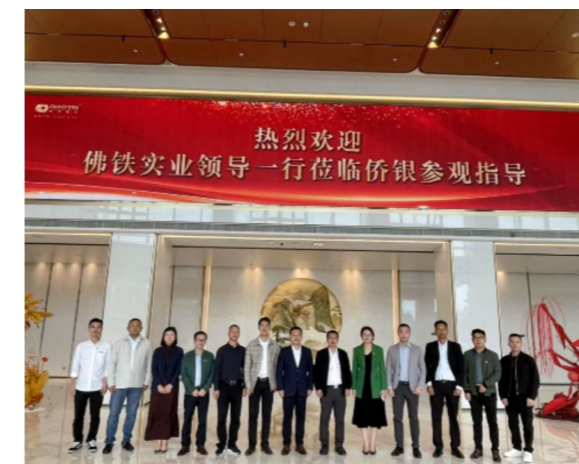


Communication of the Party's Spirit of the 20th National Congress by the Branch

In October 2023, the Party Branch of QiaoYin carried out a thematic education activity. The Branch Secretary led all Party members to intensively study and discuss the Thematic Excerpts from Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era. The thematic Party day activity for learning helped the Company better understand the strategic intentions of the general secretary and the CPC Central Committee, give full play to its own strengths, promote the high-quality development in the joint construction of the "Belt and Road", and contribute to the national sanitation and environmental protection undertakings.

### Case QiaoYin's Construction of a Red Alliance with FMETRO for Exploring New Paths to Non-public Party Building

In December 2023, QiaoYin and FMETRO jointly carried out Party building exchange activities. The Party branches of the two parties exchanged and discussed how to solve the problem of misalignment between Party building and business. The Company took advantage of this Party building exchange to conduct in-depth exchanges on how non-public enterprises could efficiently integrate red resources, build Party building brands, find new forms of Party building activities for non-public enterprises, explore the fusion effect of "1+1 > 2", and work together to build advanced grassroots Party branches.



Joint Party Building by QiaoYin and FMETRO





## Zero Waste · City Decoration by QiaoYin

QiaoYin strives to perform perfect customer services, firmly maintains the strategic position as "City Steward", actively explores paths to innovation of comprehensive urban management services, constantly promotes the strategic orientations such as "@City" global service model, zero-waste city, green low-carbon and rural revitalization, enhances recovery and recycling of renewable resources, practices low-carbon environmental-protection, realizes China's leading city management integration, and facilitates its own high-quality development.

### Corporate Actions

- City steward
- Green low-carbon
- Rural revitalization

# "City Steward"

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 sanitation, landscaping, road maintenance, park management, and public property services, to achieve integrated urban management.

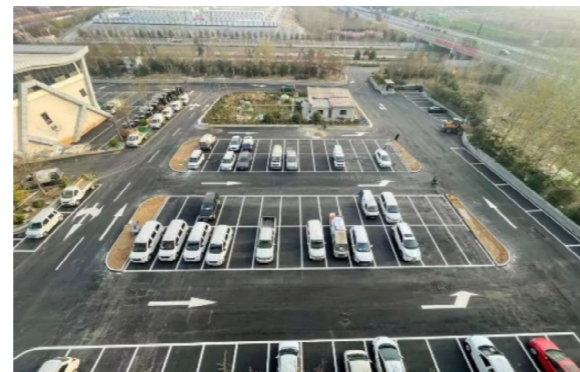
We invested in constructing and managing approximately 400 urban service projects across approximately 100 cities in 26 provinces (including autonomous regions and municipalities directly under the central government) across China, assisting 58 cities in successfully applying for the title of civilized and sanitary cities. The Company ranked top in China in terms of the number of urban management services, operation area and capacity for transporting and clearing domestic garbage.

## Case Swinging the Magic Wand of "@City" to Beautifying the New Space of Whole City

In May 2023, the Company performed a project for upgrading and renovating sanitation facilities of Huaiyin District, including upgrading and renovation of the road surfaces of the parking lot, pilot integrated road cleaning, and procurement of 30 new energy vehicles. As the first sanitation PPP project in Jinan and the first service project invested in new energy vehicles in Huaiyin District, this upgrading and renovation project was of great significance for changing the concept of urban management and building an ecological urban area. It further improved the comprehensive management of Huaiyin District.



New Energy Sweeping and Cleaning Vehicle



After Renovation of the Parking Lot



## Case @City Led the New Trend of Fashion and Built a Bridge between "Green Mountains" and "Gold Mountains" of Jing'an County

During the reporting period, Jing'an County promoted a market-oriented reform of domestic waste classification and township-level environmental improvement. We assisted the local governments in establishing a recycling network system for renewable resources. Through the unremitting efforts of the Company, the classification accuracy rate of waste classification demonstration sites such as Weilan Jiayuan in Jing'an Project was 100%, and the collection, transportation and treatment rate of township-level domestic wastes reached 100%. The Company made every effort to ensure smooth urban-rural integrated waste classification and treatment in Jing'an County, and solved difficulties in stacking and disposal of renewable resources.



Intelligent Jing'an Waste



Recovery Points for Renewable

### Key Performance

During the reporting period, the Company assisted Jing'an County in reducing the wastes by about

**25** %

During the reporting period, the Company assisted Jing'an County in reducing the wastes by about

**40** %

The garbage classification covered

**35** residential quarters

**26** streets

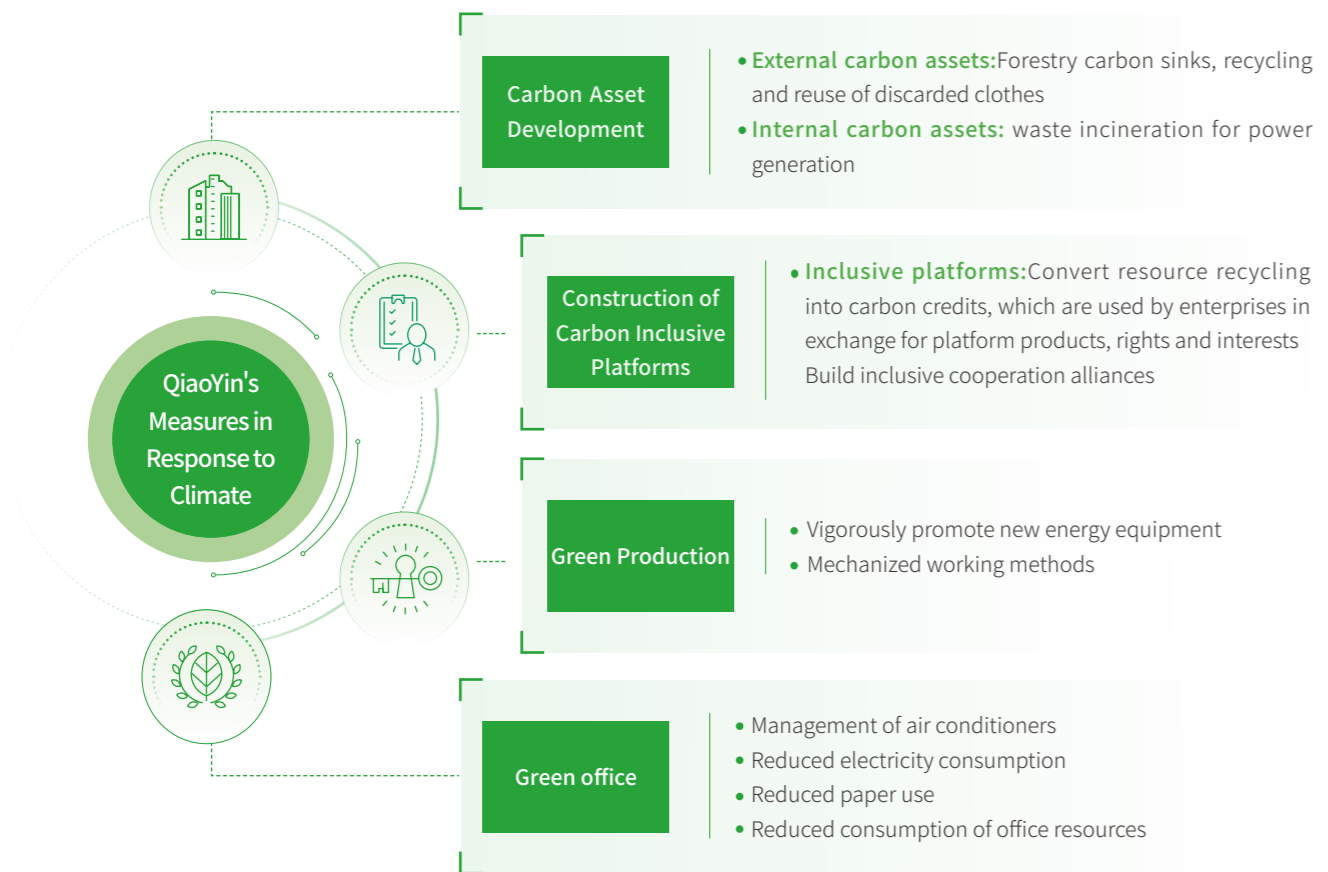
**10** schools and demonstration lines of

**5** kilometers in urban districts of Jing'an County



# Green Low-carbon

To fully fulfill the carbon peak & carbon neutrality goals and implement the principles of green development, we actively respond to the national calls, to further advance our objectives of energy conservation and emission reduction measures in urban governance. In addition to planning from a strategic perspective, we have taken a range of practicably effective measures from the perspective of practices. Thus, we have not only reduced carbon emissions, but also made contributions to promoting green and low-carbon urban management.



## Developing Carbon Assets and Jointly Creating a Green Future

Making active efforts for carbon asset development, the Company is committed to promoting low-carbon development and green transformation through innovative practices. We have made significant progress in the development of carbon asset projects. So far, we have smoothly entered into a development contract for the forestry carbon sink project in Shaoguan City, Guangdong Province. The forestry carbon sink project covers an area of 70,000 mu, and the project scale is huge. The project is expected to reduce carbon emissions by up to 1.2 million tons over 40 years. It is of great significance for promoting the realization of regional carbon neutrality goal.

In addition to the forestry carbon sink project in Shaoguan City, Qiaoyin Carbon Resources Management Co., Ltd. has also entered into development agreements with its partners on the carbon emission reduction project for recycling the discarded clothes. Recycling and reusing the discarded clothes could facilitate effective transformation and utilization of reduced carbon emissions and contribute to green development of the society.

The Company has achieved remarkable results in internal carbon asset management. With a daily treatment capacity of 1,000 t, the waste incineration for power generation project of Likeng Integrated Treatment Plant is expected to reduce carbon emissions by 670,600 t over 7x2 years, and facilitate the utilization of wastes as resources. In the future, the Company will be further intensively engaged in the carbon market, actively explore more innovative and sustainable carbon asset projects, and make greater contributions to global green development.

## Promoting Carbon Inclusion to Benefit People's Livelihood and Making Joint Efforts for a Low-carbon Future

In 2023, based on its solid foundation for its core businesses such as garbage recycling, clearing, transport and sorting, Qiaoyin Carbon Resources Management Co., Ltd. successfully developed a carbon inclusive platform focusing on the recovery of renewable resources - the mini program known as "Low-carbon Earth". "Getting points for low-carbon practices and exchanging points for discounts" positively encouraged the general public to develop a green energy-saving, low-carbon and recycling lifestyle. The mini program was officially launched on the World Earth Day on April 22, promoting widespread dissemination and in-depth practice of environmental protection concepts through technological innovations, thus leading the general public to move towards a low-carbon future.

To enhance the awareness of and participation in low-carbon lifestyles among the general public, it took advantage of important nodes such as Green Energy Conservation Week and National Ecological Day to plan and organize the main field activities of Guangzhou Ecological Day, Guangzhou Metro Low Carbon Publicity Month, and Friso's public welfare activities for garbage picking and beach cleaning and other diverse science popularization and public welfare activities through the platform "Low-carbon Earth". Different types of scenarios such as communities, schools, supermarkets, and scenic spots were selected. In combination with details of the low-carbon life in clothing, food, sheltering, transportation, and use, experiments were conducted regarding low-carbon life promotion models. The data on personal carbon emission reduction was statistically analyzed through the carbon inclusive platform. Diverse carbon reduction forces were gathered to help fulfill the national carbon peaking and neutrality goals, and promote sustainable development of the industry.

- Corporate Side**
  - Carbon inclusive projects provide the Company with economic benefits in emission reduction scenarios. Through commercial incentives, policy incentives, and exchange transactions, they enhance the Company's awareness of green development, promote its green transformation and upgrading, and help the Company fulfill the social responsibilities and build a good brand image.
- Public Side**
  - In the carbon inclusive projects, carbon points are obtained through resource recovery, and can be used to exchange platform products or rights and interests. This effectively procures the public to form a green and low-carbon life concept. Apart from bringing together the consumer-side carbon reduction forces, these projects also widely popularize green and low-carbon lifestyles. They have laid a solid foundation for creating a low-carbon social atmosphere with all people's participation, strongly supported the realization of the carbon peaking and carbon neutrality goals, and contributed to the construction of a beautiful China.
- Society-side**
  - The carbon inclusive projects effectively promote the green transformation and upgrading of the society, effectively improve the regional ecological environment, realize the value transformation of ecological products, and provide new impetus for rural revitalization through carbon trading and carbon reduction product mechanisms.



Key Performance

Cumulatively, the platform has more than

**100,000** members

From July 2023 to October 2023, a total of

**42,266** citizens participated



碳普惠平台推广现场

Looking ahead to the future, Qiaoyin Carbon Resources Management Co., Ltd. will continue to rely on its advantages in the principal businesses to deeply explore the low-carbon potential for recycling of renewable resources such as recycling of used clothes, recycling of low-value recyclable materials, and garbage classification. It will actively expand low-carbon scenarios in different consumer sectors such as travel and office, and create a standardized model for promoting "low-carbon lifestyles". We will also cooperate with industry experts and enterprises to jointly promote the development of carbon reduction standards and methodologies, and create pilot application scenarios such as green scenic spots, green buildings, and green parks. With carbon points as links, a complete closed loop will be created for the value of carbon inclusive projects by multiple means, including carbon trading and green products.

Low-carbon Inclusive Alliances for Joint Creation of a Low-carbon Future

QiaoYin attaches great importance to multiple parties' participation in the construction of a low-carbon inclusive alliance. Through close cooperation with other alliance members, we jointly promote the R&D and application of low-carbon technologies, explore new models and paths for low-carbon development with different parties, and jointly respond to global climate changes and environmental challenges.

On the National Low Carbon Day on July 12, 2023, Qiaoyin Carbon Resources Management Co., Ltd. organized a low-carbon living experience day named "Green Beautiful Guangzhou" at the "Liede Family" Square, Liede Street, Tianhe District around the theme of "actively responding to climate changes and promoting green low-carbon development" with about 20 social organizations (including Guangzhou CEPREI Certification Body Services Co., Ltd.) under the guidance of Guangzhou Municipal Ecological Environment Bureau. Through close cooperation with nearly 20 institutions, we strongly promoted the development in environmental protection and popularization of green lifestyles in Guangzhou and even more extensively.

In addition, Qiaoyin Carbon Resources Management Co., Ltd. has joined Guangzhou Low-Carbon Life Cooperation Alliance and Carbon Inclusive Cooperation Alliance. It actively participates in construction and promotion of the Guangzhou contiguous low-carbon life demonstration projects, carries out experiments on the low-carbon life promotion model in different types of scenarios, including clothing, food, housing, transportation, and statistically analyzes personal carbon reduction data in reliance upon a carbon inclusive platform. In the future, the cooperation alliances will continue fostering and expanding their cooperative members, and create more emission reduction scenarios and areas by replication, to make low-carbon life possible for everyone, everywhere, and anytime.



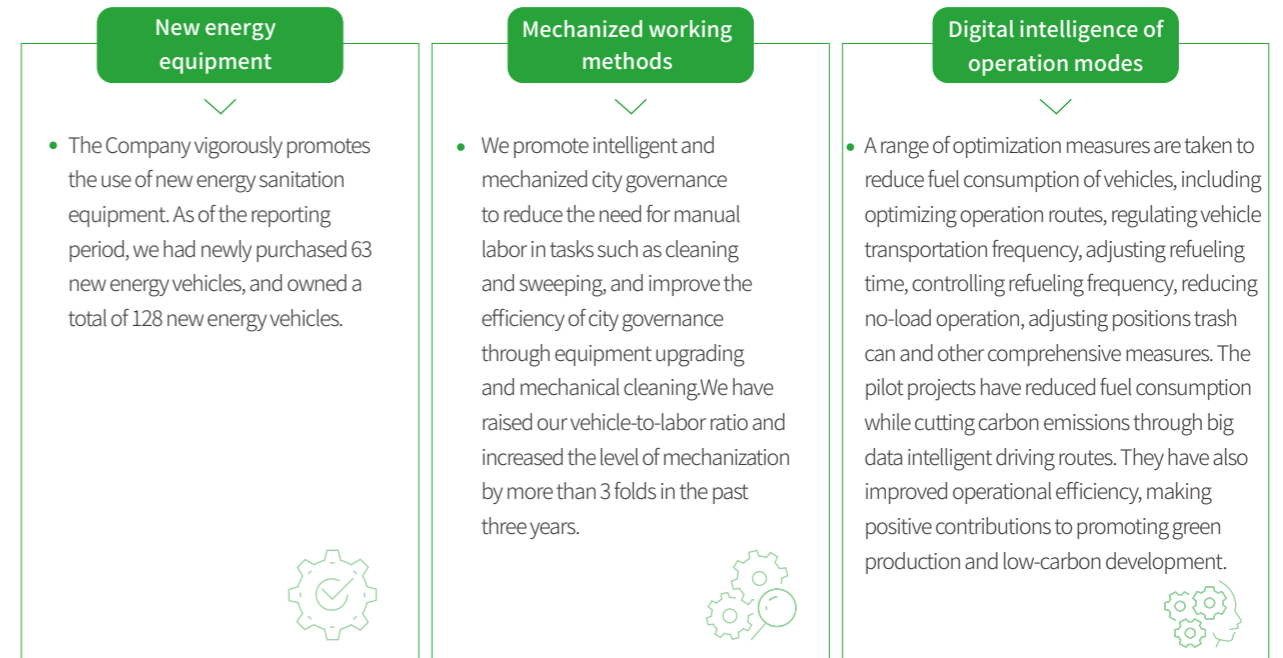
Low-carbon Living Experience Day "Green Beautiful Guangzhou"



Guangzhou Low-Carbon Life Cooperation Alliance

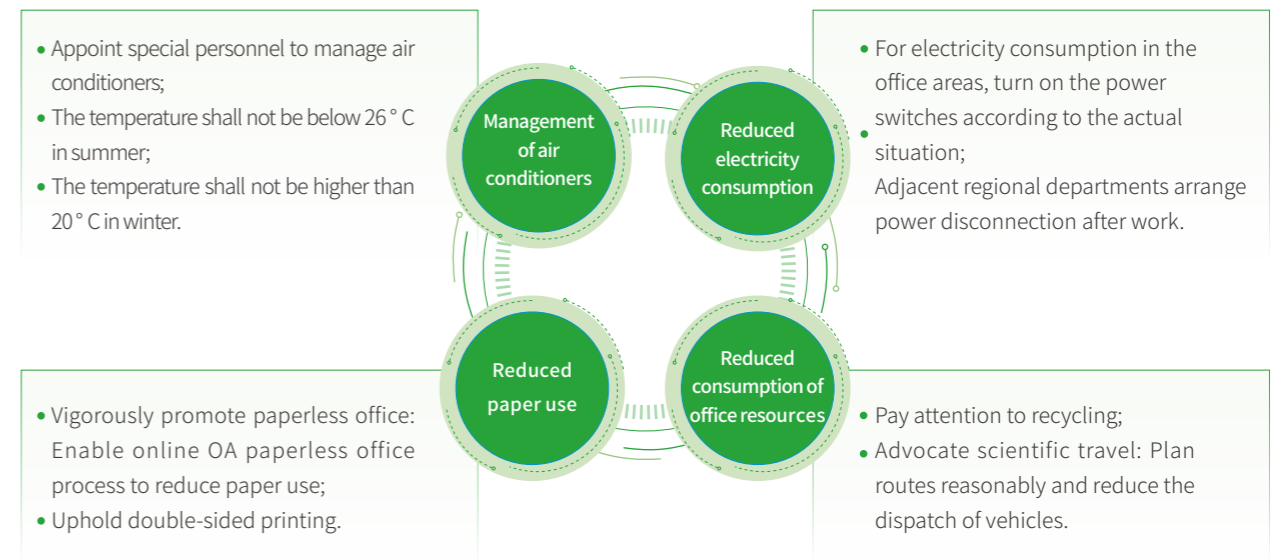
Innovation and Perfection of the Green Production System

QiaoYin attaches importance to integrating the concept of environmental protection into all links of its production management, actively promotes green production, and emphasizes technological innovation and process improvement. We continuously optimize our production processes, reduce our energy consumption and emissions, and increase our resource utilization by introducing advanced environmental protection technologies



Green Office for Joint Creation of a Low-carbon Future

The Company has issued documents such as the "Notice on Strengthening Energy-efficient Office Management" and "Notice on Further Promoting Energy Conservation and Consumption Reduction", encouraging the employees to actively promote green and low-carbon office in practices. We perform energy monitoring, hierarchical management, and accounting for energy consumption of different departments. We severely punish energy waste, and carry out Arbor Day activities to actively cultivate our employees' awareness of low carbon and energy conservation, and contribute to sustainable low-carbon development.





**Case** Greening the Greater Bay Area and Jointly Creating the Future

The Company actively responds to the national call for carbon peaking and carbon neutrality. In March 2023, Liu Shaoyun, chairman and general manager of the Company, led the department heads, regional leaders and employees to the tree planting site of the headquarters to participate in the tree planting activity on the Arbor Day. The employees present carefully planted 12 saplings. We have been implementing measures according to local conditions to manage and protect the saplings. We also organize our employees to participate in voluntary afforestation and other activities to contribute to green waters and mountains.



Arbor Day's Activity

## Rural Revitalization

To revitalize the countryside, the environment must be prioritized. Comprehensively promoting rural revitalization is an important task for building a strong agricultural country in a new era. Comprehensively considering the staffing, technology introduction, equipment purchase, factor allocation, capital investment and public services, etc., we provide solutions for integration of service areas, offer intensive support to rural revitalization, and make concerted efforts to bridge the gaps between urban and rural areas.

**Case** Enhancing Ecological Revitalization and Lighting up the "Wizard Of Oz"

QiaoYin fully assists with the rural environmental governance of Shuitou Town and helps promote the "Hundred-Thousand-Ten-Thousand Project". From the perspective of environmental order management, project quality management, safety management, training management, supervision management, and comprehensive management, we provide water 127 natural villages of 10 administrative villages Shuitou Town with integrated water and land services, including village road cleaning, garbage removal (including bulky garbage collection and transportation), public toilet management, weed removal, river course cleaning, cleaning, management and protection of sewage tanks (except for PPP), and sanitation support for major events.

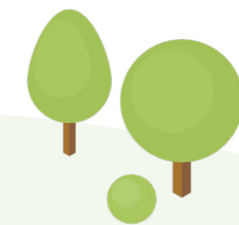
Over less than one year, with our assistance, the human living environment of the whole town was no longer dirty, disorderly and harsh, but turned "green, rich and beautiful". We contributed to an increase in the village groups' income and growth of the permanent population there. With our full support, Xinlian Village and Xintang Village of Shuitou Town were listed as one of the first typical counties, towns and villages in the province. Xinlian Small and Micro Wetland in Shuitou Town was given the plaque as one of the first pilot small and micro wetland in Guangdong Province. Four natural villages of Shuitou Town were evaluated as beautiful and characteristic villages in Qingyuan City in 2023.



Cleaning Site of Xinlian Village in QiaoYin's Fogang Project



Shuitou Town, Fogang County after Environmental Governance





## Establishing a Foothold · Laying a Foundation for the Industry

QiaoYin constantly consolidate the foundation for stable operations. We have laid a foundation in terms of high-quality governance for our long-term sustainable development by continuously standardizing our corporate governance, strengthening our prevention and control of compliance risks, improving our investor relationship management capability, creating a culture of integrity, consolidating the foundation for party building and virtue fostering, and guaranteeing our stable operations.

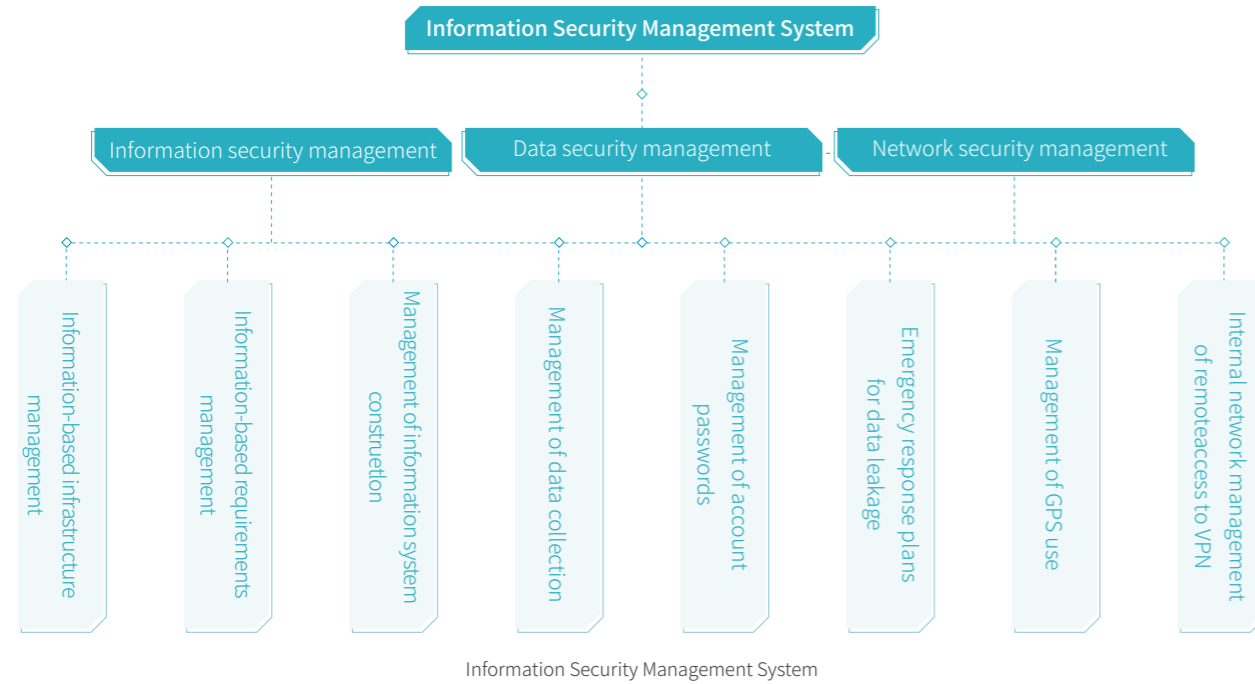
### Corporate Actions

- Information security
- Being innovation-driven
- Win-win in the industry chain
- Sustainable supply chain



# Information Security

QiaoYin is committed to strictly standardizing information security in all operational aspects in accordance with laws, regulations, and rules such as the Data Security Law, Cybersecurity Law, and Regulations on Protecting the Safety of Computer Information Systems. We constantly improve the systems related to information security and personal information protection, perfect our mechanisms for preventing and handling information security events, guarantee our stable operations with network and information security as well as data security, and create safe orderly operation environment.



## Data Security Management

In compliance with laws and regulations such as the Data Security Law and Personal Information Protection Law, the Company has established the Data Collection Management System, Data Security Management Measures for the Low-carbon Earth and emergency response plan for data security emergencies, specifying the requirements for data collection, data sharing, data confidentiality, data operation environment and maintenance. Besides, the Company attaches great importance to protection of customer privacy, and takes all means to keep confidential the information provided by the customers to ensure data security and customer privacy security.

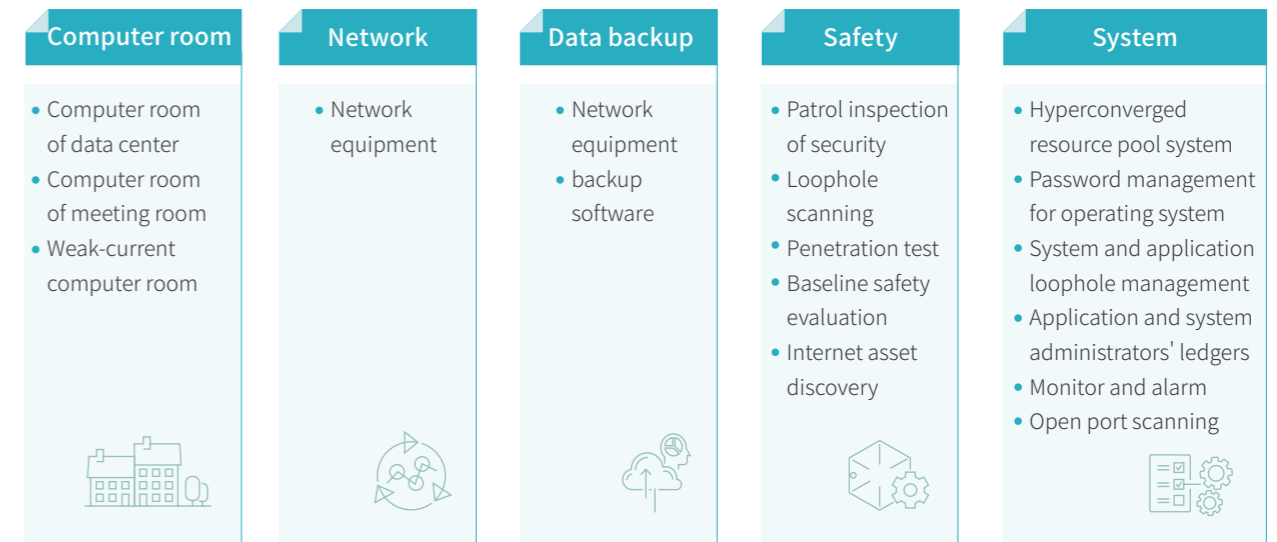


- All data can be backed up regularly, including regular full backup, differential backup, on-demand backup, off-site backup and incremental backup.
- Sensitive data like passwords are encrypted when stored, and sensitive data is desensitized.
- The encryption keys are stored separately from the encrypted data, and access with the keys are subject to strict requirements.
- To protect user privacy, user information security management should comply with GB/T 35213.

Measures for Guaranteeing Data Security

## Network Security Management

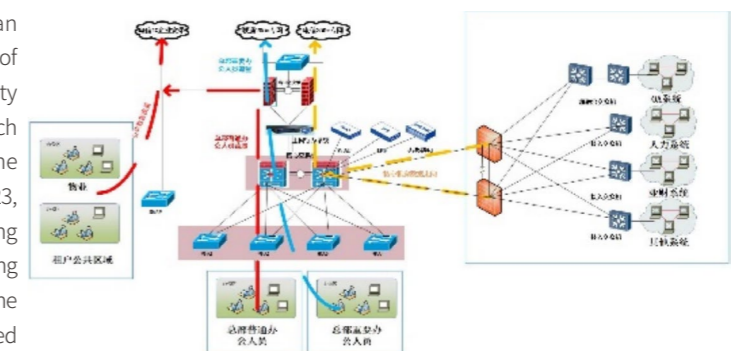
In accordance with relevant laws and regulations as well as the Information Security Management System, the Company has established a comprehensive internal review mechanism for network security. We regularly conduct strict inspections on computer rooms, networks, data backup, security, systems, etc. and output reports. Besides, the Company actively participates in the external inspections of network security. We comprehensively enhance information security management capability through systematic internal inspection and special external information security inspections, in order to fully guarantee our network information security.



Details of Internal Network Security Inspections

### Case Drill for Defending against Network Security Attacks to Improve Technical Security Prevention

To verify the practicability and operability of an emergency response plan for network security of the attacked units, we tested the network security protection capability of the business system of each unit, and the actual response capabilities of the technical network security teams. In October 2023, the Company participated in the drill for defending against network security attacks as a key unit. During the drill, our network security officers monitored the network security in real time 24 hours a day, fixed the loopholes found, adjusted the security strategy, and successfully intercepted most of the attacks. In the future, the Company will further strengthen the network security and continue improving the actual response capability of our technical network security technical team based on this drill.

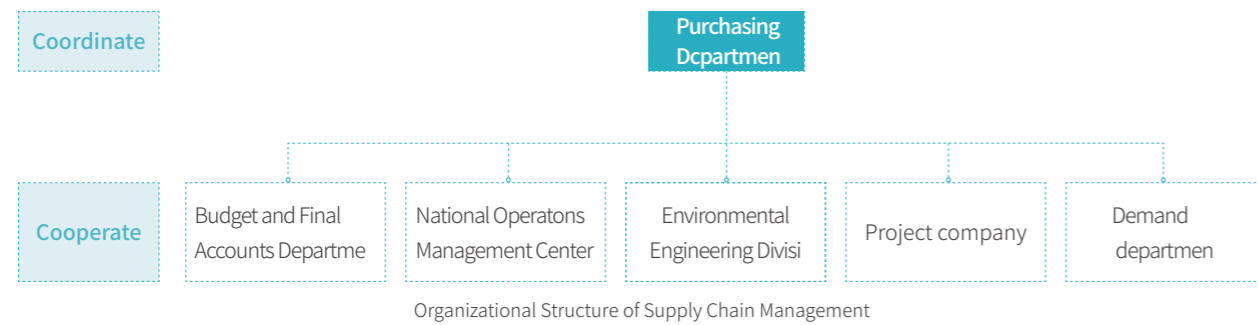


Architecture of the Defense Drill Network



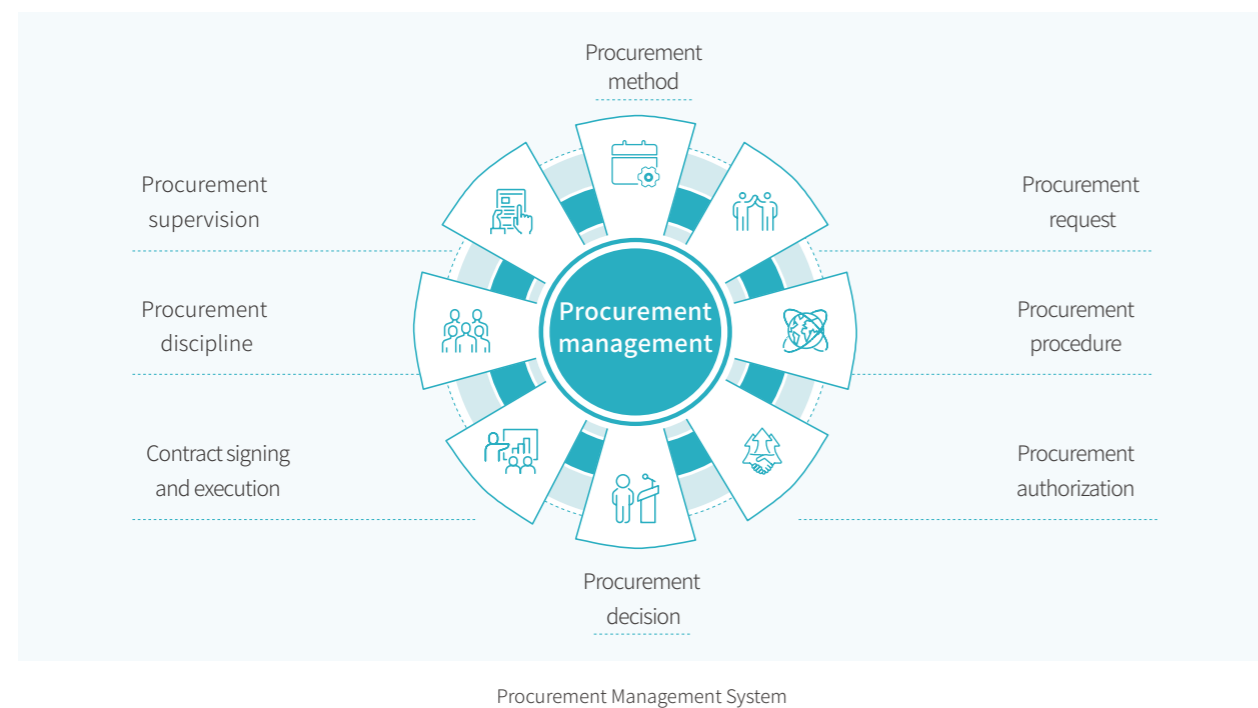
# Sustainable Supply Chain

The Company is committed to building a high-quality and sustainable green supply chain. Through continuous optimization of our supplier management, performance appraisal rules and systems, we strengthen quality and resilience of the supply chain. We strive to build high-quality centralized procurement and supply models. In addition, the Company is committed to promoting responsible sourcing, constructing a transparent sourcing system based on the concept of sustainable development, cooperating with business partners of the industry to practice the concept of green development, and jointly building a high-quality ecosphere for the urban services and a sustainable industry chain.



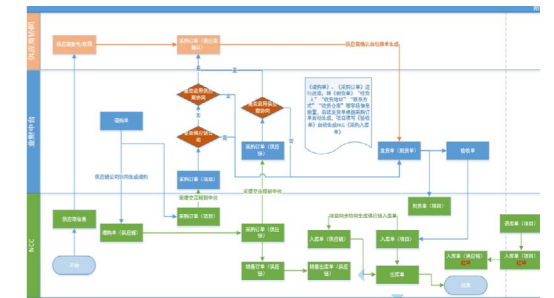
## Responsible Sourcing

In 2023, the Company made revisions to the Procurement Management Regulations and prepared the contractor management rules to further standardize procurement, enhance procurement management and increase procurement efficiency. We have also formulated transparent procurement rules to strengthen our supervision over the procurement process and inspection of our process standardization to ensure fairness and transparency of procurement. We have incorporated the ESG concept into the supplier evaluation and selection system, requiring the suppliers to provide system certifications, certificates and other qualification certificates. We also sign the Environmental Commitment Statement with the suppliers, committed to building a responsible supply chain and promoting the healthy development of the industry chain.



## Supplier Management

For effective supplier development, supervision, evaluation, cultivation and management, the Company has continuously optimized the supplier management system, formulated and improved the Supplier Management Measures, and built classified and hierarchical supplier management and collaborative supplier management platforms for information sharing, to regulate and coordinate procurement and warehousing matters, and increase the transparency and coordination efficiency of the supply chain. Besides, the Company has actively coordinated the relationships with suppliers, strengthened the cultivation of strategic suppliers, and promoted the collaborative supplier management and product quality control.



Supplier Collaboration Flowchart

## Supplier Development and Inspection

The Company introduces the industry's leading and high-quality well-renowned suppliers through channels such as market visits, sanitation supplier exhibitions, network, and public consultations according to the needs for business development and production management, and the supplier resource development strategy. The Company has clarified the principles and methods for supplier inspection. We organize a supplier inspection team to inspect the suppliers which have passed the preliminary examinations by means of symposiums, on-site inspections and reputation verification, etc., in combination with the characteristics of suppliers and our needs, and finally prepared a "Supplier Inspection and Evaluation Report" to promote the introduction of suppliers.



Field Visit to a Supplier for Inspection

## Supplier Evaluation

The Company has established a supplier evaluation system in accordance with the Supplier Management Measures. Through regular review, assessment, rating and classification of the suppliers, we can understand our suppliers' performance in product quality, lead time, degree of cooperation degree and price advantage, etc., to procure the suppliers to improve their products and services to satisfy our needs. Besides, supplier evaluation and classification help the Company optimize the supplier structure and improve the overall supply chain management.

Supplier classification	Corresponding class	Priority
Excellent suppliers	Class A	<ul style="list-style-type: none"> <li>Preferred under equal conditions and may be offered a greater purchasing quantity</li> </ul>
Good suppliers	Class B	<ul style="list-style-type: none"> <li>Key targets for cultivation and support</li> </ul>
Qualified suppliers	Class C	<ul style="list-style-type: none"> <li>Employed with restraints or conditions; evaluated on site when necessary</li> </ul>
Non-conforming Suppliers	Class D	<ul style="list-style-type: none"> <li>Eliminated and removed from the List of Qualified Suppliers</li> </ul>

Supplier Classification

### ► Supplier Cultivation and Encouragement

The Company is committed to maintaining stable and secure cooperation with the suppliers for mutual benefits and joint development. With the goal of helping our suppliers improve their technical quality capabilities, we have strengthened our cultivation of strategic suppliers and promoted strategic and project procurement through regular return visits and drafting of cultivation plans. Besides, the Company has established a supplier incentive mechanism to positively encourage the high-quality suppliers by sending thank-you letters, holding supplier conferences, and organizing annual evaluation and commendation, in order to create a good competitive environment for the suppliers and promote their continuous quality improvement, service efficiency and R&D collaboration.

#### Case Smooth Completion of QiaoYin's First Supplier Conference

In June 2023, the Company held its first supplier conference, which was also the first offline supplier conference of the urban service industry. By holding the supplier conference, the Company actively enhanced its exchanges with the suppliers, explored in-depth cooperation, and further built a win-win supplier ecosphere, which played significant roles in jointly promoting the development of low-carbon, intelligent, and refined urban services as well as the sustainable development in full-domain urban management.



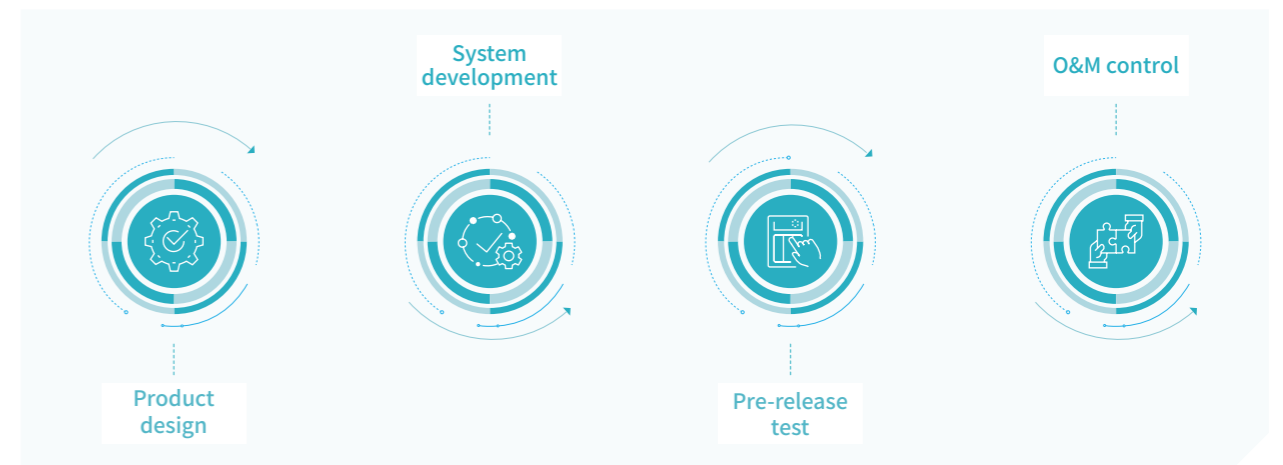
Site of QiaoYin's First Supplier Conference

## Innovation-driven

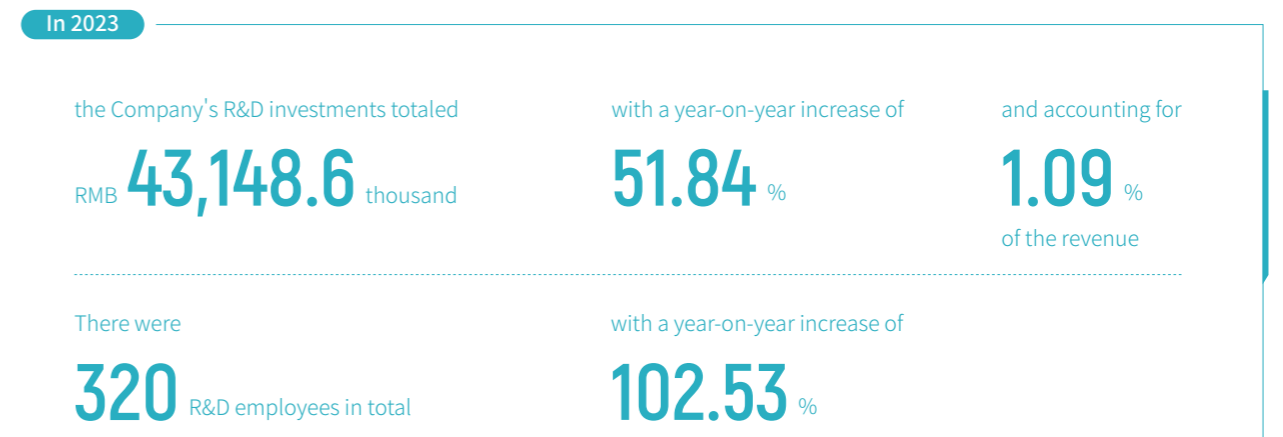
QiaoYin constantly responds to the national strategies, always focuses on the core strategy for "comprehensive improvement of human settlement environment", consistently drives industry development through technological innovations, and centralize resources to constantly focus on the innovation of independent intellectual property rights and core key technologies. In 2023, the Company constantly performed research and innovations. In reliance upon our rich practical experience in urban management projects, we continuously explored new environmental innovation technologies, participated in the formulation of national and industry standards, and actively promoted the innovative development in urban and rural healthy social governance models.

### R&D Innovation

As a leading enterprise in the domestic urban management service industry, the Company actively promotes environmental technology innovations through R&D, introduction, cooperation, etc. We have effectively integrated technologies, talents, capitals and market. We continuously increase our R&D efficiency and comprehensive technical strengths, in an attempt to settle the difficulties on pollution prevention and control arising from social production and life, and contribute to the green development of the society.



The Company's a R&D Innovation System for Standardizing the Development Process in 2023.





### Case Technologies Empower Waste Classification and Promote Green Low-carbon Development

Empowering the full-domain urban management digitally, the Company has established a "1+1+3+N" intelligent city management service system, to accelerate the deep integration of digital technologies and the industry. In the process of promoting waste classification, we have not only established a full-chain management system for waste classification, but also created a smart waste classification model with Internet technologies, realizing intelligent monitoring of the whole process of waste classification and intelligent regulation of people, vehicles and objects, and comprehensively improving collection and transportation efficiency, management efficiency and operation results.



Integrated Urban Management Platform

Under the overall situation of the country's development such as green development, "carbon peaking and neutrality" strategies, QiaoYin actively promotes smart green projects such as intelligent environmental recycling booth. The residents can classify garbage and obtain corresponding points through the intelligent environmental recycling booth, in order to realize cash withdrawal or exchange for related daily necessities. While providing convenience for operations, this mobilizes the residents' enthusiasm for classification and disposal, and increases the efficiency of garbage treatment, resource recycling and utilization ratio.

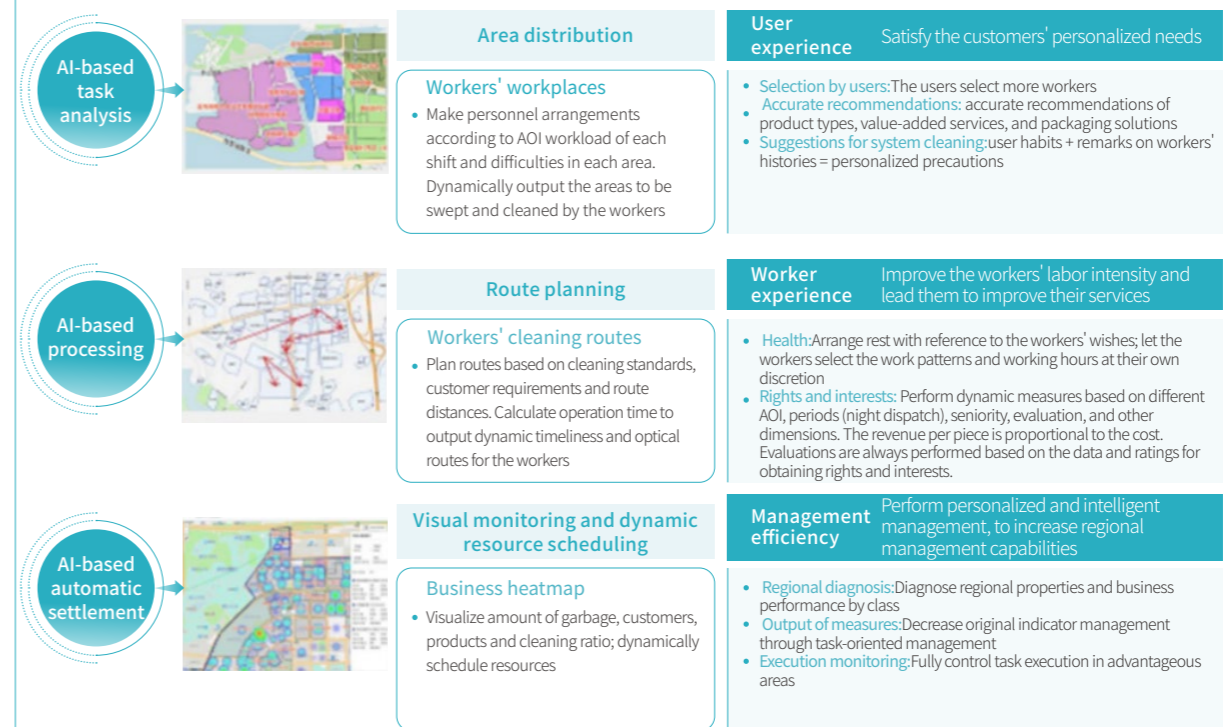
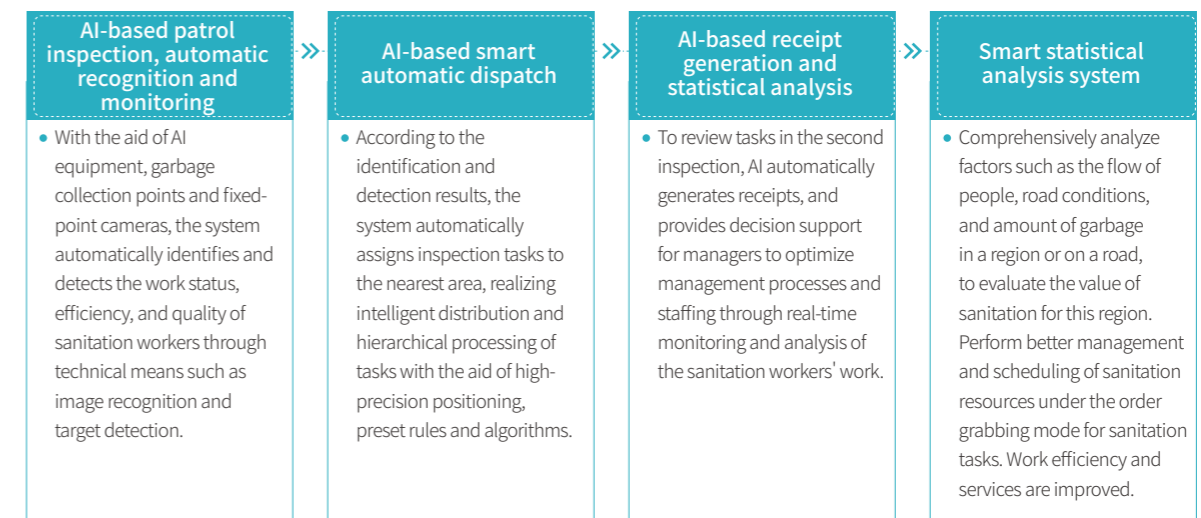


Intelligent Environmental Recycling Booth and Garbage Classification Equipment



### Case Self-developed AI-based Intelligent Patrol Inspection and Dispatch System for Satisfying New Development Demand for Modern Sanitation

To further satisfy the new development needs of the modern sanitation industry such as automation, networking, visualization, real-time intelligent monitoring, Qiaoyin has developed its own AI-based intelligent patrol inspection and dispatch system, including visual real-scene perception and road inspection system and intelligent statistical analysis system. With the support of digitization, we have further improved our management and cleaning efficiency, eliminated the past "data islands", realized information sharing, improved the quality and efficiency of our sanitation application services online and offline, and mechanized operations, covering land, water and other cleaning businesses.



Solutions of the AI-based Intelligent Patrol Inspection and Dispatch System



## Formulation of Standards

As vice president of China Association of Urban Environmental Sanitation, the Company constantly leads the standardized development of the industry, gives full play to its own advantages, actively participates in the compilation of national and industry standards, and contributes to the standardized development of the industry.

As of December 31, 2023

the Company had participated in drafting **18** group standards

including **12** published standards

and **2** national standards published with approval

including the *Requirements for Cleaning Service of Urban and Rural Communities*, *General Requirement for Setting up Municipal Waste Collection Devices*, *Domestic Garbage Collection and Transportation Operation Rules*, and *Urban and Rural Road Cleaning Operation Rules*, becoming more and more influential within the industry.

### Key achievements

In September 2023, the industry's first national standard drafted by QiaoYin for setting up garbage collection devices, namely (GB/T 42767-2023), was officially implemented. The promulgation of this standard has regulated the industry's requirements for the installation of garbage collection devices and filled up the gap in the standards for this field in the domestic market, with great significance for promoting the construction of environmental infrastructure, increasing efficiency of garbage classification, and promoting the synergy of pollution and carbon reduction.



Promulgation of the *General Requirement for Setting up Municipal Waste Collection Devices* on May 23, 2023 with the Approval of the State Administration for Market Regulation (Standardization Administration of China).

## Intellectual Property Rights

The Company sticks to the path of maintaining independent intellectual property rights. We attach great importance to the management and protection of intellectual property rights. We have established a complete intellectual property management system by establishing intellectual property management systems, regulate intellectual property management according to the characteristics of different types of intellectual property rights, and strengthen protection of our intellectual property rights. As of the end of 2023, the Company has obtained patent certificates for a number of authorized patents, including "a high capacity and strength energy storage containers" "a smart management system for charging piles combining cloud services and local control" and "an unmanned road sweeper".



Patent Certificates of QiaoYin

As of December 31, 2023

the Company had applied for **64** domestic patents

including **7** invention patents

and **55** utility models

外观设计 **2** 项

In 2023, the Company additionally owned **3** new invention patents

including "a high capacity and strength energy storage containers" "a smart management system for charging piles combining cloud services and local control" and "an unmanned road sweeper";



# Win-win in the Industry Chain

In 2023, QiaoYin started from a new point, adhered to the values of "seeking excellence, being down-to-earth, making self-improvement, being persistent and achieving a win-win situation", and provided broader space for cooperation with the partners. During the reporting period, we actively participated in industry exchanges, maintained favorable cooperation with all parties, shared the opportunities of the times with our partners, made concerted efforts for development of the industry, achieved mutual benefit and win-win results, and created a bright future for the industry.

The Company attaches great importance to industry interactions. By actively participating in industry forums and conferences, we keep abreast of the latest technology, R&D and market demands of the industry, obtain new technical ideas and solutions, and stimulate our awareness of technological innovation. Besides, the Company actively draws excellent practical experience from the industry, demonstrates its own sci-tech innovation achievements and industry practices, promotes industry exchanges, and facilitates development and technological innovation of the industry.

## Case QiaoYin's Attendance at the Lingnan Impact · 2023 Summit

In May 2023, QiaoYin was invited to attend the Lingnan Impact · 2023 Summit and participated in round-table discussions. At the round-table forum of the summit, the Company shared its beneficial lessons on its exploration and sustainable operations, and made suggestions for the realization of high-quality and sustainable economic development. In the future, we will continue to prioritize sustainable development as a strategic goal, give full play to our own advantages, actively respond to the expectations of diverse stakeholders, and contribute to the construction of a better society.



Li Ruixi, Secretary of the Board of Directors, Shared the Practices around the ESG Concept

## Case QiaoYin's Attendance at the "2023 Summer Davos Forum" upon Invitation

In June 2023, QiaoYin, as an enterprise representative of China's urban service industry, was invited to participate in the "2023 Summer Davos Forum" to explore how to facilitate economic recovery with the guests. With attending the Davos Forum as a new starting point, the Company consistently drives development based on the spirit of "daily innovation". Based on comprehensive services and driven by technological innovations, we join hands with our partners from all walks of life to construct a low-carbon industry ecology, set more examples for comprehensive management of smart cities, for the purpose of facilitating economic recovery and joint development within the industry.



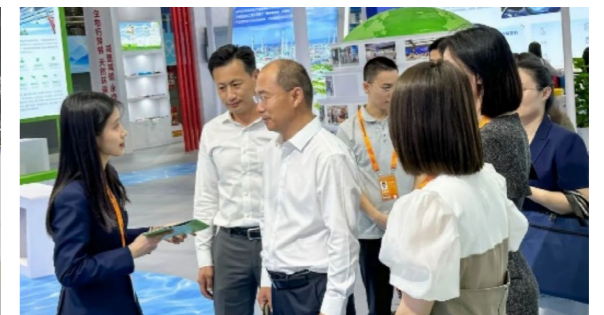
Co-president of QiaoYin Took Part in the Davos Forum

## Case QiaoYin's "@City" Appearing at CIFTIS

In June 2023, QiaoYin was invited to participate in the Special Environmental Service Exhibition of China International Fair for Trade in Services, exhibiting its latest achievements and technology applications in the field of environmental services. Based on the Service Trade Fair, a global platform for sharing business opportunities and promoting joint development, the Company will thoroughly implement the thought of ecological civilization, join hands with people from all walks of life to contribute to the national environmental undertakings. We will strive to create a "leading service brand for comprehensively improving the world's human settlement environment" to continuously satisfy people's pursuit of a wonderful life.



QiaoYin's Appearance at China International Fair for Trade in Services



Inspectors from the Department of Market System Development, the Ministry of Commerce Were Listening to the Company's Report on "@City" Full-domain Comprehensive Management Service Model

## Case QiaoYin's Appearance at the 2023 Annual Meeting of China Association of Urban Environmental Sanitation and CAUES EXPO

In October 2023, QiaoYin appeared at the Annual Meeting of China Association of Urban Environmental Sanitation and CAUES EXPO with the comprehensive urban management model and the achievements in digital intelligence innovations. At this exhibition, we shared our successful practical experience in comprehensive urban management with top enterprises of the industry. We will made concerted efforts to facilitate development of the digital smart city service industry, make urban management more scientific and delicate, and "witness" the new future of the cities together.



Display of the Intelligent "@City" Full-domain Comprehensive Management Model and Case on the Activity Site







## People-Oriented · Cultivation of QiaoYin's Talents

Being people-oriented concept, QiaoYin adheres to the enterprise spirit of "one army, one school, one family", and regards the high-quality development in human capital as the mainstay for its strategies. We constantly optimize our talent development strategies, employee training system, salary and welfare system, to enhance the employees' corporate cohesion and sense of identity.

### Corporate Actions

- QiaoYin Expeditionary Force
- QiaoYin Academy
- QiaoYin Family

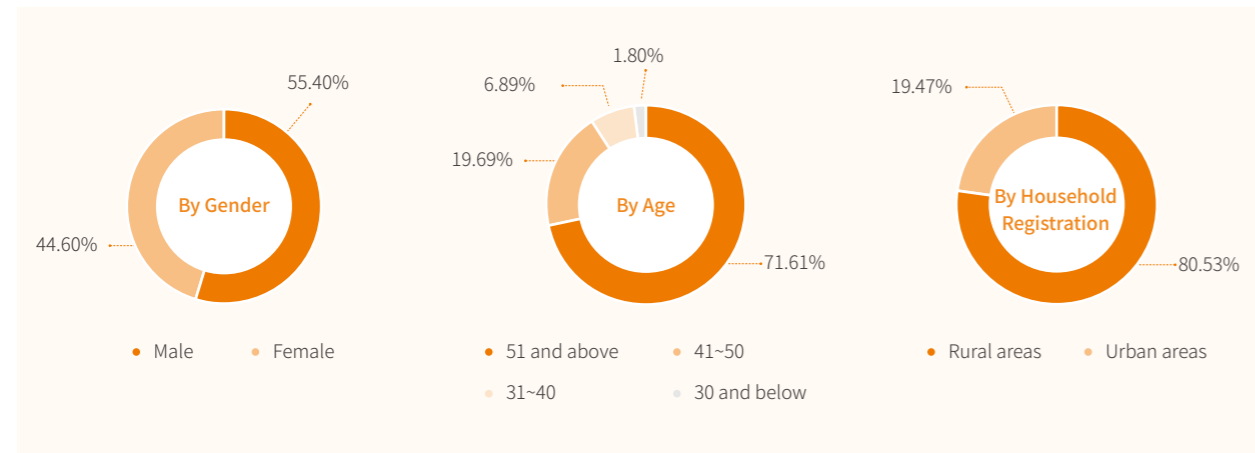


# QiaoYin Expeditionary Force

QiaoYin has always regarded talents as the core driving forces for its high-quality development, firmly believed in the "people-oriented" talent concept, aimed at creating a healthy, harmonious working environment, and provided the employees with a broad growth space and a platform for realizing self-worth. We create a community of shared future with our employees to facilitate our sustainable development.

## ► Hiring

Qiaoyin strictly adheres to relevant regulations such as the Labor Law and the Labor Contract Law, updating a series of recruitment documents including the Recruitment Management System and the Talent Referral Reward System, and updating 17 items of the human resources management system, continuously standardizing the recruitment process and expanding talent sources. At the same time, the Company prohibits child labor, opposes forced labor, advocates equal and diverse employment, and is committed to providing equal employment opportunities for the employees regardless of their race, complexion, ethnicity, age, gender, family background, religious belief, disability or pregnancy.



## Key Performance

During the reporting period, the Company had a total of

**54,854** employees

including

**235** retired soldiers

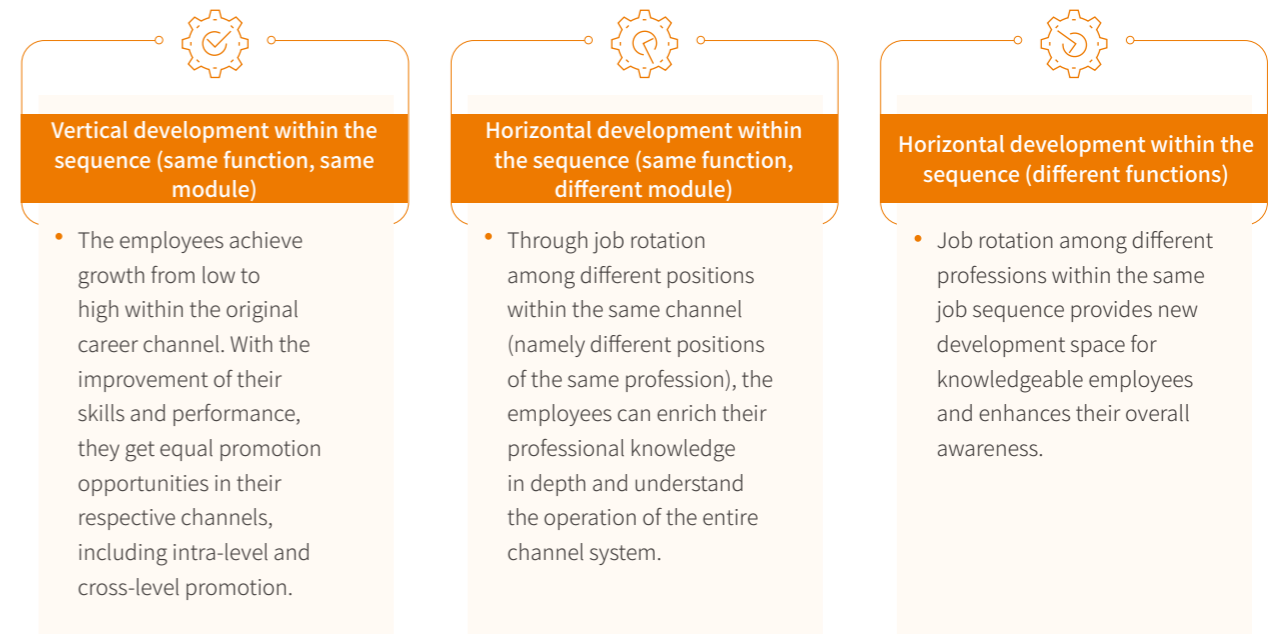
and

**100** % employees signed the labor contracts



## ► Career Development

To standardize its talent management, QiaoYin has updated its promotion management systems such as the *Employee Career Planning Management System*, *Rank System Management System*, *Market Staffing and Assessment Management System*, *Qualification Level Recognition and Assessment Management System for Project General Managers* and other promotion management systems as guidelines for the employees' career development. We also promote employee growth, maintain the stability of core talents, and implement delicacy management through tools such as "internal competition" and "talent inventory".



Career Development Paths



### Case Implemented a Position Rank Recognition System and Stimulated the Motivation for High-quality Development

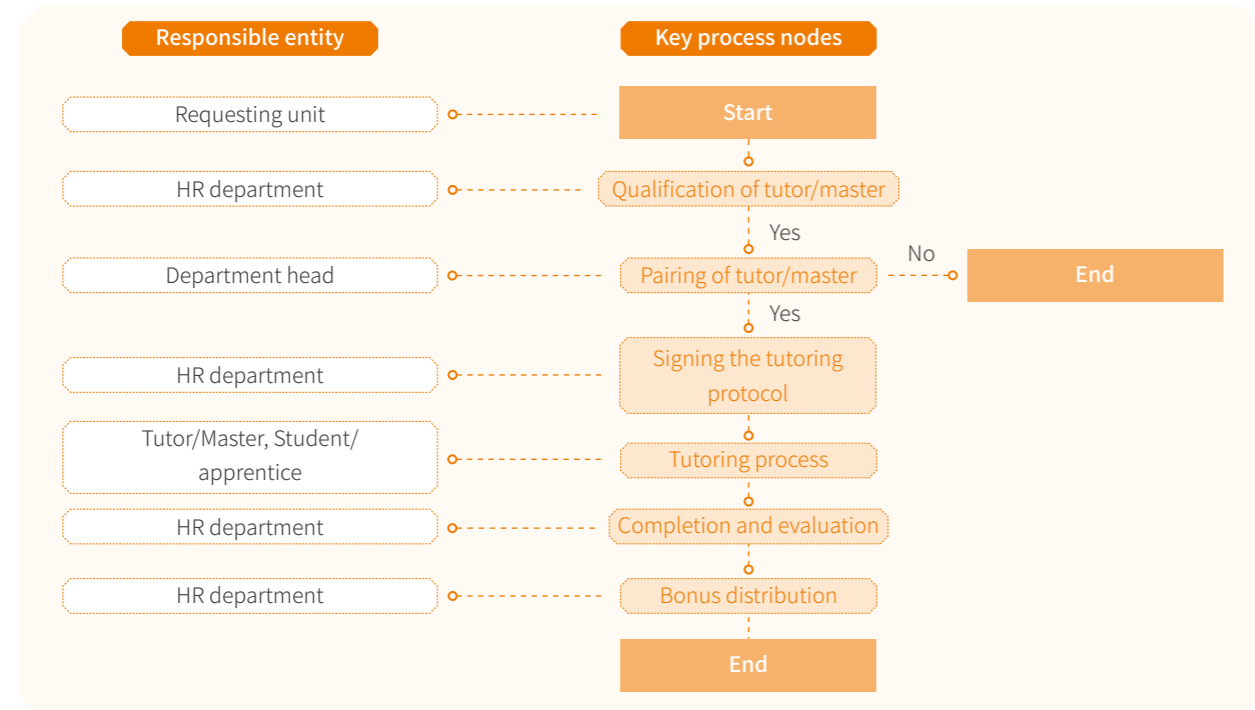
During the reporting period, the Company's first selection of "excellent fleet leaders" was performed as an important activity for implementing the position rank recognition system. 36 fleet leaders took part in this selection. After undergoing professional training and assessment, 9 fleet leaders finally became the first fleet managers, and received higher salaries as rewards. The Company will continue to carry out position rank recognition activities, establish a "junior-intermediate-senior" level system, and inject fresh impetus into the high-quality development of comprehensive urban management services.



Selection and Training of Excellent Fleet Leaders

### ► Talent Incentives

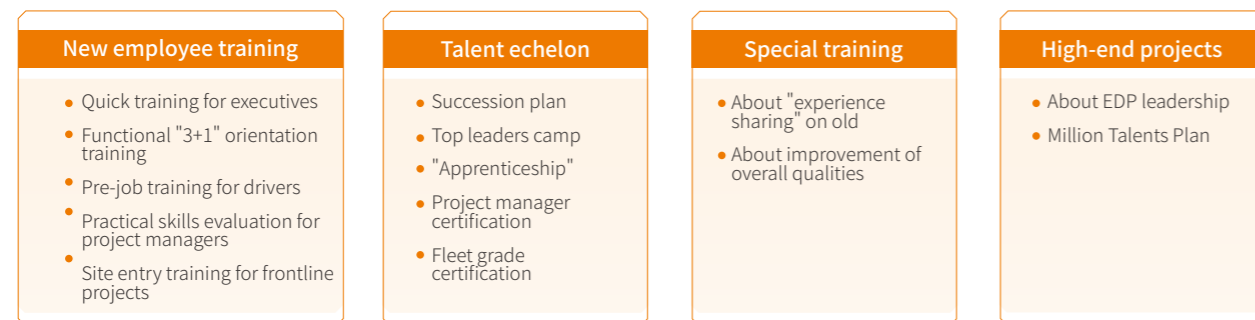
Committed to constructing a competitive incentive system, QiaoYin has formulated the Employee Reward and Punishment Management System, and Tutorship (Apprenticeship) Management and Incentive System to reinforce the incentive mechanism, for the purpose of attracting excellent talents and enhancing the employees' enthusiasm. Besides, we organically combine our talent development with our sustainable operations, draw up medium and long-term incentive plans, continuously improve our quality and efficiency, further enhance our high-quality development capabilities, and create a win-win situation with our employees.



Tutor/ Master coaching incentive process

## QiaoYin Academy

QiaoYin Academy, established by QiaoYin based on the enterprise spirit of "one school", aims to cultivate talents 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 while improving the employees' overall qualities in an all-round manner.



Training System

### Case Activity Named "Not to Be Irresolute" for Cultivating the Employees' Abilities to Face Difficulties

During the reporting period, to help all employees develop the professional habit of daring to expose problems and actively communicate, the Company carried out a series of cultural activities of around the theme of "Not to Be Irresolute". The thematic signs were hung up on the walls of office building and different project offices in the headquarters. We organized 18 employees for a reading and sharing session on the theme, and encouraged 2,879 employees to participate in the training to sign a letter of commitment, for the purpose of fostering the employees' abilities to tenaciously face difficulties and win victories, thus further laying a solid foundation for their high-quality development.



Signing the Letter of Commitment

Publicity on Walls

Reading and Sharing Session

### Case Conducting Emotion Management Training and Paying Attention to the Employees' Physical and Mental Health

In March 2023, to improve the grassroots project managers' abilities to resist and ease pressure under fierce competitions, the Company organized a training program on "strengthening and consolidating the foundation" for the management to teach the grassroots project managers emotional management and communication skills, face the difficulties and setbacks encountered in work and life with healthy, positive attitudes, and help the employees better establish interpersonal and family relationships in the workplaces. Through the emotion management training, the employees were stimulated to work positively, enhance their own qualities and teamwork skills, further improve service details and quality, and help the Company better serve the society and customers.



Site of the Emotion Management Training



### Case Organization of Fire Drills in the Company for Joint Construction of Safe Firewalls

The Company strictly protects fire safety and organizes drills periodically. In May 2023, the Company organized fire safety drills, and specially invited the staff of a fire rescue station to teach special knowledge. In order to popularize fire safety knowledge, increase the employees' awareness of fire safety, prevent fires, and guarantee life and property safety. A total of 505 employees participated in the training, which helped improve the employees' fire safety skills and tested the Company's resilience in case of fire.



Lecturing Site



Wearing of Gas Masks

### Case Organizing "Work Safety Month" to Deploy Defense Lines for High-quality Development

The Company has constantly promoted safety management in depth and in a steadfast manner, in an attempt to guarantee work safety. In June 2023, the Company organized the "Work Safety Month", held an oath mobilization meeting, actively invited representatives of the owners to participate, arranged safety jobs, to further improve our work safety management and effectively prevent different work safety incidents, thus further increasing all our employees' awareness of safety, and support our high-quality development in advanced safety management.



Oath Mobilization Meeting of "Work Safety Month"

## QiaoYin Family

To better attract and stabilize talents, QiaoYin has always observed relevant national laws and regulations when fully implementing the salary, benefit and diversified welfare systems for the employees. We attach importance to democratic communications. Committed to safeguarding the legitimate rights and interests of our employees, we actively perform different employee activities to create a fair, harmonious and motivating working environment.

### Compensations and Benefits

QiaoYin has established and improved the compensation and benefit system. We have constantly updated the Attendance Management System, Management System for Employment of the Disabled and Employee Insurances, other rules and regulations. On the premise of contributing the "five insurances and one housing provident fund" in compliance with corresponding rules, we scientifically plan the structure and standards based on the principle of sustainability, to guarantee equality and fairness of the compensations and benefits.



员工生日会

### Case Paying Childbirth Allowance for Creating Happiness

In May 2023, the Company released the Maternity Benefit Plan for Employees, promising to reimburse daily expenses for milk powder and diapers of the employees when their babies were 0 to 3 years old, bear the tuition of public kindergartens for the employees with a second child, and give the employees with a third child a one-time reward of RMB 100,000. As measured, our employees could cumulatively receive more than RMB 250,000 as internal rewards for having three consecutive children during their employment, including childcare subsidies and one-time childbirth rewards. In addition, the Company simultaneously held a donation ceremony to provide 100 grassroots working families with warm childbirth packages worthy of RMB 300,000, setting an example for the governments and enterprises to work together to build a childbirth-friendly society.



Press Conference for the Employee Childbirth Benefit System



Childbirth Benefit Plan for the Employees



Donation Ceremony of the Warm Childbirth Packages





During the reporting period

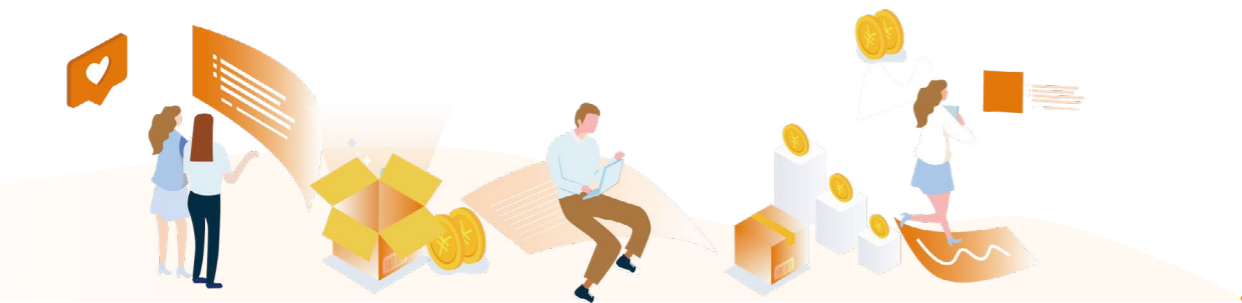
the Company provided disability insurance of RMB **90,000** for **454** disabled employees

Paid maternity subsidies of RMB **373,800** for **36** employees

Paid filial piety money of RMB **203,800** to **483** managers

Spent over RMB **12** million in buying the employer's liability insurance

Organized **12** birthday parties for the employees and **480** employees took part in the parties



During the reporting period

the Company organized **4** seminars for the new employees

and **151** employees participated in the seminars

A total of **118** employee representatives were elected

Democratic Rights and Interests

QiaoYin attaches great importance to the construction of a trade union. We uphold democratic communication, make our corporate affairs open, and safeguard the legitimate rights and interests of our employees. In accordance with the Trade Union Law and the Constitution of the All-China Federation of Trade Unions, the Company regulates and standardizes its management, implements the employee representative meeting system, and steadily improves the management. We continuously strengthen our democratic management measures, actively respond to our employees' concerns, build communication channels, organize symposiums for our new employees, communicate with our employees in a timely manner, and listen to their suggestions on a regular basis, to guarantee our smooth, timely and effective internal communications.



Seminar for the New Employees

Employee Activities

QiaoYin consistently advocates healthy life and happy work among the employees, and guides all employees to promote a healthy lifestyle. Committed to normalizing the employee sports, we procure all employees to actively "integrating sports into their life and work" on a daily basis, to enhance their physical fitness, keep physically healthy and remain optimistic, for the purpose of creating a healthy working atmosphere.

Case QiaoYin Won the Championship in a Basketball Match

To facilitate diverse sports events, in February 2023, Dongjie Street "QiaoYin Cup" three-person basketball match sponsored by the Company as a title sponsor was organized in Liwan District, Guangzhou. A total of 16 teams participated in this match. After fierce competition, our Revival Team beat the rivals in all six battles and won the first place. The Company has created the three-person basketball brand event as title sponsor, in an attempt to set a model for mass events led by the governments and managed by the Company with social involvement, to construct an advanced public service system for all people's bodybuilding.



Dongjie "QiaoYin Cup" Three-person Basketball Match

Case Supporting Smooth Progression of a Table Tennis Match and Carrying Forward the Spirit of Chinese Sports

In November 2023, the Company supported smooth progression of the 4th Guangdong-Hong Kong-Macau Greater Bay Area Urban Table Tennis Open Tournament, in order to promote the sportsmanship of being "higher, faster and stronger". A total of 24 teams registered for the competition. The QiaoYin Greater Bay Area Media Team sponsored by us successfully advanced to the knockout stage with the first place and won the sixth place in the final. The Company will take the successful support for this competition as an opportunity to continue to play roles in leading the high-quality development of urban service enterprises and inheriting Chinese sports culture.



Guangdong-Hong Kong-Macau Greater Bay Area Urban Table Tennis Open Tournament





# Community Communications

The Company attaches great importance to communications and interactions with the communities and fulfills its corporate social responsibilities. To continuously optimize the living environment of communities, we always remain open and transparent to actively listen to the voices of the communities, understand the needs and expectations of the residents and communities through in-depth communications, actively upgrade our "City Steward" model, and explore new paths to urban management to provide more considerate and accurate services.

## ► Project of Wulonggang Village

As a professional service provider for improving living environment, QiaoYin and Baiyun Public Assets Operation Co., Ltd. jointly established Qiaoyun Company to provide a full range of public services in Wulonggang Village, in order to optimize the living environment of Wulonggang Village. At present, there are 369 rental houses and 5,498 suites within the jurisdiction of Wulonggang Village, and the area under jurisdiction exceeded 100,000 square meters. The Company has successfully assisted the local government in taking a new path to high-quality urban delicacy management.

For the rental houses in Wulonggang Village, we have built a multi-functional and convenient one-stop service platform, covering all-round services such as property services, entrusted leasing and management, housekeeping needs, consultation and reception, unified rental negotiations, feedback, and business processing. Through these services, we have significantly improved the living standard and supporting community rental housing services. We comprehensively promoted the environmental improvement and governance of Wulonggang Village through delicacy management mode, mechanical combined operations and digital intelligent sanitation, creating a cleaner, more beautiful and livable community environment for the residents.





### Case Enjoying the Life in a New Community and Building the First Village-level Rental Housing Service Association in Baiyun District

The Company established Baiyun District's first rental housing association in Wulonggang Village, Zhongluotan Town, which symbolized the official operation of the first urban village rental housing service association established under the guidance of the government, led by state-owned enterprises, and supported by villages within the district. In Wulonggang Village, there is an enormous group of rental house owners and tenants. The houses are not only modern and simple in design, with appropriate space layout, but also contain fashionable and young elements, equipped with complete home appliances and furniture. It is particularly noteworthy that smart charging facilities for electric bicycles have also been introduced into the villages. Long-term chaos such as "charging at home" and "charging by flying wires" have been eliminated.

To further improve the living experience and supporting quality of the rental houses, the Company conducted a comprehensive inspection of 369 rental houses in the village, supervised and rectified the substandard rental houses. Besides, we issued "reliable rental housing" licenses to the first batch of member units that met the standards, and the rental housing businesses were conducted with the licenses shown throughout the village to further improve the comprehensive social governance. We continuously optimize the livable environment, improve our services, realize the overall planning of government governance, landlord profits, and tenant services, and facilitate a win-win situation for all parties.



Unveiling Ceremony of the Rental Housing Service Association in Wulonggang Village

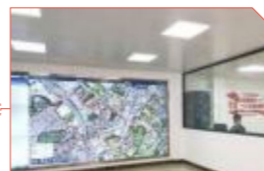
### Magang Project in Baiyun District, Guangzhou

In its first "@City" project, QiaoYin advocates city management services that integrate "grassroots red base + flexible governance + urban public services + micro-renovation + characteristic management + zero waste and low carbon." We conduct integrated strategic cooperation with the state-owned enterprises and the governments to jointly promote intensive centralized rental management of the rental houses in Magang Village, build an intelligent community, improve human settlement environment, improve supporting public facilities, and set Baiyun District as an example for full-domain comprehensive governance of an urban village.



Grassroots red base: Magang Culture Square

Assisted in upgrading Magang Culture Square into a red cultural base integrating Party building, propaganda and education.



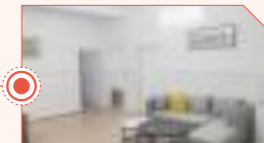
Flexible governance: Intelligent community management

Constructed Magang intelligent community management system and increased the coverage of intelligent infrastructure; improved the service capability of the intelligent community.



Service management: Property Service Center

Introduced a professional property management team to provide community-specific all-round property management services for Magang Community.



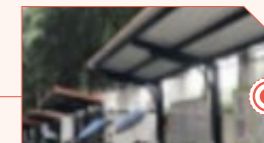
Micro-renovation: Sample room of rental house

Perform micro-renovation of the "urban village" and the rental houses like embroidery, to build a pocket park according to local conditions.



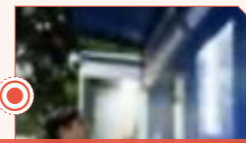
Characteristic management: housekeeping and property services

Cooperated with third-party professional companies to provide special business services covering housekeeping, leasing of rental houses and repair of household appliance repairs, etc.



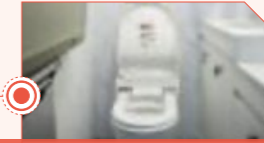
Wasteless and low carbon point 1: shared charging piles

Planned to build 12 centralized charging areas for motorcycles in Magang Village to prevent random parking and charging in the urban village.



Wasteless and low carbon point 2: Intelligent recycling cabinets

Properly put intelligent recycling cabinets in public areas of the village, to introduce the concept of environmental protection and low carbon into the urban village.



Wasteless and low carbon point 3: intelligent public toilet

Introduced new intelligent public toilets to solve the pain points of the urban village, including small quantity of public toilets and their high maintenance costs.



Unified hardware infrastructure to reduce energy consumption through concerted efforts.



Brought people warmth with convenient services and further improved lodging.



Performed unified replacement and inspection, and took preventive cautions.



Unified leasing and management for easing the governments' worries.



# Public Welfare and Charity

Always regarding public welfare undertakings as an important part of its development, QiaoYin is not only committed to providing high-quality products and services, but also actively fulfills its social responsibilities, pays attention to the harmonious development of the society. We have been focusing on environmental protection, donations to education, elderly care, etc. In different areas of people's livelihood, we strive to set an example for corporate citizens, demonstrate social value in multiple dimensions, take practical actions to eliminate worries and difficulties about people's livelihood, create benefits for the masses, and facilitate social prosperity and development.

## Case Donating Money to Promote Education and Benefiting Students with Love

The Company actively assists with rural revitalization and extends the achievements in poverty alleviation. In June 2023, QiaoYin Charity Foundation donated RMB 5 million to Enping Experimental Primary School in support of its construction, to vigorously drive development in local education. In April 2023, it donated RMB 200,000 to Simenqian Middle School in Shaoyang City, in order to further improve the teaching conditions of the school. As always, the Company has been organizing student aid activities, promoting rural revitalization, and helping more young people complete their studies and grow into pillars conducive to the construction of their hometown and the development of the country as soon as possible, so as to play more significant roles in realizing common prosperity.



Site of Donation Ceremony at Shimenqian Middle School in Shaoyang City



Donation Activity Site of QiaoYin Charity Foundation

## Case Care for the Elderly and Travel Together for Charity

In July 2023, QiaoYin Charity Foundation and Zhao Guangjun Life Hotline Association jointly performed the public welfare activity with the theme of "Care for the Elderly and Travel Together for Charity", in order to further carry forward the traditional Chinese virtues of "respecting, loving, respecting, and helping the elderly". More than 50 volunteers went to the community in Haizhu District to visit and console old Party members, the elderly living alone, the widowed and poor elderly, and disabled of 25 families. The Company will continue to carry out public welfare activities such as caring for the elderly and vulnerable, and make unremitting efforts to build a harmonious, beautiful home.



A Visit for Consoling the Elderly



## Case Supporting Study Tours on Environmental Protection and Low Carbon for the Concept of Environmental Protection to Take Root in People's Heart

In November 2023, the Company received an environmental protection team - Xiangyang Squadron of Wende Road Primary School to for a study tour, in order to improve the students' scientific, technological and cultural qualities and practical literacy. We carried out environmental protection and low carbon education through real-scene simulation, on-site experience and role playing in combination with science popularization. The tour guides and environmental protection science popularization explanation services inspired the environmental protection team to pay attention to and think about environmental protection, and help the students acquire related knowledge.



Study Tour on Environmental Protection

## Case Donating Clothes in Support of Tibet and Conveying Warmth

In December 2023, QiaoYin Charity Foundation entrusted Milin Middle School to distribute winter warm clothes (Tibetan clothes) worthy of RMB 50,000 to 250 students, in order to further support the student aid activities in Tibet. As headmaster and teacher of Milin Middle School in Linzhi City, Tibet Autonomous Region, Deji Zhuoga expressed heartfelt gratitude to QiaoYin Charity Foundation for its generous donation on behalf of the students. In the future, QiaoYin Charity Foundation will continue to assume the social responsibilities for promoting the high-quality development in regional education.



Donation Site of QiaoYin Charity Foundation

### Key Performance

The foundation donated  
**RMB 6,429** thousand in total





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# Reader Feedback



Dear Reader,

Thank you very much for taking time out of your busy schedule to read the 2023 Annual Social Responsibility Report of QiaoYin City Management Co., Ltd. In order to provide you and other stakeholders with more valuable information and effectively promote the Company's ability and level of fulfillment of ESG work, we sincerely look forward to your comments and suggestions.

## Choice Questions (please tick in the appropriate box)

1.What is your overall evaluation of this Report?

Very Good  Good  Medium  Relative Poor  Poor

2.How are the report responses and disclosures to stakeholder concerns?

Very Good  Good  Medium  Relative Poor  Poor

3.How do you think the Company is doing in terms of Corporate Governance?

Very Good  Good  Medium  Relative Poor  Poor

4.How do you think the Company is doing in terms of environmental responsibility?

Very Good  Good  Medium  Relative Poor  Poor

5.How do you think the Company is doing in terms of safety management?

Very Good  Good  Medium  Relative Poor  Poor

6.How do you think the Company is doing in terms of employee responsibility?

Very Good  Good  Medium  Relative Poor  Poor

7.How do you think the Company is doing in terms of community responsibility?

Very Good  Good  Medium  Relative Poor  Poor

8.Are the information, indicators and data disclosed in the Report clear, accurate and complete?

Very Good  Good  Medium  Relative Poor  Poor

9.Do you find the organization and layout of this Report easy to read?

Yes  No

## Open-ended Question

Do you have any comments or suggestions on the fulfillment of social responsibility by QiaoYin City Management Co., Ltd.?

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