



H World Group Limited 2023 Sustainability Report



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About This Report

This report is the *2023 Sustainability Report* (the "Report") published by H World Group Limited (the "Company"). The Report provides an overview of the environmental, social, and governance ("ESG") commitments, strategies, management efforts, and performance of the Company and its hotel brands. Unless otherwise stated, the Report covers the Company and its hotel brands.

Reporting Cycle

The Report is an annual report, covering the time period from January 1, 2023 to December 31, 2023 (the "Reporting Period"), and is the fourth ESG report published by the Company. The *2022 Sustainability Report* was published on May 31, 2023.

Reporting Standards

The Report was prepared based on the *Global Reporting Initiative Standards* ("GRI Standards") issued by the Global Sustainability Standards Board ("GSSB"), the *ESG Reporting Guide* (Appendix C2 to the Listing Rules) ("Listing Rules Appendix C2") published by Hong Kong Exchanges and Clearing Limited ("HKEX"), and Nasdaq's *ESG Reporting Guide*.

Data Explanation

The data used in the Report includes the statistical data of the Company and its brand hotels, as well as public data. Unless otherwise noted, all amounts shown in the Report are presented in Chinese yuan ("CNY").

Glossary

The Group, H World, Huazhu, we, us	refer(s) to	H World Group Limited and its hotel brands
The Company	refers to	H World Group Limited
Legacy DH	refers to	H World International and its subsidiaries
Legacy Huazhu	refers to	the Group excluding H World International

Language

The Report is published in simplified Chinese and English. If there is any discrepancy between two versions, the simplified Chinese version shall prevail.

Publication Method

The Report is published on the Company's website (<https://ir.hwworld.com/>).

Contact Information

If you have questions or suggestions about the Report or the ESG management of the Group, please contact us via email at ir@hwworld.com.

H World at a Glance

H World Group Limited (NASDAQ: HTHT; HKEX: 1179), is a globally recognized hotel group headquartered in Shanghai, China, with a business presence worldwide. Since our inception in 2005, H World has committed to the corporate philosophy of "Seeking Truth, Perfection, and Beauty" and the mission of "Better H World, Better Life." We focus on providing customers with high-quality and diverse accommodation and travel experiences.

H World has become one of the most fast-growing hotel groups in the World. According to the latest ranking of HOTELS 200 in 2022, H World has moved up to the sixth place.

Our hotels are operated under three different models: leased and owned, franchised, and franchised hotels that we manage under management contracts, which we refer to as "manachised."

- ▶ We expanded our hotel network from **7,830** hotels as of December 31, 2021 to **9,394** hotels as of December 31, 2023, representing a CAGR of **9.5%**.
- ▶ Including **691** leased and owned hotels and **8,703** manachised and franchised hotels, with an aggregate of **912,444** hotel rooms.

Brand Layout

In over a decade, leveraging consumer insights and continuous pursuit of excellence, H World has now grown into a hotel group that operates a portfolio of more than 20 distinct hotel brands, and offers customers with rich accommodation options with excellent quality.

We have entered into brand franchise agreements with Accor, and enjoy franchise rights in respect of brands such as Mercure Hotel, Ibis Hotel and Jaz in the City in various countries and regions around the world. As of December 31, 2023, we also operated ten other hotels, including other partner hotels and other hotel brands in Yongle Huazhu Hotel & Resort Group (excluding *Steigenberger Hotels & Resorts and Blossom House*).

We believe that our multi-brand strategy provides us with a competitive advantage to open more hotels in attractive markets, capture a wider range of customers with evolving lodging preferences and needs, thereby achieving greater economies of scale through shared platforms.

A key component of our marketing efforts is the H Rewards, our loyalty program, which covers all of our brands. We believe the H Rewards loyalty program allows us to build customer loyalty and conduct lower-cost, targeted marketing campaigns. As of December 31, 2023, we had more than 228 million members. In 2023, approximately 73% of our room nights were sold to our H Rewards members in Legacy Huazhu.



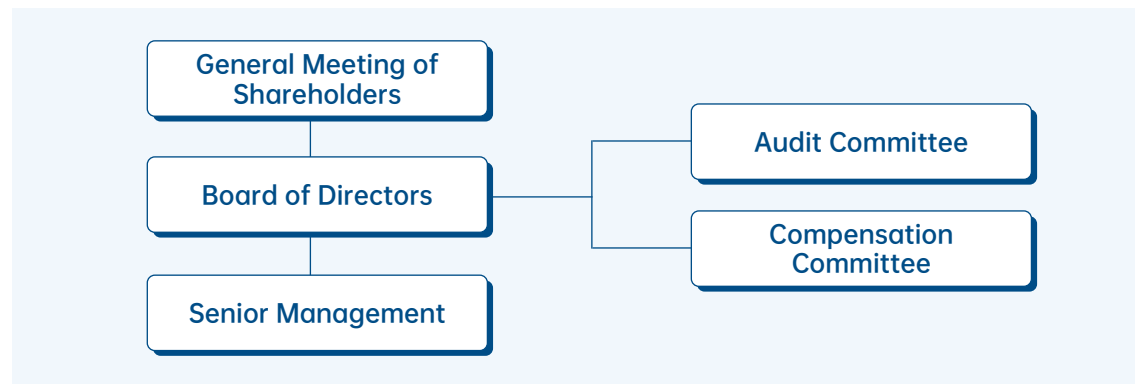
Corporate Governance

Good corporate governance is at the core of driving efficient operations and creating value for businesses. We strictly adhere to the *Company Law of the People's Republic of China* as well as relevant laws and regulations of the countries and regions where we operate. We are committed to building a governance framework that is scientifically standardized, with clear rights and responsibilities. Meanwhile, we continuously enhance internal systems and risk control management, and improve the risk awareness and prevention capabilities of our employees and partners through self-developed digital products, as well as training sessions.

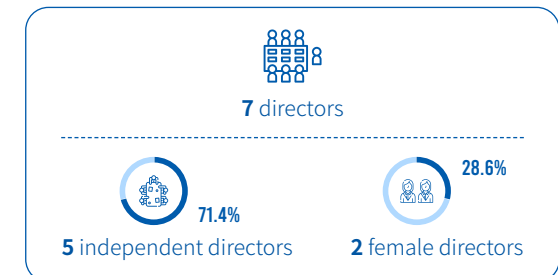
Governance Structure

The Group has established a standardized and scientific corporate governance framework, with the General Meeting of Shareholders, Board of Directors, and senior management as the main bodies, and has formulated and improved supporting management systems to realize the Company's strategic objectives and sustainable operation. The Board of Directors is responsible for leading and overseeing the business development and operations of the Group. The Audit Committee and Compensation Committee, under the Board of Directors, are responsible for reviewing relevant special matters while ensuring the compliance of decision making. The Audit Committee is responsible for supervising the reporting procedures of accounting and finance, as well as the financial statement audit of the Company. The Compensation Committee assists the Board of Directors in reviewing and approving the compensation structure of directors and senior management, ensuring the rational allocation of resources and scientific and efficient decision making.

Governance Structure of H World Group Limited



H World is committed to creating a diverse and efficient Board of Directors. We have formulated the *Board Diversity Policy*, which considers factors such as professional experience, educational background, length of service, age, gender, and cultural background when selecting board candidates. As of the end of the Reporting Period, the Board of Directors of the Company consisted of seven members, including 5 independent directors (accounting for approximately 71.4% of the Board), and 2 female directors (accounting for approximately 28.6% of the Board). Each director possesses a balanced combination of knowledge and skills in various fields, including hotel operations, business administration, law, economics, accounting, and more.



Risk Control

We continuously strengthen our risk control system, committed to effectively preventing various risks in business management. The Group has appointed a Chief Compliance Officer ("CCO"), who regularly reports risk control issues to the CEO and the Audit Committee, comprehensively overseeing the Company's internal control management. Meanwhile, the Internal Control and Audit Department is responsible for reviewing the effectiveness of the Company's internal control system and submits an annual internal audit report to the Board of Directors and the Audit Committee. During the Reporting Period, we formulated and implemented the *2023 Internal Control Compliance Management Inspection Standards*, systematically organizing and identifying the main risks in our business process, laying the foundation for risk management and response.

Additionally, to comply with the management requirements of the *Sarbanes-Oxley Act ("SOX")*, Legacy Huazhu regularly conducts internal audits covering all properties in China, optimizing and improving the existing process mechanisms based on audit findings. Legacy DH regularly develops audit plans and conducts internal audits through the annually sampling operational processes in properties and subsidiaries.

The Group combines audit expertise, verification experience, and big data analysis and has developed several products that empower the internal control. The products include "Hotel Internal Control Management Assistant (version 3.0)," which proactively alerts hotel managers to accounting anomalies, "Easy Control (Regional Manager Edition)," and the "Woodpecker Guard" online platform, which encourages employees to report daily operational issues of the hotel. During the Reporting Period, we launched "Easy Control (Franchisee Edition)," adding modules such as hotel revenue risk accounting alerts, reminders for bad debt risk, and risk warnings for weak internal control compliance. This helps franchisees enhance their income risk control capabilities while improving the Company's management efficiency over franchisees.

To further enhance employees' risk prevention awareness, we organize annual internal control compliance training. During the Reporting Period, the employee coverage rate for the Group-wide anti-corruption and internal control compliance training reached 100%. We also conducted 4 weeks internal control knowledge competition with the theme "Learn through Competition, and Act through Learning," which attracted over 820,000 times of participation. In addition, we have initiated legal risk education courses, aiming to enhance the risk prevention capabilities of managers at all levels, franchisees, and potential franchisees.



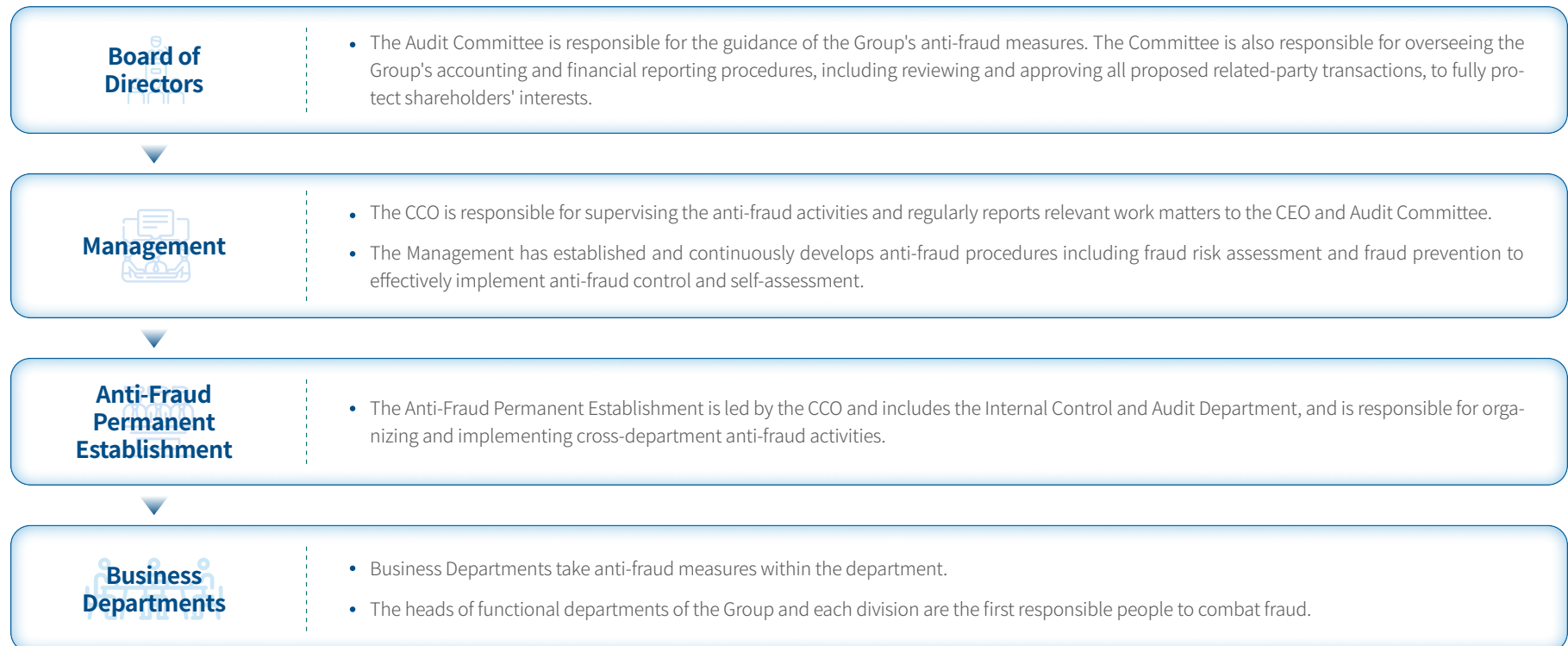
— Promotional Poster for the Internal Control Knowledge Competition —



Business Ethics







H World adheres to honest operations, upholds business ethics, and is always committed to establishing a business cooperation environment that is honest, clean, healthy, and transparent. We strictly comply with the relevant laws and regulations of the countries and regions where we operate, including but not limited to the *Anti-unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Anti-monopoly Law of the People's Republic of China*, and have established an efficient multi-level anti-fraud supervision and execution system. This system is overseen by the Audit Committee under the Board of Directors, in collaboration with the management, the permanent anti-fraud institution, and related business departments to ensure the practical implementation and enforcement of business ethics standards.

H World's Anti-fraud Supervision and Execution System



During the Reporting Period, we updated the *Code of Professional Ethics and Business Conduct*. The document has gone through the Company's internal democratic process and has been approved by the Board of Directors. All employees are required to strictly comply with the relevant provisions in their daily work and business activities, and to take it as the baseline for practicing business ethics. We have also detailed, in internal regulations such as the *Code of Business Conduct and Ethics*, the supervision methods and handling procedures for various types of corruption and fraud incidents, including commercial bribery, improper transfer of business interests, and financial embezzlement. By adhering to these regulations, we aim to continuously reduce operational risks and regulate business behavior. Additionally, to implement the concept of business ethics among employees, Legacy Huazhu requires all employees to fill out the *Anti-corruption Self-check Questionnaire* annually and to regularly engage in integrity self-reflection.

H World's Code of Business Conduct and Ethics

<p>Compliance with laws and regulations</p> 	<p>Integrity</p> 	<p>Avoiding conflicts of interest</p> 
<p>No bribes</p> 	<p>Information confidentiality</p> 	<p>Just, healthy and dignified work environment</p> 



Business Ethics Training Poster

To enhance employee awareness of business ethics, during the Reporting Period, we organized a series of training sessions related to business ethics and launched an annual learning event for all staff. Through the "H-Tone" Cloud Academy platform, we provided courses related to business ethics to all employees, further strengthening and clarifying the Group's requirements for ethical business behavior.

Additionally, in accordance with the management requirements of the *Sarbanes-Oxley Act*, the Group adopts a risk-oriented approach and conducts special audits on core business lines annually. During the Reporting Period, Legacy Huazhu conducted 12 special audits, covering contents related to anti-corruption and business ethics, such as checks on expense abuse and daily income violations. The percentage of properties covered by the inspection reached 100% under the "human-machine combined mode" both on site and remotely.

To create a fair and just cooperative environment, we have extended H World's business ethics code to our partners, requiring all franchisees and suppliers on the H World Easy Purchase platform to sign the *Sunshine Agreement*. During the Reporting Period, at three supplier conferences held in Beijing, Shenzhen, and Nanchang, Legacy Huazhu specially conducted business ethics promotion activities to further emphasize the importance of fair trading and integrity to partners, aiming to build a good market environment together. 1,118 suppliers and 119 franchisees participated in the promotion activities. Legacy DH requires all suppliers to sign the *Supplier and Business Partner Code of Conduct*, demanding that partners adhere to business ethics.

We encourage internal and external stakeholders to monitor the Group's adherence to and practice of business ethics. The Group has set up a public reporting channel for whistleblowers to report improper behavior by employees or partners of H World through email (jubao@hworld.com), letters and communication by letter or in person with the designated individuals of the Internal Control and Audit Department, etc. Legacy DH has also established and strictly implemented the *Whistleblower Policy* to encourage employees actively provide feedback on behavior that violates business ethics. We also scrupulously protect the privacy of whistleblowers and prohibit any form of illegal discrimination or retaliation. Any employee who illegally discloses the information of whistleblowers or engages in retribution against whistleblowers will be dismissed of their duties. Those who violate the law will be transferred to the judicial body.

We have joined the Sunshine Integrity Alliance and the China Enterprise Anti-fraud Alliance, serving as a board member of the latter. Through innovative cooperation and shared governance, we are committed to working with other enterprises to strengthen the capacity for anti-fraud and anti-corruption business ethics, contributing H World's strength to creating an honest business environment.



— H World's Board of Membership in the China Enterprise Anti-fraud Alliance —



01 Strengthening ESG Governance through Responsibility and Collaboration

- Long-term Strategies for and Commitments to Sustainable Development
- ESG Governance Structure
- Communication with Stakeholders
- Materiality Assessment
- Response to UN SDGs



A clear and effective ESG governance structure is an important prerequisite for advancing the implementation of corporate ESG strategies. H World attaches great importance to ESG governance and has established a top-down three-tier ESG governance structure by integrating ESG strategies into corporate operations. At the same time, we actively communicate with internal and external stakeholders to promote the Group's high-quality and sustainable development.

Long-term Strategies for and Commitments to Sustainable Development

We have always adhered to the corporate mission of "Better H World, Better Life," adhering to the development strategy of "Sustainable Quality Growth," while focusing on communication and exchange with guests, employees, franchisees and owners, suppliers and other partners. Taking into account the global leading practices, the actual business situation of the Group, as well as the requirements and expectations of various stakeholders, we identified five sustainable development directions for H World in 2022, namely guest satisfaction, employee happiness, environmental improvement, win-win partnership and governance excellence. We will take this opportunity to work with all parties to develop sustainable business, and build a more environmentally friendly, socially responsible and economically sustainable ecosystem in the hotel industry.

Long-term Strategy: Working together for a thriving ecosystem and sustainable future

Strategic Directions and Commitments



Guest Satisfaction

1. Continuously enhance guest satisfaction by consistently providing a safe, healthy, convenient, and comfortable staying experience
2. Safeguard guest privacy and personal data while continuously improving the information security system
3. Promote sustainability awareness among guests and guide them in selecting environmentally friendly service options



Employee Happiness

1. Foster harmonious employment relationships and safeguard the rights and interests of frontline employees
2. Emphasize employee growth and development, empowering them to fulfill their potential through a robust training system
3. Offer competitive salaries and benefits, and cultivate a diverse, equitable and inclusive workplace



Environment Improvement

1. Promote "modular transformation" in construction, increase the use of eco-friendly materials, and embrace innovative green design concepts
2. Continuously improve sustainable practices for quality growth, optimize the efficiency of energy and water resource utilization, and reduce waste and carbon emissions
3. Provide diverse and personalized low-carbon accommodation options and green service models



Win-win Partnership

1. Conduct procurement responsibly, establish sustainable procurement management goals and guide suppliers toward sustainable development
2. Support the underprivileged in local communities and actively engage in social welfare activities
3. Foster cooperative and mutually beneficial relationships with suppliers, franchisees, owners, and other stakeholders to collectively build an efficient and sustainable industry ecosystem



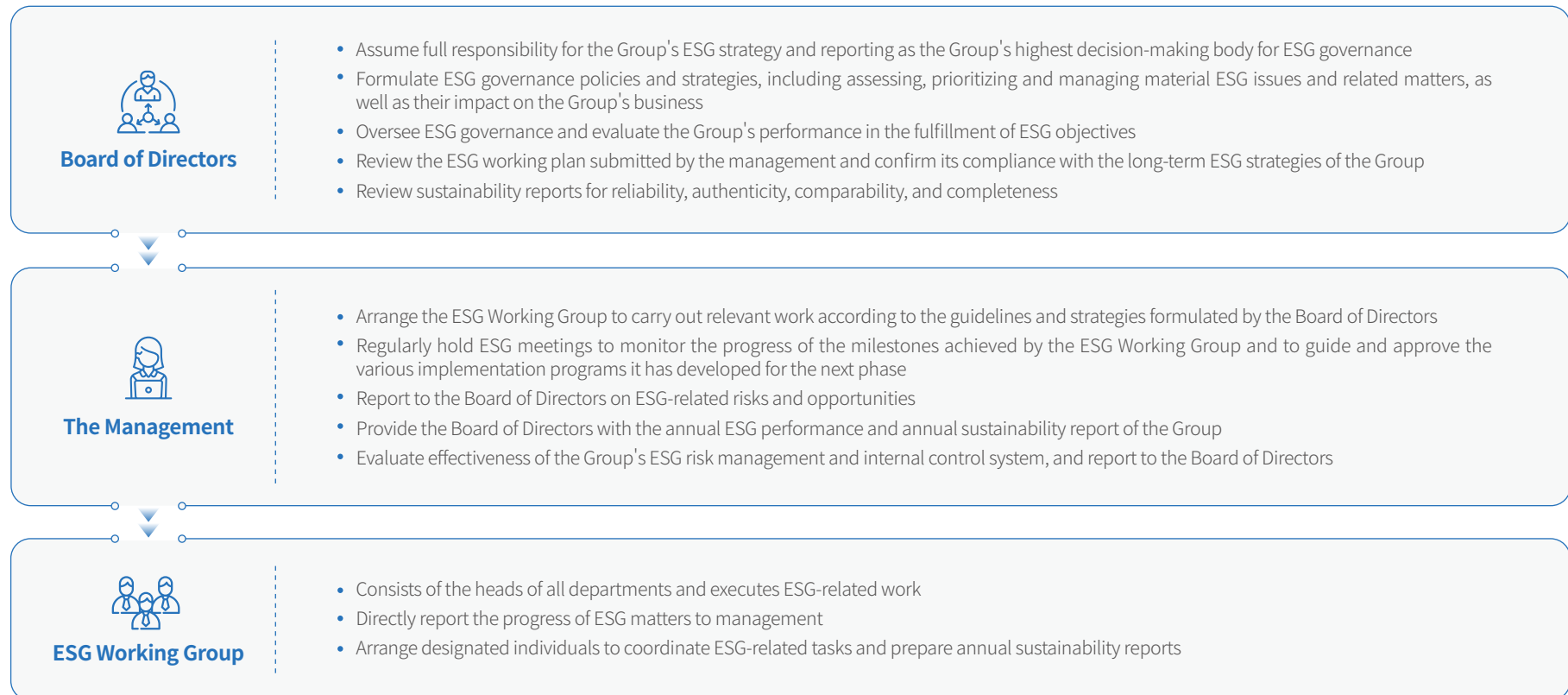
Governance Excellence

1. Establish a robust corporate governance structure with clear roles and responsibilities, efficient operations, and integrity
2. Take proactive precautions against various business risks and uphold principles of prudent operations
3. Achieve sustainable quality growth and provide stable returns to investors and stakeholders

ESG Governance Structure

We maintain a three-level governance structure, comprising the Board of Directors, the management, and the ESG Working Group. Each level has its well-defined ESG functions. We engage external experts to provide ESG training on an annual basis, and strive to enhance the level of our ESG management.

During the Reporting Period, the management of H World held a total of four ESG discussion meetings to regularly monitor the progress achieved by the ESG Working Group, and to guide and approve the various implementation programs developed by the ESG Working Group for the following phase.



Communication with Stakeholders

By establishing communication mechanisms with different stakeholders, we listen to and understand their requirements and expectations, giving responses in a timely manner. The stakeholders we have identified mainly include government and regulatory authorities, shareholders and investors, employees, customers, suppliers and partners and communities.

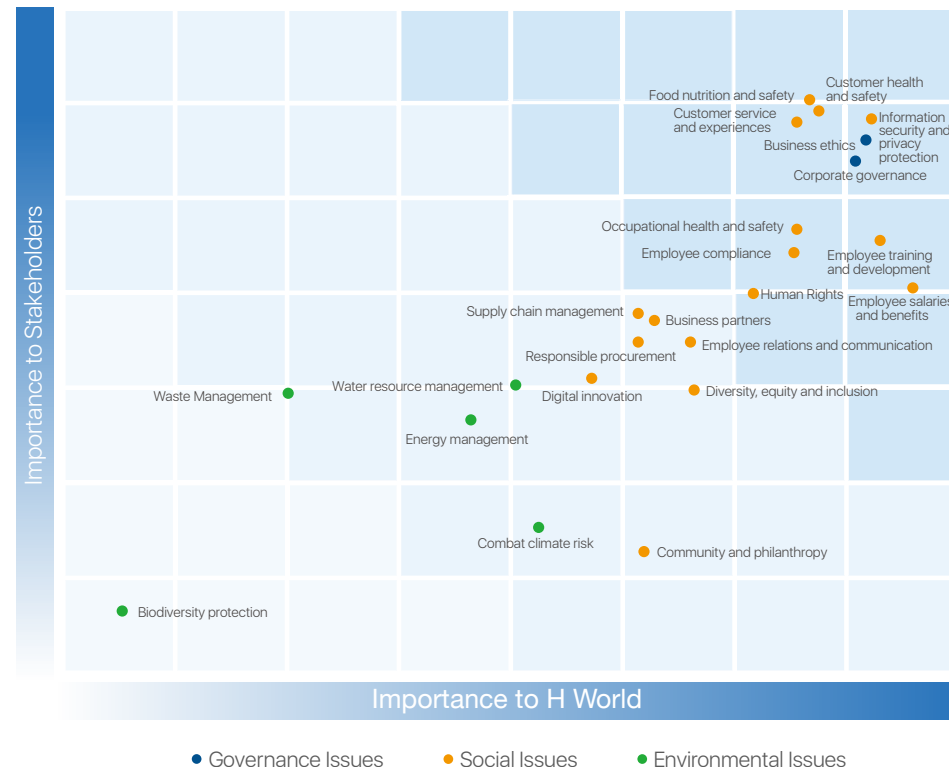
Stakeholders	Government and regulatory authorities	Shareholders and investors	Employees	Customers	Suppliers and partners	Communities
Requirements and expectations	<ul style="list-style-type: none"> Compliance operations Tax payment Drive the sustainable growth of the industry 	<ul style="list-style-type: none"> Compliance operations Return on investment Information disclosure 	<ul style="list-style-type: none"> Safeguard employee rights and interests Career development channels Staff ability development Healthy and safe working environment 	<ul style="list-style-type: none"> Protect customer rights and interests Provide excellent services Protect customer privacy 	<ul style="list-style-type: none"> Honest fulfillment of obligations Cooperation Fair and transparent procurement 	<ul style="list-style-type: none"> Promote employment Charitable activities
Response channels	<ul style="list-style-type: none"> Compliance management Proactive tax payment Implement national policies Risk analysis report Timely report adverse events 	<ul style="list-style-type: none"> General Meeting of Shareholders Annual Report, Interim Report, and announcements Investor meetings 	<ul style="list-style-type: none"> Employee satisfaction reports Regular meetings and training Intranet 	<ul style="list-style-type: none"> Satisfaction survey Service hotline and email H Rewards APP Third-party customer feedback 	<ul style="list-style-type: none"> Daily management and communication Training and empowerment Supplier conference Review and assessment 	<ul style="list-style-type: none"> News and reports Public welfare activities
Communication frequency	Multiple times a year	Multiple times a year	Multiple times a month	Multiple times a month	Multiple times a year	Multiple times a year

Materiality Assessment

H World conducts materiality assessment on a regular basis to analyze each ESG issue's impact on the Group's business development, and uses the assessment results as an important reference for the Group's formulation and optimization of ESG development plans. Taking into account the characteristics of the industry, as well as relevant guidelines, we conduct a systematic assessment of each ESG issue, and generate a materiality assessment matrix based on the results.









During the Reporting Period, the Group conducted review on the ESG issues and assessment results. As there are no significant changes in the Group's business and external environment, we decide to follow the assessment results of 2022, and the materiality matrix is as follow:



Response to UN SDGs

UN SDGs	Report Sections	Our Actions
	6.1 Committed to Public Welfare	· Continue to build JI ecological farm, promote the direct supply chain from the source, expand the market for agricultural products, and help farmers increase their income.
	2.1 Strengthening Safety Assurance 3.4 Safeguarding Physical and Mental Health	· Provide hygienic food and clean living environment for guests to prevent disease transmission. · Protect the occupational health of employees through safety training, annual physical examinations, setting up Employee Assistance Program, and organizing health lectures.
	6.1 Committed to Public Welfare	· Through the "Shanghai HanTing Social Welfare Foundation," we aim to improve the educational conditions of students in remote areas and provide long-term support for the development of rural education. · Empower rural teachers by fostering Town-Village Connectivity to improve the quality of local education.
	3.1 Equity, Diversity, and Inclusion	· Encourage women to utilize their potential and management skills. As of the end of the Reporting Period, the number of female property managers at Legacy Huazhu reached 5,007, accounting for more than 58%.
	5.1.2 Practicing Green Operation	· When selecting properties, we prioritize buildings with existing reclaimed water systems under equal conditions. · Legacy Huazhu added instant heating faucets to hotel construction standards, which can not only reduce guests' waiting time for hot water, but also effectively prevent waste of water resources.
	5.1. Commitment to Green Development	· By the end of the Reporting Period, hotels in Legacy Huazhu network are 100% equipped with LED energy-saving lights. · Over 30% of our leased and owned properties are equipped with air source heat pumps, and nearly 10% have adopted solar water heating systems.
	3.2.1 Salaries and Benefits 6.1 Committed to Public Welfare	· Develop market competitive salary and benefits and performance assessment system to stimulate the enthusiasm of employees and self-improvement motivation. · Open up stable agricultural product market to support rural revitalization, further promoting local economic growth.

UN SDGs	Report Sections	Our Actions
	3.1 Equity, Diversity, and Inclusion 6.1 Committed to Public Welfare	<ul style="list-style-type: none"> · We proactively promote internal cultural integration, and have specifically established a Diverse Horizon Initiatives Workgroup. · Facing the talent needs of different positions, we have launched a series of recruitment programs with H World characteristics to plan for future talent reserves. · Donate to special education schools to empower disadvantaged groups in arts education and promote their integration into society.
	6.2 Warmth and Love in the Community	<ul style="list-style-type: none"> · Collaborate closely with the local communities where we operate. Regularly organize our staff to participate in volunteer activities, and provide assistance to the community within our capabilities.
	5.1.2 Practicing Green Operation	<ul style="list-style-type: none"> · Keep on strengthening energy management, as well as promoting energy-conservation renovation. · Proactively introduce renewable energy so as to improve our energy performance and energy structure. · Reduce consumables' carbon footprint by developing alternative materials and using recycled plastics.
	5.2 Combating Climate Change	<ul style="list-style-type: none"> · Legacy DH has already set up the "2050 Climate Neutral" goal. · Legacy Huazhu is continuously expanding the scope of greenhouse data collection for franchisees and other Scope 3 categories, laying the foundation for further strengthening greenhouse gas emission management.
	1 Strengthening ESG Governance through Responsibility and Collaboration Business Ethics	<ul style="list-style-type: none"> · We have identified five major directions of sustainable development, namely: guest satisfaction, employee happiness, environmental improvement, win-win partnership, and governance excellence, and are continuously strengthening our ESG governance. · Continuously raise awareness of business ethics within and outside the Group through training and promotion, and strive to create a clean business environment.
	4.3 Building an Industry Ecosystem	<ul style="list-style-type: none"> · By strengthening the synergistic effect between franchisees, suppliers, and universities, promote the efficient development of the Huazhu ecosystem, and thereby lead to the overall improvement and advancement of the Chinese hotel industry.

02 Ensuring Guest Satisfaction with Perfection and Beauty

- Strengthening Safety Assurance
- Quality Guest Experience
- Customer Satisfaction Loop
- Enhancing Digital Empowerment
- Protection of Intellectual Property



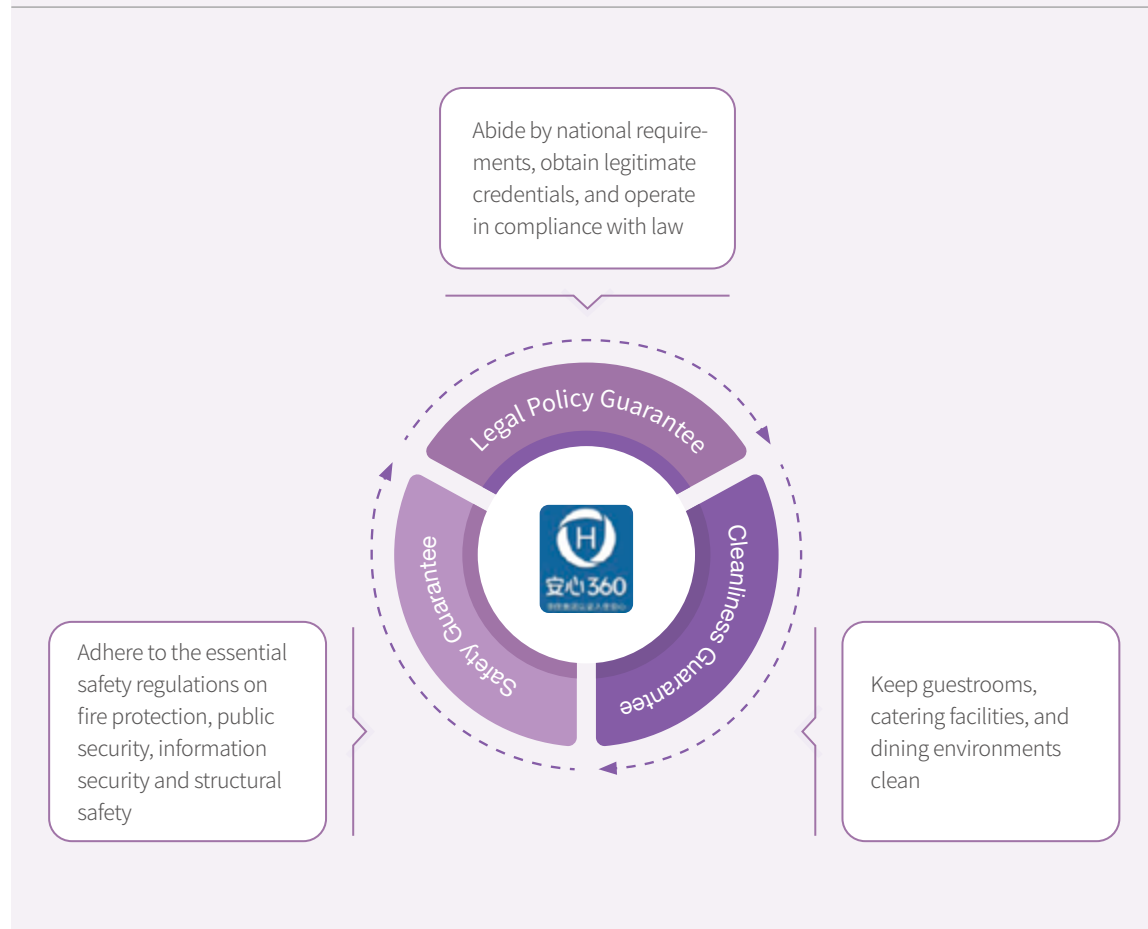
H World makes "Better H World, Better Life" one of its corporate missions. To fulfill this mission, the Group is committed to establishing a comprehensive safety guarantee for guests and providing perfect brand-specific services and experience based on this foundation. In addition, we continuously optimize our self-developed digital management system to pursue innovation and high-quality services, aiming to provide guests with a secure and comfortable journey, while also laying a solid foundation for continuously improving guest satisfaction.

Strengthening Safety Assurance

We fully recognize the significant responsibility that H World bears as a caretaker during guests' journey of rest and relaxation. The Group strictly adheres to the laws and regulations of the countries and regions where it operates, such as the *Safety Production Law of the People's Republic of China*, *Fire Law of the People's Republic of China*, *Hotel Industry Security Management Regulations*, and *Regulations on the Administration of Sanitation in Public Places*. We rigorously enforce fire safety and public security measures, and thoroughly ensure food safety and the privacy and data security of our guests.

Legacy Huazhu has established the "Comfort 360" standards based on indicators such as fire safety, public security prevention, information security, room hygiene, and food safety, requiring properties to be managed according to the standards and assessed annually. Hotels that pass all assessment items will be designated as "Comfort 360" hotels and will receive the "Comfort 360" badge on H World's official booking channels. During the Reporting Period, Legacy Huazhu optimized and raised the standards of the original 28 guest safety indicators included in the "Comfort 360" framework to ensure the continuous improvement of safety management levels at its properties.

"Comfort 360" Assessment



Guest Safety Management

To protect every guest's safety during their stay, we continuously improve our safety management framework and processes, enhancing the safety management capabilities of our properties. At the Group level, we have established a Safety Assurance Committee led directly by the CEO, with clear responsibilities and defined roles. The committee is primarily responsible for coordinating the overall safety work planning of the Group and making decisions on major safety issues. Additionally, this committee serves as a platform to promote coordination and cooperative mechanisms among various safety departments internally.

In supporting front-line property safety operations, we adopt a three-tier safety operation system from the Group down to regions/business divisions and finally to properties. The system helps us effectively implement and carry out daily safety management work, as well as handle crisis events in a timely manner. Each safety-related leader must sign the *Safety Commitment Letter* and fulfill their responsibilities. With system regulation, daily operational management, internal and external resource linkage, emergency management, and digital empowerment as the five major approaches, H World continuously strengthens its safety management work, wholeheartedly ensuring guest safety.



In terms of safety operation standards, we have established standards that meet or exceed national legal policies, and continuously refine various management norms according to product design and operational characteristics. The Group has established internal systems such as the *H World Safety Management Manual* and *Safety Accident Contingency Plan of H World Group's Properties*, clearly guiding and stipulating the handling processes for various safety incidents, including injuries, disturbances, intimidations, fires and structural safety concerns, among others to ensure safety incidents are prevented in advance or handled properly and promptly.



In the process of hotel operations, guest safety is an overarching matter. From the early stages of hotel construction, security management is considered. For example, we put emphasis on the linkage of fire alarms and ensure that the front desk is staffed 24 hours a day to promptly receive any alarm signals. During the operational phase, we regularly conduct equipment inspections and maintenance and conduct regular safety inspections to promptly eliminate safety hazards. In addition, we view the enhancement of employee safety awareness as fundamental to optimizing the level of safety management. We conduct fire safety promotion and fire safety knowledge assessments for all employees every six months. We have also formed a volunteer fire brigade and regularly conduct drills.



H World emphasizes internal and external coordination, actively mobilizing professional resources to build a safety assurance ecosystem. Internally, Legacy Huazhu provides professional online and offline safety experts for property guidance. Externally, Legacy Huazhu effectively links with police, firefighting, internet information, and other professional resources, inviting external experts to guide and assist in properties. By fully integrating internal and external resources, we continuously enhance the overall safety assurance capacity of the Group, comprehensively ensuring guest safety during their stay.



With crisis management in mind, Legacy Huazhu manages various property crises in a closed-loop manner. It has issued 53 crisis scenario emergency plans to help frontline property staff respond quickly. We have also set up an accident reporting system in the internal communication software. We back up accident emergency plans online, enabling employees to communicate and receive support on relevant issues in a timely manner. This allows for swift responses to various crises.



We empower daily property management through the digital management tools "Easy Public Security" and "Easy Safety." "Easy Public Security" enables compliant direct connections of hotel operations, enhancing the linkage with external public security systems and strengthening the integrated public security monitoring model of technical and human defenses. "Easy Safety" includes the "Easy Inspection" tool, an intelligent mobile inspection system that helps properties digitalize the inspection process.



Food Safety Management

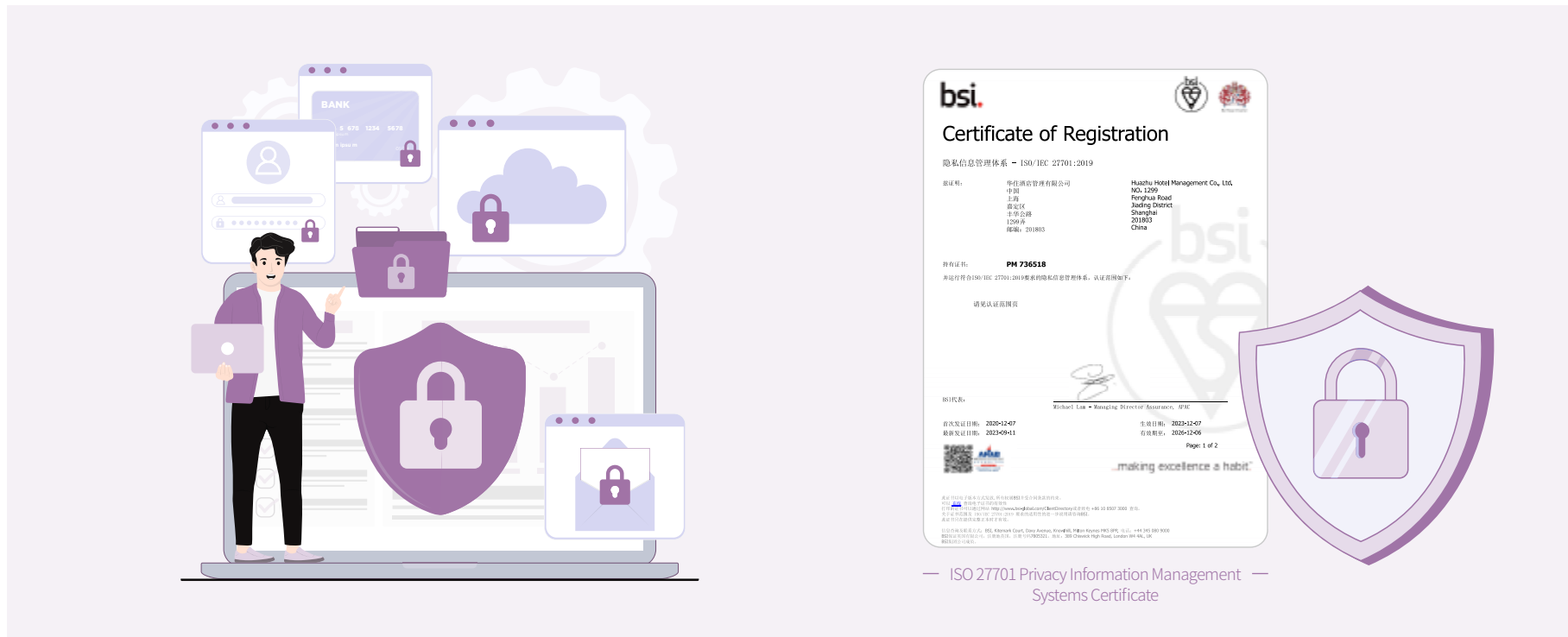
H World has always been committed to safeguarding the food safety and health of our guests. We strictly comply with the food safety laws and regulations of the countries and regions where we operate, including but not limited to the *Food Safety Law of the People's Republic of China*, and we continue to optimize our food safety management system to safeguard the nutrition and safety of food in all processes.

At the food procurement stage, Legacy Huazhu has formulated and complied with internal systems such as the *H World Easy Purchase Food Management Regulations*, which requires food suppliers to provide relevant qualifications and the conformity report of food tests at the application stage. Legacy Huazhu carries out random product quality inspections to ensure the safety and reliability of purchased ingredients. Legacy DH has formulated the *Purchasing Code*, detailing the vendor requirements for each food category. For example, large-scale suppliers are required to have the International Food Standard (IFS) certification, and small-scale suppliers must go through Hazard Analysis and Critical Control Point (HACCP) audit.

In our daily operations, we enforce the requirement for our kitchens to strictly manage and clearly record Critical Control Points (CCP) to ensure food traceability, and Legacy Huazhu invites third-party organizations to carry out food safety assessments of catering kitchens from time to time and follow up on corrective actions in a timely manner. During the Reporting Period, Legacy Huazhu also organized a number of food safety training activities both online and offline, covering food preservation, sterilization of cutlery and tools, and other operational practices for food safety assurance. At the same time, we have also conducted in-depth promotion on the assessment criteria and inspection methods related to food and beverage in the "Comfort 360" assessment standards, with the aim of ensuring that every hotel manager fully understands and complies with the relevant standards. Legacy DH requires its hotels to work with reference to the relevant requirements of the ISO 22000 Food Safety Management System, and carry out HACCP assessments during food production, processing, handling and subsequent service, and to invite third-party organizations to conduct biannual audits according to the HACCP system, so as to build a solid barrier for high-level food safety management.

Privacy Safety Protection

H World regards the protection of guest privacy as an essential duty and has obtained ISO 27701 Privacy Information Management Systems Certification, respecting and strictly guarding guest privacy rights. We have published the [H World Data Protection Charter](#) and [H Rewards Personal Member Privacy Statement](#) on our official website and H Rewards APP, clarifying the general principles followed when collecting, using, and sharing guest personal information. Moreover, we explicitly require employees not to query, use, or provide guest information to others for non-compliant purposes, and conduct monthly checks, making every effort to ensure that guest privacy is fully protected.





Quality Guest Experience

H World aims to create unique, high-quality services, striving to provide satisfactory accommodation experience for every guest. Brands under the Group launch brand-specific services and innovative experience services based on their brand characteristics to better align with the travel preferences of different guests. We carefully observe guest needs, providing comfort and care throughout their journey.

Brand-specific Services

H World launches characteristic brand services tailored to the properties of its hotel brands. During the Reporting Period, we launched the JI Hotel 5.0 and Orange Hotel 3.0, presenting a new chapter of the brands amid tea culture and the glow of orange sunshine. IntercityHotel draws inspiration from German efficiency, providing business travelers with streamlined, high-quality travel experience. From tea aroma to orange fragrance, from oriental culture to international business, we are dedicated to creating multi-dimensional brand scenarios, ensuring every guest enjoys comfort and convenience and experiences a high-quality accommodation environment.



JI Hotel 5.0: Persisting in Tailoring Products and Service Experience for Chinese People, Creating A New Benchmark for Mid-scale Hotels

JI Hotel 5.0, with its relaxed humanistic charm, showcases the aesthetic revival of a new generation of Chinese people. The hazy, reserved visual experience, humanistic artistic works, pleasant Zen tea fragrance, and natural music diminish the commercial atmosphere of the space, allowing every guest to return to an initial, comfortable state upon entering JI Hotel. The new "Tea Space" selects quality teas from different tea-producing areas, paired with traditionally handmade tea snacks. It serves hotel guests by providing a more dignified and private business negotiation space and offers more people in the vicinity an area for work, gathering, and leisure.



JI Hotel 5.0: "Tea Space"



Orange Hotel 3.0: Leading A Healthy and Sunny Lifestyle

Orange Hotel 3.0 advocates for a "happy life" that is healthy and sustainable, leading guests to experience a vibrant and sunny lifestyle. Starting from "happy eating," "happy living," and "happy traveling," it creates three breakfast zones: the Carbohydrate Happiness Zone, the Bread and Coffee Zone, and the Low-fat Health Zone, meeting guests' different dietary habits. With unlimited fresh oranges, orange gummies, orange fragrance, and sweet orange natural essential oil toiletries, it creates a sunny experience centered on "orange" as a memory focus. Services like 24-hour running rooms and city running maps encourage guests to move and embrace health and vitality.



Orange Hotel Breakfast Zones



IntercityHotel Focuses on Business-friendly Services

IntercityHotel incorporates efficient, high-quality, and minimalist German design elements. Each IntercityHotel enjoys a superior location, adopts cutting-edge smart design, and selects high-quality supporting facilities. The guest rooms use Bauhaus design elements, created with a refined minimalist philosophy. The hotel provides a dedicated toolbox for business guests, including eyeglass cleaning wipes, clothing sorting bags, office supplies, various quick-charge devices, thoughtfully and practically meeting business travel needs. Various convenient and practical spaces are provided for shared office and meetings, making the business travel experience smooth and seamless.



Multi-functional Meeting Room



Business Toolkit



Bauhaus-style Guest Room

Creative Experience Services

We actively explore guest travel preferences, carefully crafting a series of creative experience services for guests. We have developed pet-friendly and marathon-friendly hotel operating models, providing more thoughtful services for guests with special needs. In addition, we combine different travel environments to provide guests with new differentiated accommodation experiences, such as the "Blossom House Day" project launched by Blossom House, organizing regionally characteristic experience activities tailored to local natural environments and folk traditions, bringing guests a diverse range of cultural and leisure experiences.



Blossom House: Pet-friendly Hotel

As pet ownership continues to expand in China, pets have become essential members of many families. Blossom House deeply cultivates the pet-friendly hotel operating model, fully implementing standards for pet-friendly hotel facilities, services, and staff training, and promoting the construction of a pet-friendly hotel ecosystem. Upon check-in, pets receive a gift pack. The hotel specially sets up pet rooms, outdoor pet playgrounds, pet restaurants, and pet breakfasts. Pet cleaning bags are also provided everywhere. Before pet check-in, the pet butler uses a stress-relief tool 24 hours in advance, placing simulated natural cat and dog pheromones in the hotel room to help pets settle in. After pets leave, a customized "one service, one replacement, three disinfections" room cleaning standard operating procedure is executed to ensure high standards of cleanliness in pet-friendly rooms. In addition, Blossom House conducts various pet social activities, including fashionable pet tie-dye runway shows, pet-friendly yoga, and more.



Blossom House Pet-friendly Hotel Room



Orange Hotel: Marathon-friendly Hotel

According to the 2023 China Road Running Events Blue Book published by the Chinese Athletics Association, a total of 699 road running events were held nationwide in 2023, with a total participation of 6,051,900 times, and certified events were held in 31 provinces. More and more people are hitting the track, enjoying the happiness brought by endorphins. With the increasing running craze, Orange Hotel, which advocates a "happy life" with a healthy and sunny lifestyle, took the lead in launching marathon-friendly hotels. Member runners can enjoy exclusive services such as early breakfast, late check-out, and marathon energy packs, which are highly praised by the running community. Orange Hotel hosts the annual "Orange Happy Life Run" event and designates the 28th of every month as "Orange Happy Life Sports Day," sharing the joy of sports with more consumers.



Orange Hotel Aims to Become A Marathon-friendly Hotel



Blossom House: "Blossom House Day" Special Experience Activities

Combining local traditions and cultural essence, Blossom House creates a series of unique "Blossom Flower Room Days" activities such as morning tai chi, flower room class, flower therapy, each blossom a treasure, four-season tea aroma, and flower fragrance.



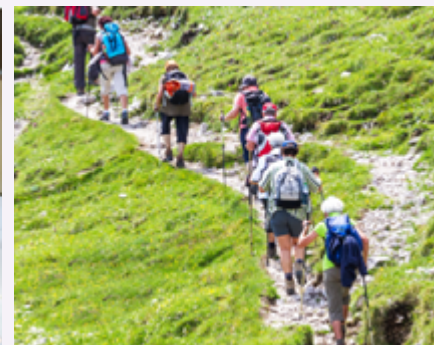
"Blossom House Day" Woodblock Printing Activity



"Blossom House Day" Cyanotype Craft Activity



"Blossom House Day" Singing Bowl Healing Activity



"Blossom House Day" Outdoor Hiking Activity



Customer Satisfaction Loop

H World places high importance on customer feedback, gathering it through various channels to continuously improve service quality and manage customer satisfaction in a closed loop. The Group collects customer feedback through multiple communication channels such as the 400 customer service hotline of the Reservation Center, H Rewards APP, and third-party platforms, obtaining directions and suggestions for our continuous improvement in product and service quality. During the Reporting Period, we revised the *Customer Complaint Management Process*, integrating considerations for customer complaint handling to further improve the official handling process.

In 2023, we initiated a "Guiding Plan," which involved inviting front-line management staff from across the Group to engage in both online and offline service-related courses and discussions. Additionally, we launched the "Blue Dot Award" during the Reporting Period. From over 9,000 global properties, 5 were selected as H World's Best Management Hotels of the Year, serving as an inspiration and leading the way in enhancing hotel management skills and creating spaces guests aspire to be in.

By continuously iterating on customer experience and service standards, H World strives to address customer needs in a more timely and professional manner, thereby enhancing customer satisfaction and brand loyalty, and maintaining a leading position in a highly competitive market.

Legacy Huazhu:

- In 2023, the annual complaint resolution rate was **98.5%**, an increase of **2.5** percentage points compared to 2022.
- In 2023, the 20-second answering rate of the 400 central customer service reached **80.0%**, an increase of **3** percentage points compared to 2022.
- In 2023, the overall answering rate of the 400 central customer service reached **95.0%**, an increase of **1** percentage point compared to 2022.
- In 2023, the excellence rate in customer satisfaction survey reached **98.5%**, an increase of **0.5** percentage points compared to 2022.

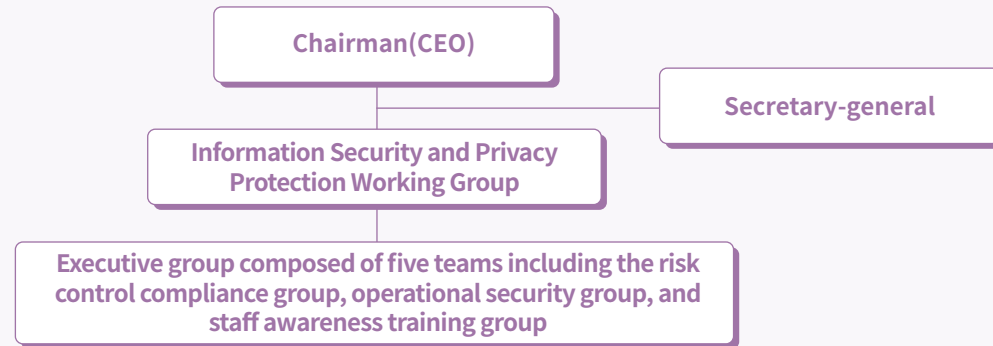
Enhancing Digital Empowerment

H World is committed to leading the trend of intelligent development in the hotel industry, providing guests with convenient and enjoyable accommodation experiences through self-developed and innovative hotel digitalization technologies and continuous improvement of information security management. We are also committed to empowering internal management, enhancing hotel management efficiency, and strengthening the Group's core competitiveness.

Information Security Management

We strictly adhere to local laws and regulations, including but not limited to the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. The Group has established an Information Security Committee, chaired by the CEO, leading an information security and privacy protection task force. The committee guides the risk control compliance group, operational security group, and staff awareness training group among five teams in carrying out relevant tasks. We have obtained ISO 27001 Information Security Management Systems Certification, the grade three certificate for Information System Security Level Protection Records and the certificate for Communication Network Security Protection Classification Records. We have also developed internal regulations such as the *General Outline for Information Security Management of H World Group* and the *Measures for Network Security Management of H World Group*, fortifying the Group's information security.

Information Security Committee: Organizational Structure



ISO 27001 Information Security Management System Certificate



Communication Network Security Protection Classification Records Certificate



Information System Security Level Protection Records Certificate

Data security is a crucial component of ensuring corporate information security. The Group strictly adheres to laws and regulations such as the *Data Security Law of the People's Republic of China* and the *EU's General Data Protection Regulation* (GDPR). We have established a Data Security Committee and developed 16 internal regulations covering organizational structure, regulatory guarantees, data assets, data approval, management audit, partner management, education and training, complaint reporting, emergency response, and compliance assessment, including but not limited to the *H World Data Security Management Strategy*, *H World Data Classification Management Measures*, and the *H World Data Security Emergency Response System*.

On the foundation of gradually improving our internal management structure and systems, the Group has obtained PCI-DSS (Payment Card Industry Data Security Standard) and data security management capability certifications, providing reliable safeguards for the Group's data security.



Main Responsibilities of the H World Data Security Committee

- Organize the formulation, review, and approval of the Company's data security plans, objectives, and policies, guiding the direction of data security work and regularly reviewing the effectiveness of implementation to ensure data security objectives are achieved.
- Organize data security risk assessments and supervise the rectification of security risks.
- Report on data security protection and incident handling as required.
- Accept and handle user complaints and reports.
- In the event of major information security incidents, command, coordinate, decide, and review the handling of the information security incidents.



PCI-DSS Certificate



Data Security Management Capability Certificate

The Group adheres to secure O&M, employing a series of measures to continuously improve information security management. We perform vulnerability scans covering all network environments at least once a year, and our information security team implements a 24/7 emergency response strategy to prevent or mitigate information security incidents and their expansion. Additionally, the Group regularly commissions external agencies to audit all publicly listed entities within H World for information security. During the Reporting Period, we conducted two information security audits, focusing on information systems and technologies of significant impact to the Group and verifying the accuracy and effectiveness of automatic data transmission between Company systems.



During the Reporting Period, the information security measures we undertook included:

- Deployment of a "Zero Trust Sandbox," based on the zero-trust philosophy to build an enterprise data security platform, achieving precise access control and effective isolation of sensitive data.
- Deployment of zero-trust gateways to implement need-based minimal access.
- Encrypting core business databases to ensure data security.
- Conducting a special project on IoT devices in properties to identify and fix security vulnerabilities in the devices and ensure information security.
- Based on the C9 architecture, designing and promoting a new generation of property networks that meet unified standards, are stable and reliable, logically isolated, and integrate four networks, ensuring property network security.

We extend information security management to partners and continually strengthen employee awareness. We have regulated supplier information security management requirements in the *Supplier Security Management Measures*, conducting annual information security reviews of suppliers based on external materials and information provided by suppliers. Furthermore, we require every H World employee to complete mandatory information security training course annually. Employees who perform exceptionally well are recognized and rewarded, further boosting their learning enthusiasm and initiative. During the Reporting Period, we hosted 20 information security-related trainings and 23 information security promotion activities, covering 100% of H World employees. We are committed to enhancing employee awareness and capabilities in information security from multiple angles, at multiple levels, and in all aspects, laying a solid foundation for building a secure and reliable data protection system.

During the Reporting Period, we hosted

20
Information security-related trainings

23
Information security promotion activities



H World's Monthly Information Security Routine Training and "Information Security Month" Activities in 2023

During the Reporting Period, we conducted 12 monthly information security routine trainings through the Research and Study Center of H World Group (formerly known as HanTing Academy and Huazhu University), covering all employees, including frontline staff, management, and professional technicians. The training covered topics such as data security law, personal information protection law, phishing email prevention, ransomware, physical security, and other information security topics.

Additionally, from August 28 to September 22, 2023, we conducted an "Information Security Month" event at H World's Shanghai headquarters under the theme "Guard Information Security, Achieve a Better Life." During the event, we released several "Safety Mini-theater" short dramas, offering an easy-to-understand presentation of information security knowledge and risk prevention awareness. Furthermore, we engaged employees in knowledge competitions to encourage learning and interaction, with over 610,000 times of participation during the event.



"Safety Mini-theater" Short Drama Images

Convenient Check-in Experience

H World actively leads intelligent operation and development in the hotel industry, exploring new opportunities through digital management, using digital technologies to provide guests with efficient and convenient services, and strengthening core competitive advantages. The Group's digital services now fully cover every stage from pre-check-in to post-check-out. Before check-in, guests can use the H Rewards APP and mini-program to make reservations online and access useful information about the property. During their stay, guests can enjoy the efficient experience brought by various smart hotel devices. After departure, they can continue to enjoy intelligent services such as smart luggage storage. Throughout the whole process, we provide guests with an intelligent travel accommodation experience.

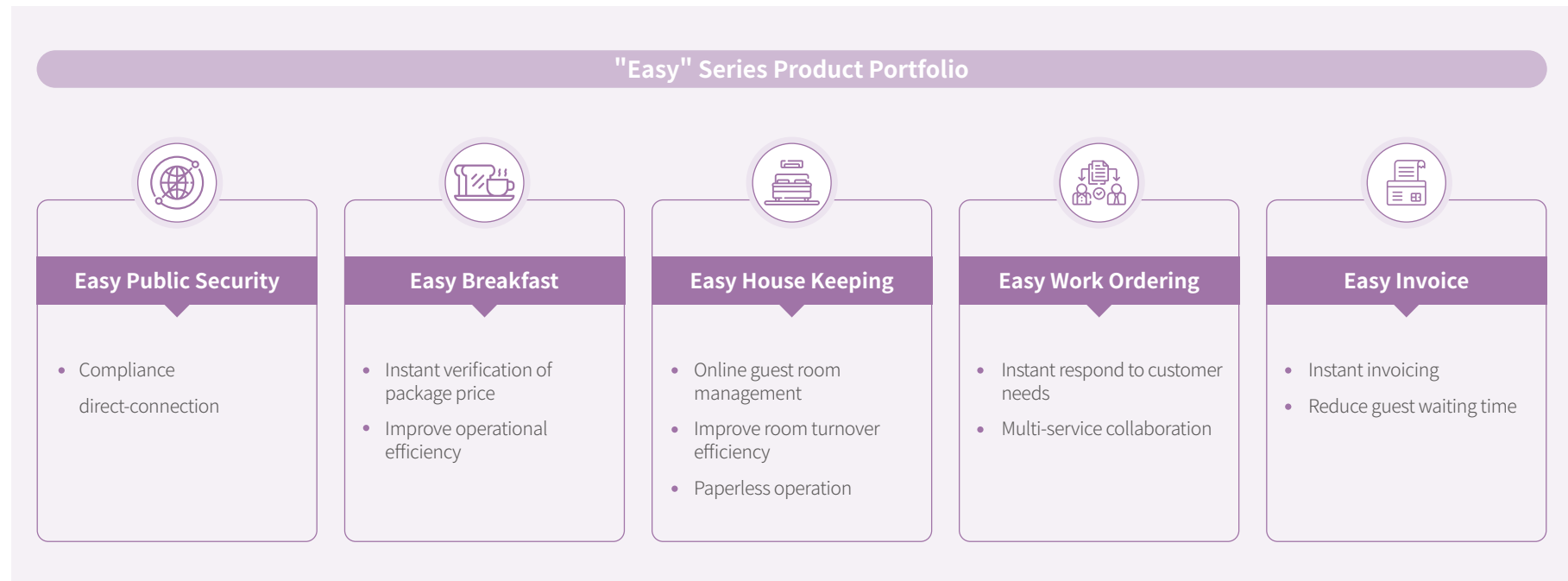
During the Reporting Period, H World comprehensively updated intelligent devices, improved the service functions of smart equipment, and enhanced their convenience and reliability. For example, our smart laundry service has achieved real-time information interaction between guests and washing machines, achieving online management and monitoring of laundry services, thereby enhancing the efficiency of the service. Additionally, as of the end of the Reporting Period, "HUA AI," an automatic telephone answering robot, had been implemented in 4,837 hotels. It assists human customer service agents in answering room calls, helping automatically confirming services such as extending stays, thereby streamlining front desk operations and enhancing property efficiency.

H World's Closed Loop of Digital Services



Empowering Efficient Operations

While providing guests with a convenient accommodation experience, we continuously upgrade our hotel's digital products to empower operations. Take H World's "Easy" series of digital products for example. "Easy House Keeping" and "Easy Work Ordering" can achieve online management of rooms, quickly respond to guest needs, and effectively increase the efficiency of room turnover. "Easy Invoice" simplifies the online invoice issuance process, enhancing the efficiency and experience of guest self-service invoicing.



Furthermore, H World has established "One Sheet" and "Super Manager" software, which reflect operational levels in a timely manner and assist various levels of decision making. During the Reporting Period, we expanded the functionality of "One Sheet" from the two different perspectives of limited services and full services. The newly added function modules, operational data, and visualization help management personnel gain a multi-dimensional insight into operational situations. At the same time, "Super Manager" added modules such as diagnostic center, channel analysis, and customer analysis. These features help property managers analyze, evaluate, and diagnose performance metrics. By dissecting the reasons behind changes according to data, they can make timely strategic adjustments and explore future performance opportunities.



"Technology Beautiful Day" Event

To encourage all H World employees to actively participate in the Group's digitalization process, on October 24, 2023, H World organized the third "Technology Beautiful Day" event, inviting employees to engage in discussions and interactions on related topics.

Our "Technology Beautiful Day" activity, through open online and offline participation, allowed employees to deeply experience the spirit of "Creative and Smart Connections to the World." Offline, we showcased various digital products of H World, listened to feedback from colleagues, and held a series of fun interactive games. Online, we initiated a programmers-only PK competition — "Sharp Eye for Bugs," a fun competition to find bugs.



H World Digital Products Display



H World's Third "Technology Beautiful Day" Event Site



Protection of Intellectual Property

We strictly adhere to the relevant laws and regulations of the countries and regions where we operate, including but not limited to the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, and others. Based on these laws and in consideration of the business situation of the enterprise, we have formulated the *Intellectual Property Management Guide*. These guidelines specify the compliance requirements in daily management, business operations, and contracts, as well as the processes for handling intellectual property disputes, ensuring the proper protection of the Company's trademarks and intellectual property. Additionally, the Group regularly communicates with brand managers in business departments to deeply understand the development needs of each brand and specifically formulate trademark, copyright, and patent application strategies and plans. During the Reporting Period, we registered 387 trademarks and logos, as well as obtained 4 patents and 13 software program copyright registration certificates. As of December 31, 2023, we had cumulatively registered 2,979 trademarks and logos in China and abroad, as well as obtained 30 patents and 166 software program copyright registration certificates.

We fully understand the importance of intellectual property to the Group's business. Therefore, we continually seek new ideas and models for intellectual property management and protection, regulate the use of intellectual property, and sign confidentiality agreements with employees and partners to ensure the security of intellectual property. Additionally, we have established brand visual identity usage standards, clarified franchisees' decoration requirements, and applied for patents or artistic copyrights for exclusive designs. During the Reporting Period, we took a series of anti-counterfeiting measures. These included issuing warnings to businesses using similar trademarks or brand names, and commissioning agents to search for preliminarily approved trademarks published by the National Intellectual Property Administration, file trademark objections, and protect the rights and interests of the Group and its guests.

03

Empowering Talent Growth with Care and Compassion

- Equity, Diversity, and Inclusion
- Comprehensive Compensation Benefits
- Employee Training and Development
- Safeguarding Physical and Mental Health



H World consistently adheres to a human-centric philosophy, promoting an equal, diverse, and inclusive workplace environment, providing competitive compensation, implementing detailed welfare care, and genuinely caring for every employee to continuously enhance their happiness and sense of belonging. Additionally, we place great emphasis on employee development, providing diverse training opportunities and clear promotion paths, comprehensively supporting talent growth for employees and the Group to sail together.

Equity, Diversity, and Inclusion

An equal, diverse, and inclusive workplace atmosphere is the source of an enterprise's vitality. We are committed to protecting employees' legal rights and providing various communication channels for employees. Additionally, with rich recruitment activities, we continuously attract outstanding talents with diverse backgrounds, actively build a diverse talent team, respect different ideas and perspectives, and aim to create a harmonious and inclusive workplace environment.

The Group has been recognized for practices in human resources and received multiple related awards and honors during the Reporting Period:

Award Name	Award Winner	Award Presenter
The 10th Tourism Services Industry Group Excellent Employer	H World Group	Best of the Orient: A recruitment platform for the tourism services industry
2023 Favorite Employer Title	H World Group	Shixiseng.com: A vertical recruitment platform specializing in internships and student recruiting
2023 China Hotel Talent Development Contribution Award	H World Group	Swiss Hotel Management School at Beijing International Studies University
Best Trainers in Germany	Legacy DH	German Business Magazine <i>Capital</i>
Top Apprenticeship Company	Legacy DH	German Hotel and Catering Association (DEHOGA Bundesverband)
Top Company 2023	Legacy DH	Kununu: A German employer rating portal



The 10th Tourism Services Industry Group Excellent EmployerChannel Activity



2023 Favorite Employer Title



2023 China Hotel Talent Development Contribution Award



Top Apprenticeship Company

Protecting Employee Rights

The Group strictly adheres to the employment and labor-related laws and regulations of the countries and regions where we operate, including but not limited to the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Regulations Prohibiting the Use of Child Labor*, and others. We have established internal systems such as the *Employee Handbook* and specified in it the prohibition of employment discrimination, harassment, and other improper or non-compliant behavior, effectively protecting employee rights. During the Reporting Period, we updated the content of the *Employee Handbook* to further standardize the management of personnel during hotel closures and simplify some holiday applications, satisfying employee demands as much as possible subject to legal and regulatory requirements.

We always adhere to compliant employment, strictly prohibiting the employment of child labor, forced labor, and other illegal and non-compliant acts. All employed staff meet the local minimum working age requirements. As a member of the Sustainable Hospitality Alliance (SHA), Legacy DH conducts education and training on human rights and modern slavery through an online course. Through the course, we continuously promote SHA's anti-forced labor principles among employees, reducing the likelihood of human rights violations. Additionally, we strictly comply with local legal and regulatory requirements regarding employee working hours and overtime intensity, and actively promote a flexible working system to help employees balance life and work.

We also explicitly prohibit any abuse of power, discrimination, insult, harassment, or other improper behavior towards employees. We fully

empower and respect employees' religious beliefs, freedom of association, and the right to freely join the Labor Union, without interference or attempts to intervene. Legacy Huazhu has established a union organization participated in by all employees in China, serving as a communication bridge between the Group and employees.

During the Reporting Period, H World did not experience any major incidents that jeopardized the rights and interests of its employees or violated other human rights provisions. If similar situations do occur, we encourage employees to complain through channels such as the Speak-Up Line. Upon receiving such reports, the Group will respond immediately through a designated person and organize an investigation and handling work by a working group composed of the Chief Talent Officer, the CCO and the heads of the Business Departments. Moreover, Legacy DH has also developed and strictly implemented a whistleblower policy, encouraging employees to protect their own rights through reasonable complaint channels.

H World always values communication with employees. Legacy Huazhu has established the "Love in H World Group" WeChat official account platform, "H-Tone" communication platform, and projects such as the "Frontline Employee Communication Channel," "HR Contact Card," and "Golden Ideas," accepting employee suggestions and feedback through multiple channels. During the Reporting Period, the "Frontline Employee Communication Channel" was optimized and upgraded, aiming to listen more deeply to employee voices and implement optimization suggestions into work details.



"Frontline Employee Communication Channel" Version 2.0, Making Communication Smoother

"Frontline Employee Communication Channel" is a distinctive communication project established by Legacy Huazhu to widely gather feedback and suggestions from frontline employees. During the Reporting Period, the project was fully upgraded to "Frontline Employee Communication Channel 2.0," achieving two-way interaction between management and employees through frontline employee interviews, employee dormitory visits, and on-site inspections of employee cafeterias.

This project upgrade further established the new form of "problem-solving + group project initiation" as well as a problem follow-up mechanism. For some difficult cases that cannot be resolved on-site, the Group will establish a joint team to handle them specifically and push follow-up developments to employees nationwide through the online column "Direct Channel to Solving Real Questions," effectively improving the efficiency of addressing employee concerns and creating a higher quality, more comfortable work experience for employees.



H World's Frontline Employee Communication Channel Activity

Additionally, using the internal "H-Tone" platform, Legacy Huazhu regularly pushes employee satisfaction questionnaires (the *Employee Well-being Survey*) to employees, covering employee benefits, employee development, working atmosphere, supervisory management, and other aspects. The purpose of the survey is to gain a timely and comprehensive understanding of the work experience of employees, and to continuously promote the sustainable development goal of "Employee Happiness", so as to ensure that the work environment and development opportunities of employees are continuously improved and perfected.

During the Reporting Period,

- ▶ Our employees reported an average satisfaction rate of **97.53%**, showing an increase of **2.37** percentage points from 2022.



Employee Well-being Survey Homepage

Adhering to Equity and Diversity

H World deeply understands the importance of a diverse, equal, and inclusive workplace culture in gathering excellent teams. We respect the uniqueness and differences of each employee, and in employee hiring and mobility management, we are not influenced by factors such as race, skin color, religious beliefs, gender, or seniority. We pay particular attention to gender equality, encouraging women to utilize their potential and management skills. As of the end of the Reporting Period, the number of female property managers at Legacy Huazhu reached 5,007, accounting for more than 58%.

We actively build a diverse talent team. As of the end of the Reporting Period, the Group had 26,985 employees, with female employees accounting for 62.4%, and part-time employees accounting for 2.3%. The composition of H World's employees is outlined in the right table.



Category	Number of People	Ratio
Employees by gender		
Male employees	10,152	37.6%
Female employees	16,833	62.4%
Employees by rank		
Junior-level employees	25,928	96.1%
Middle management	913	3.4%
Senior management	144	0.5%
Employees by region		
China	23,327	86.4%
Germany	2,781	10.3%
Other regions	877	3.3%
Employees by age		
Below 30	6,846	25.4%
30-50	15,549	57.6%
Above 50	4,590	17.0%

As a global hotel business, H World respects customs worldwide and actively promotes internal cultural integration. We have specifically established a Diverse Horizon Initiatives Workgroup, inviting employees from Asia, the Middle East, and Europe to participate, celebrating major festivals from different regions, including Chinese New Year, Christmas, and Ramadan. Legacy Huazhu takes into account China's vast territory and diverse ethnicities, and for frequently used training videos, it has specially produced versions in Tibetan and Uyghur languages, helping minority employees quickly master essential job skills.

We believe employees with disabilities can bring their unique talents and perspectives, providing us with broader talent resources. We are proactively building a disability-friendly office environment to ensure they enjoy fairness and convenience during work. H World's headquarters is equipped with various accessibility facilities, including accessible passages and elevators for people with disabilities, ensuring that employees with disabilities can easily enter and exit the campus and freely use all public facilities. Taking the barrier-free elevator as an example, the buttons are set with Braille and the height of the side buttons is low, which makes it easy for employees with visual impairment and wheelchair to use. As of the end of the Reporting Period, individuals with disabilities already held positions in the Company.



H World Headquarters Has Been Equipped with an Accessible Elevator for Visually Impaired and Wheelchair-bound Employees

Strengthening Talent Attraction

Aligned with industry characteristics and H World's corporate strategy, we uphold the standards of "virtue before talent, competence with integrity" in talent selection. We comprehensively assess candidates from dimensions of personal character, quality, experience, potential, and education. We also ensure that the recruitment process and results are fair, just, and open, actively recruiting outstanding talents through diverse channels. Additionally, we have established the *H World Internal Referral Management System*, encouraging current employees to refer external talents who meet H World's staffing needs. We also pay special attention to attracting outstanding fresh graduates, and continue to promote campus recruitment through school-enterprise cooperation and management meetings, bringing in new vitality into H World. Additionally, facing the talent needs of different positions, we have launched a series of recruitment programs with H World characteristics, such as the "H Radiance Program," the "Navigator Program," the "Leader of Brilliance Program," and the "Tech Army Program." Through the programs, we actively broaden recruitment channels and plan for future talent reserves.



"H Radiance Program": Attracting Outstanding Talents

The "H Radiance Program" is a strategic-level talent project launched by the Group, divided into functional, operational, technological, and expansion directions. The program creates customized career development plans for participants, which are selected personally by H World executives and matched with quality mentors and training resources.

The program includes department rotations, multi-dimensional practice, exclusive learning, and other modules, with a six-dimensional comprehensive training model. It helps participants rapidly accumulate practical experience, enhance specialized skills, and lay a solid foundation to quickly become future experts of the Group.



"H Radiance Program" Poster

In addition to launching a series of recruitment programs with H World characteristics, we also strive to promote school-enterprise collaboration to increase employment opportunities in communities where we operate, while replenishing the Group with high-quality employees.



"Tibet Order Class": Supplementing Quality Employees

Since 2022, H World has begun collaborating with Bortala Polytechnic, supporting its course design and teaching practice. During the Reporting Period, we jointly established the first session of the "Tibet Order Class" with the college; all 22 students came from Tibet, and will be offered internship opportunities at H World in Tibet.



"Tibet Order Class" Opening Ceremony

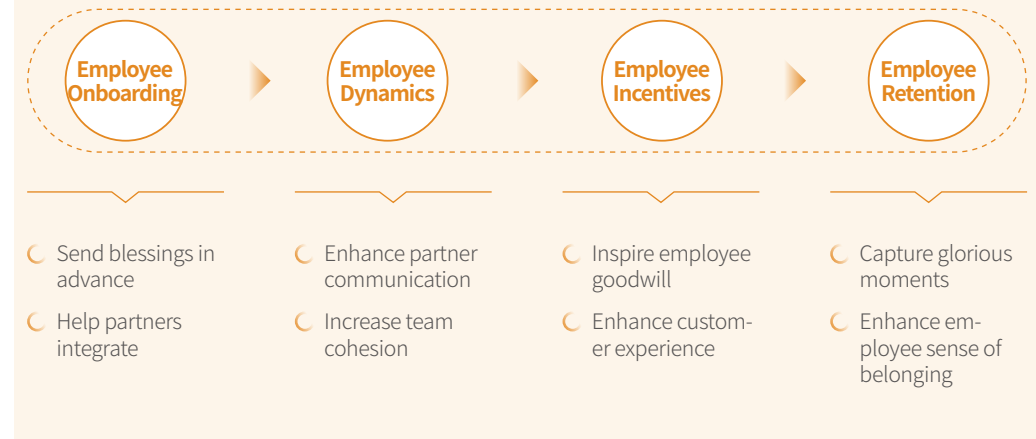
Comprehensive Compensation Benefits

We are committed to providing employees with a competitive compensation incentive system, continuously improving the compensation framework, and utilizing various incentive models to inspire work enthusiasm in employees. Additionally, we care for and cherish employee life, continuously optimizing and upgrading various welfare facilities. We also enhance employee happiness and sense of belonging and increase team cohesion through multi-dimensional care and accompaniment.

Salaries and Benefits

To create a fair and just work environment and spark work enthusiasm in employees, the Group has established a competitive compensation, benefit, and performance assessment system. We have specified the management methods for employee compensation in the *Employee Handbook*. We use bonuses, dividends, equity incentives, balanced scorecards, and other incentive models to provide all employees with performance-based compensation benefits. During the Reporting Period, Legacy Huazhu launched the multi-scenario incentive system "Happy H Planet," encouraging employees through interactive courses and colleague endorsements to collect "Happy H Beans" that can be exchanged for physical rewards or cash. The incentive loop mechanism further inspires employee work passion and self-driven learning, continuously improving employee work quality and efficiency.

"Happy H Planet" Incentive Loop Mechanism



For employees of different levels and job types, we have developed and adopted different performance assessment mechanisms and compensation strategies to ensure the fair and just implementation of related work. On top of the balanced scorecard that we have been continuously using, Legacy Huazhu has established and implemented the *Performance Management Methods for Hotel Managers* for regional managers and hotel managers, refining assessment indicators to finance, marketing, operations, and other aspects. The management methods have also helped continuously standardize quarterly, annual, and other regular assessment mechanisms. Legacy Huazhu also deeply optimized the incentive systems of functional personnel for short, medium, and long terms. This helped reshape the compensation structure through innovative mechanisms such as profit-sharing plans, creating a more flexible and rich compensation system.

To help employees achieve work-life balance, we also provide non-compensation benefits to our employees, covering nearly all of the Group's employees at the end of the Reporting Period. We actively implement the paid leave system while ensuring employees enjoy sick leave, marriage leave, maternity leave, and other statutory holidays. The Labor Union also provides employees with cash gift at special time points, such as marriage and childbirth. Legacy Huazhu legally provides social insurance for employees, covering pensions, medical care, maternity, work-related injuries, and more. It also pays housing provident funds, with other major benefits provided to employees including health checks, commercial insurance, meal subsidies, festival gifts, discounts on hotel stays, and much more. Furthermore, Legacy DH continues to improve the employee welfare system. In addition to continuing employee discounts, employee meals, medical care benefits, and other projects, it also piloted the "Hey Nanny" project during the Reporting Period, providing childcare services for employees, reducing their pressure and financial burden of hiring childcare personnel.

Additionally, we continuously optimize the employee work environment and are committed to providing a humanized design as well as a comfortable and convenient office space. H World's headquarters is equipped with a cafeteria, gym, nursing room, lounge, library, ping pong room, and other well-equipped facilities, and has launched a free shuttle service, making it convenient for employees to commute. Each office building is also equipped with a medicine kit, which contains some essential medicines.



Shuttle bus



Gym



Ping pong room



Yoga room



Cafeteria



Lounge



Nursing room



Library

Employee Care

We employ diverse methods to care for our employees, striving to create a harmonious, positive, friendly, and united work atmosphere. Through the "H Students" project, Legacy Huazhu provides scholarships to children of eligible employees, while Legacy DH has launched an emergency aid program to offer temporary financial support to employees facing financial crises, helping them through tough times.

Special attention is given to the needs of female employees, with Legacy Huazhu conducting a survey on women's health needs and organizing activities for International Women's Day during the Reporting Period, aimed at enhancing the happiness and sense of belonging of female employees in the workplace. For employees affected by natural disasters, we also provide material support and moral encouragement, fully supporting them through difficult times.



"H Students" Scholarship Program, Assisting Employees' Children on Their Path to Education

H World adheres to an employee happiness philosophy and launched the "H Students" scholarship program in 2018. Through this scholarship, we help alleviate the financial burdens on employees' families, supporting their children's educational journeys and ensuring that every bright dream is fulfilled.

By the end of the Reporting Period, we have sponsored 131 outstanding students, with total scholarships exceeding CNY 2 million. Besides financial support, we also offer recipients of the "H Students" scholarship priority consideration in our internship and management trainee recruitment, extending our care and support for employees and their families.



"H Students" Scholarship Program
Promotional Poster



H World "Wonderful Goddess Festival," Caring for Female Employees

During the Reporting Period, we held a colorful International Women's Day celebration at H World's headquarters park, celebrating and honoring the contributions of every female employee at H World. Departments at headquarters prepared many surprises, such as guessing games, flower delivery, and blessing activities, etc., which further enhanced team cohesion and centripetal force.



H World "Wonderful Goddess Festival" Activities



Management Comforts Employees Affected by the Gansu Earthquake

On December 18, 2023, a 6.2 magnitude earthquake struck Jishixian County in Linxia Prefecture, Gansu Province, resulting in extensive damage to houses and partial damage to infrastructure such as water, electricity, transportation, and communication.

Upon the clearance of roads leading to Linxia Prefecture, the management team of H World in Gansu Province promptly rushed to the disaster area to console frontline employees. Simultaneously, they organized an emergency task force for providing assistance to affected employees. The management team individually inquired about the casualties and property damage of employees' families, immediately addressing accommodation and dining issues for affected employees and their families. Additionally, they distributed care packages to all employees, providing warmth and encouragement.

In addition, on January 24, 2024, H World Gansu Province District held its annual employee appreciation meeting. We invited employees affected by the earthquake to the annual meeting and distributed the Love Fund to them.



Distribution of Love Fund to Employees Affected by the Earthquake

Diverse Activities

Through a variety of employee activities, we aim to enhance mutual understanding and cohesion among employees. During the Reporting Period, we organized several events, such as the H World Family Day and the staff general meeting, aiming to create a happy atmosphere for work and life for every employee.



H World Family Day, Building Harmonious Family Atmospheres

During the Reporting Period, H World organized a Family Day event themed "Beautiful Journey Together, Fun for All." Friends and relatives of H World gathered to witness beautiful moments together.

In this event, we joined hands with employees' children to carry out sports activities such as the "Healthy Run" and "Fun Sports Challenge," greatly enhancing the children's understanding of their parents' work, effectively improving parent-child relationships, and helping employees build more harmonious and understanding family atmospheres.



"Health Run" at Family Day



Staff General Meeting, Journeying Together Toward a Bright Future

On June 9, 2023, the "Beautiful Eighteen – True Growth" H World 2023 staff general meeting was held at the Poly Grand Theater in Shanghai. In the 18th year since its establishment, H World and its employees witnessed the evolution from its early stages to maturity.

The meeting focused on four major themes: "True Benchmark of Value," "Companion of True Intent," "True Brilliance of Achievements," and "Advancing the True Path." It also awarded employees with outstanding contributions, encouraging them to continue building a beautiful future with H World.



H World Staff Receiving Awards

Additionally, Legacy Huazhu has established multiple employee clubs, including sports clubs for basketball, football, and tennis, and entertainment clubs for board games, dance, and choir. We encourage each club to fully utilize H World's unique resources, such as the headquarters building's facilities, to actively engage in various activities, enriching employees' leisure time.



Basketball Club



Tennis Club



Dance Club



Board Game Club

Employee Training and Development

H World fully understands that talent is a prerequisite and a driving force for corporate development. We continuously optimize our talent development system, building a diverse career development platform, while providing employees with comprehensive training programs and abundant training resources. We aim to enhance employees' knowledge, skills, and overall qualities, always committed to broadening career development paths for employees and achieving synergy between individual growth and the Group's development goals.

Career Development

We provide employees with ample development space and a sound career development path, fully supporting their career progression. For different business line needs, the Group has established clear career development channels, offering diverse promotion opportunities to facilitate individual career development. During the Reporting Period, on top of the existing management (M), profession (P), and hotel (H) series at the Group level, we established a high-end brand series (G) and integrated it with the hotel (H) series, creating conditions for the cross-domain growth of outstanding talents. At the department level, we tailor career development channels based on specific business needs, creating a flexible and agile talent development mechanism.

Furthermore, combining H World's corporate culture and organizational platform characteristics, we have developed a comprehensive, objective, and scientific employee evaluation system and career promotion mechanism. For employees at different levels and positions, we adopt different assessment modes, ensuring fairness and justice, and focus on individual capabilities and contributions as the main guidance. For example, for heads of platform departments, we emphasize the professional attributes of the position and focus on value creation at the actual business level, conducting evaluations from multiple balanced dimensions, including financial and non-financial, long-term and short-term goals, as well as external and internal aspects.

To develop more practical human resources strategies, the Group adopts a "localization" model. While maintaining unified strategic guidance at the Group level, we decentralize decision-making and management authority to regions, allowing regional management teams to develop management measures that are more practical based on local market conditions, cultural backgrounds, and talent resources. In addition to strengthening support for regional operations through the localization model, we also focus on talent flow and mining. We fully implement the *Internal Talent Flow Management Measures of H World Group* and other regulatory documents, providing employees with opportunities to switch positions across different divisions, cities, and regions, helping them utilize their strengths and discover new positions suitable for themselves. During the Reporting Period, we continued to advance the talent assessment project, relying on digital tools, forming a "job competency universal model" and a "sixteen-grid talent assessment model" that fit the job functions and property system of H World. Through standardized processes and continuous optimization of the talent database, we further optimize the efficiency of talent pool construction and talent training planning.

Employee Training

H World places great importance on employee development. We have established and continuously improved our employee training system, aimed at strengthening individual capabilities and enhancing their work efficiency. During the Reporting Period, the total online training hours for employees of Legacy Huazhu properties reached 505,812 hours, the hours amounted to 34,801 hours for Legacy DH, with an average training time of 20 hours per capita. In 2023, when including offline training hours, our hotel-based staff and corporate staff on average received approximately 68 and 48 hours of training, respectively. We also continuously focus on building and optimizing internal training capabilities, committed to creating a training system characteristic of H World. Through projects such as "HT4 Trainer Training," we help employees achieve personal growth and breakthroughs, providing strong support for building a learning-oriented organization within the Group.



"HT4 Trainer Training"

In 2012, amidst H World's rapid development, the "HT4 Trainer Training" project was initiated, which aimed at training property managers, duty managers, and housekeeping supervisors. As our brand strategy and talent structure continued to evolve and optimize, the Research and Study Center of H World Group successively launched intermediate and advanced trainer classes to meet the actual needs of the Group's business. The intermediate trainer class focuses on cultivating trainers capable of designing and developing curricula and extracting job experience. The advanced trainer class mainly targets senior management, aiming to promote the replication and implementation of management experience.

By the end of the Reporting Period, our "HT4 Trainer Training" project had cumulatively trained 1,620 group trainers distributed across six regional companies and mid-to-high-end business clusters. The trainers continuously supply internal teaching resources to the Group, further helping to build a more sufficient and high-quality talent reserve for H World.



H World HT4 Trainer System



H World Internal Trainer Training Methods

Leveraging digital tools such as the Learning Planet module in the "Happy H Planet," the "H-Tone" online learning platform, and live streaming, we have constructed a mature online training system. Through this system, we provide employees with time-flexible and individualized learning experiences. In addition, H World also offers targeted training projects for different employee groups, mainly divided into three segments: new employee teaching, property manager certification, and second-level cadre training. During the Reporting Period, we conducted a total of 527 training sessions, providing employees with diverse and ample training resources and learning opportunities.

Help new employees quickly understand the nature and characteristics of the hotel industry, and grasp H World's corporate culture



New Employee Teaching

Provide targeted guidance courses for property managers to quickly master hotel management and operational skills



Property Manager Certification

Help second-level cadres transition from individual contributors to managers of others

Through digital skill training and on-site discussions, assist trainees in optimizing their thinking and practice



Second-level Cadre Training



"Huaqing Class," "Huashu Class," and "Huazhu Class": A Three-Pronged Approach to Empowering the Growth of H World's Management Personnel

To assess our current talent and build a talent pipeline that meets future business needs, we launched the "Huaqing Class," "Huashu Class," and "Huazhu Class," all targeted at H World management personnel. The classes focus respectively on the training of young cadres, empowerment through digital thinking, and enhancement of senior cadres' management capabilities. By arranging internal mentors and coaches, guest lecturers from universities, and industry experts, we are dedicated to fostering a shift in thinking and skills enhancement from team managers to business operators, driving the achievement of organizational strategic goals and achieving synergy between the management and H World.



华住集团
模块一：商业模式创新
2023年3月14-15日



"Huazhu Class" – H World Senior Management Cadre Training Program

Safeguarding Physical and Mental Health

H World always prioritizes the health of employees and safety in the workplace. We strictly comply with laws and regulations relevant to operations, such as the *Labor Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, actively implementing various safety measures to effectively ensure the health and safety of employees.

For safety protection devices and electrical control parts, Legacy Huazhu has arranged for dedicated personnel to inspect and check daily, while requiring all engineering maintenance staff to strictly follow safety procedures and wear protective gear before starting work. To minimize potential safety risks, we have also developed detailed safety management systems for potentially hazardous areas such as power distribution rooms and machine rooms, as well as safety-critical processes like engineering maintenance and management of flammable and explosive materials. We also regularly conduct safety education training on topics such as lightning protection, fire safety, and kitchen safety, aiming to comprehensively enhance employees' awareness of safe production and impart skills for dealing with related emergencies.

Additionally, to raise employees' awareness and understanding of their own health, Legacy Huazhu organizes annual physical examinations for employees, including annual check-ups for current employees and pre-employment physicals for new hires. During the Reporting Period, Legacy Huazhu also organized traditional Chinese medicine (TCM) lectures, inviting experts to explain key aspects of TCM conditioning and health care knowledge, and conducted one-on-one free consultations on site, addressing various health issues raised by employees and providing health maintenance advice. Legacy DH, meanwhile, held a "Health Week" event, further raising health awareness among employees through fitness classes and promoting healthy diet.



Legacy DH "Health Week" Event

In June 2023, Legacy DH organized its annual "Health Week" event. This "Health Week" combined online and offline activities, continuing the tradition of helping employees create balanced and nutritional diet plans on-site, and adding new modules such as online fitness courses and mental health counseling. The event aims at comprehensively enhancing employees' health and fostering a more positive attitude towards work and life.



Legacy DH "Health Week" Promotional Poster

Exploring mental health is a long-term process and an important starting station for employees as they strive for a better life beyond work. We have partnered with external professional psychological service platforms to establish the Employee Assistance Program (EAP), providing all employees with free 24-hour health consultations and psychological counseling services. We also regularly organize employee psychological care activities, encouraging employees to maintain a cheerful mood and embrace a beautiful life.



Psychological Lecture on Emotions, Supporting Employee Mental Health

On May 30, 2023, taking the opportunity of "Mental Health Day," Legacy Huazhu collaborated with Jiangqiao Town Cultural and Sports Service Center to organize a psychological lecture themed around emotions at the H World headquarters building.

Legacy Huazhu invited mental health experts to share methods of detecting and controlling emotions with employees, based on practical situations in life and work. The lectures covered topics such as "What are emotions," "How to open up emotions," and "How to effectively adjust emotions." Various techniques related to emotions were taught on site, including breathing methods, exercise methods, sleep methods, and proper venting techniques.



Commemorative Photo of the Emotion-themed Psychological Lecture

04 Driving Industry Development Through High Efficiency and Win-win

- Responsible Supply Chain
- Empowering Franchise Owners
- Building an Industry Ecosystem



H World is aware that collaborating with partners for mutual benefit is the path to sustainable development. We continuously strengthen supplier management, actively practice responsible procurement, and continually empower our suppliers through training. At the same time, we support franchisees, higher education institutions, and industry associations with our own strengths, fostering a high-efficiency, win-win cooperation model and jointly building a sustainable development industry ecosystem.

Responsible Supply Chain

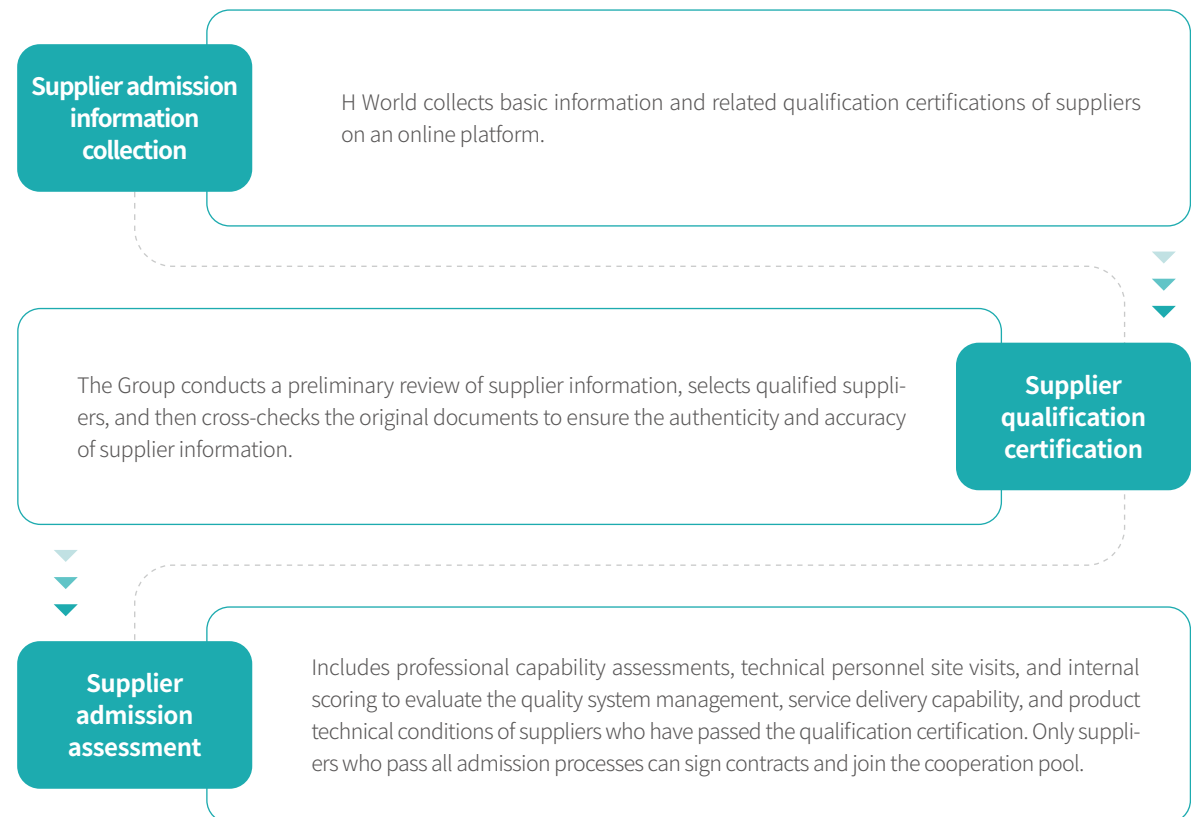
H World continuously improves supply chain management systems, finely implements management measures, and actively builds a responsible supply chain. Through such measures, we strive to promote environmental and social performance enhancement among suppliers. We are committed to maintaining a mutually beneficial relationship with suppliers and together creating a responsible value chain.

Efficient Management Mechanism

H World understands that hotel operations cannot do without the solid support of the supply chain and thus places great emphasis on supplier management. We have established and implemented a series of supplier management systems, including but not limited to the *Procurement Management Regulations* and the *H World Suppliers' Commodity Quality Management Regulations*. During the Reporting Period, we added new regulatory documents such as the *New Supplier Introduction Management System* and the *Supplier Upgrading and Downgrading Internal Procedures*, further standardizing and improving related workflows.

As an example, Legacy Huazhu, from the supplier admission stage, implements a strict screening system, including supplier information collection, supplier qualification certification, and supplier admission assessment. These three key links ensure cooperation with suppliers that have good reputation and excellent corporate management levels.

H World Supplier Admission Process



For suppliers with established cooperation, Legacy Huazhu adopts multi-dimensional daily management measures, aiming to advance together with suppliers toward higher-quality cooperation. From the perspective of strategic importance, Legacy Huazhu categorizes suppliers into preferential suppliers, valuable suppliers, suppliers in need of improvement, and incompetent suppliers, and implement differentiated category management. Legacy Huazhu also conducts annual comprehensive evaluations of suppliers, covering product quality, after-sales service, user reviews, and other dimensions. After evaluation, Legacy Huazhu takes measures such as holding corrective meetings, imposing business restrictions, and reducing share allocations for suppliers with low scores. If a supplier has significant quality issues or engages in fraudulent or other improper practices, we will terminate our cooperation with them directly.

Additionally, during the Reporting Period, Legacy Huazhu established a Quality Improvement Task Force to specifically push suppliers to improve product quality in key categories. The Quality Improvement Task Force guides related work using the Plan-Do-Check-Act (PDCA) methodology and employs seven quality management tools to simultaneously improve suppliers' product and service standards. During the Reporting Period, to further enhance supplier supply quality, Legacy Huazhu jointly set up a supplier third-party audit assessment system with external auditing agencies. By the end of the Reporting Period, audits had been conducted in five major areas, including shower room result audits, air treatment result audits, etc.



Practicing Responsible Procurement

H World is committed to building a responsible supply chain, incorporating suppliers' environmental and social performance as well as corresponding risk assessment results into our considerations. Under equal conditions, we prioritize establishing partnerships with businesses that perform better in terms of environmental and social aspects, aiming to include more socially responsible partners in the industry ecosystem.

As of December 31, 2023:

- ▶ **322** of our suppliers had obtained ISO 14001 Environmental Management Systems Certification, an increase of approximately **10%** from 2022.
- ▶ **266** of our suppliers had obtained ISO 45001 Occupational Health and Safety Management Systems Certification, an increase of approximately **25%** from 2022.

We continue to encourage our suppliers to move toward green transformation practices, with a particular focus on laundry suppliers. According to internal policies such as *Rules for Supervision of Laundry Suppliers on the Easy Purchase Platform* and *Rules for the Replacement and Removal of Laundry Suppliers on the Easy Purchase Platform*, during the Reporting Period, Legacy Huazhu conducted comprehensive audits covering licenses, regulations, equipment, tools, premises, and production personnel for all laundry suppliers. Suppliers that were non-compliant or had outdated operational methods were phased out. Additionally, Legacy Huazhu actively introduced suppliers who use tunnel washers, which are known for their high efficiency, low energy consumption, and stable quality. We also guided existing laundry suppliers to update their equipment.

Moreover, during the Reporting Period, Legacy Huazhu piloted the "Smart Linen" project, aiming to manage the entire lifecycle of linens through digital tools. We strive to create a washing model for linens that is more efficient in terms of energy and resource utilization.



"Smart Linen" Project

During the Reporting Period, Legacy Huazhu initiated the "Smart Linen" project pilot with certain laundry suppliers. This project involved installing chips in linens to accurately identify the linens' affiliated hotels and track washing conditions, including water temperature, washing duration, and number of washes. The project helps digitalize linen handovers, extend the overall lifespan of linens, reduce comprehensive management costs, and help suppliers improve water and electricity efficiency. Legacy Huazhu also actively organizes supplier discussions and analyses, to continually optimize project implementation. This approach lays the groundwork for future expansion of the project scope and replication of benchmark models.

Legacy DH, on the other hand, signs the *Code of Conduct for Suppliers and Business Partners* with all suppliers, requiring partners to protect employee rights, and minimize the environmental impact of their operations. Additionally, Legacy DH focuses on the food supply chain, committed to promoting animal welfare and local sourcing initiatives. Since 2019, it has implemented a cage-free egg mandate in Europe. Legacy DH also requires properties to choose fruit and vegetable suppliers located no more than 250 kilometers away and whenever possible, purchase locally produced alcoholic beverages, baked goods, and bottled water. These measures help reduce greenhouse gas emissions from transportation and support local industries.

Focusing on Enhancing Capabilities

H World understands that successful business operations rely on a stable, high-quality supply chain cooperation, and we are dedicated to achieving mutual benefits, providing suppliers with a good learning and communication platform. Legacy Huazhu has established a three-level training system for suppliers, offering specific training courses for suppliers' entry-level staff, middle management, and senior management. For suppliers' entry-level personnel, training mainly focuses on the "artisan spirit" and "service principle," promoting craftsmanship and enhancing practical skills. For middle management, the training advances to "organizational practices," aimed at improving their management capabilities and team execution efficiency. For senior management, Legacy Huazhu offers courses related to topics such as "partnership principle" and "entrepreneur seminar," aimed at enhancing their leadership and decision-making skills. During the Reporting Period, Legacy Huazhu organized 26 supplier training sessions, and achieved more than 2,200 times of participation, significantly expanding the coverage compared to 2022.

Building on this, Legacy Huazhu introduced several new course projects during the Reporting Period, providing suppliers with a wider choice of courses. For example, for project managers of furniture suppliers, we launched the "artisan spirit" re-certification project, combining general skill courses, professional furniture project management courses, quality supplier experience sharing, and stakeholder discussions. We also conducted assessments through "written tests + interviews" to ensure participants fully master the relevant knowledge and skills, enhancing the value of the certification.

During the Reporting Period, Legacy Huazhu further conducted five "Cloud Visit to Suppliers." These visits covered themes such as "The Beauty of Service," "Detailed Management of General Construction Sites," and "Laundry Cooperation: Bidirectional Improvements," attracting approximately 5,000 times of participation. Through live streaming, leading enterprises shared insights and practical management experiences with peers. Suppliers in the improvement phase also had opportunities to showcase their results. Moreover, Legacy Huazhu brought in external industry experts to offer advice, aiming to promote the positive and healthy development of the supply chain.



Supplier Training – "Entrepreneur Seminar"



"Cloud Visit to Suppliers" Event Site



Empowering Franchise Owners

H World focuses on maintaining stable cooperation with various partners and sees helping franchisees and owners achieve a better life as one of its missions. We are dedicated to helping franchisees efficiently build hotels that meet H World standards, continuously provide guests with high-quality, comfortable services, and collectively enhance the market competitiveness of brands under H World.

To protect the rights of franchisees, Legacy Huazhu signs documents such as the *Management Contract*, *Brand License Contract*, the *Sunshine Agreement*, the *Confidentiality Agreement*, and others with franchisees, and also ensures reasonable distribution of brand properties to avoid unnecessary competition within the same geographical area. In the material procurement process for franchisees, Legacy Huazhu organizes large-scale joint procurement without profiting from any price differences between suppliers and franchisees, aiming to provide partners with greater profit margins. Additionally, to ensure the smooth operation of franchise properties, during the Reporting Period, Legacy Huazhu also held various communication and training events, including new franchisee meet-ups, to help them fully understand the Group's philosophy of operational management, and support them to achieve smooth transition and successful operation.



We also consistently value the voice of franchisees and actively maintain communication and interaction. On December 31, 2022, the first H World Hotel Partners' Committee Representative Assembly was officially convened, with H World hotel partners from all over China gathering at the Shanghai headquarters building. All resolutions, including the assembly's organizational regulations and personnel appointments, were unanimously approved. Management of H World, including the founder and Chairman of the Group, the Group CEO, and the Group President, also met face-to-face with franchisees to align on cooperation, discuss future development directions, and jointly create a new model for China's accommodation industry.



Building an Industry Ecosystem

H World is committed to promoting the common development of the industry. Through formats such as "Supply Chain Conferences," we continuously strengthen the synergy between franchisees and suppliers, driving the efficient, transparent development of the entire H World ecosystem, thereby leading the overall enhancement and improvement of China's hotel industry. During the Reporting Period, we held several "Supply Chain Conferences," conspiring with various stakeholders for sustainable development paths.

H World "Supply Chain Conferences": Diligent Cultivation, Steadfast Progress

During the Reporting Period, H World conducted multiple "Supply Chain Conferences" themed "Diligent Cultivation, Steadfast Progress," inviting investors, supply chain experts, and ecosystem partners to discuss high-quality development paths for the supply chain. We are dedicated to building a supply chain platform that connects developers, practitioners, and managers in the hotel industry, achieving mutual benefits and continuous innovation in R&D. While solidifying the foundation, we push for the high-quality, sustained development of the supply chain to build an industry ecosystem.



2023 H World "Supply Chain Conference"

Additionally, we build bridges between schools and the workplace for students, cultivate and transmit professional talents for the hotel industry, and share development experiences in the ecosystem. Through these actions, we aim to establish practical benchmarks for the hotel industry and promote development that is sustainable, high-quality and efficient. On November 21, 2023, the National Modern Hospitality Industry Academic-Industry Integration Community, led by H World in collaboration with Ji'nan University and Qingdao Vocational and Technical College of Hotel Management, was officially established in Beijing. Based on this platform, we hope to promote structural reforms on the talent supply side, help students achieve high-quality employment. We also hope to empower the transformation and development of the hospitality industry by enhancing the teaching capabilities of related institutions. During the Reporting Period, relying on the academic-industry integration community, H World released three industry reports: National Modern Hospitality Industry Talent Demand Forecast Report, National Modern Hospitality Industry Talent and Technology Supply and Demand List Report, and National Modern Hospitality Industry Development Analysis Report. Through the reports, we shared our insights and analyses on industry development while promoting interest and exchange among industry partners on related topics.



The Ceremony of Unveiling the Medal of National Modern Hospitality Industry Academic-Industry Integration Community

05 Environmental Protection and Low Carbon to Safeguard Our Green Environment

- Commitment to Green Development
- Combating Climate Change

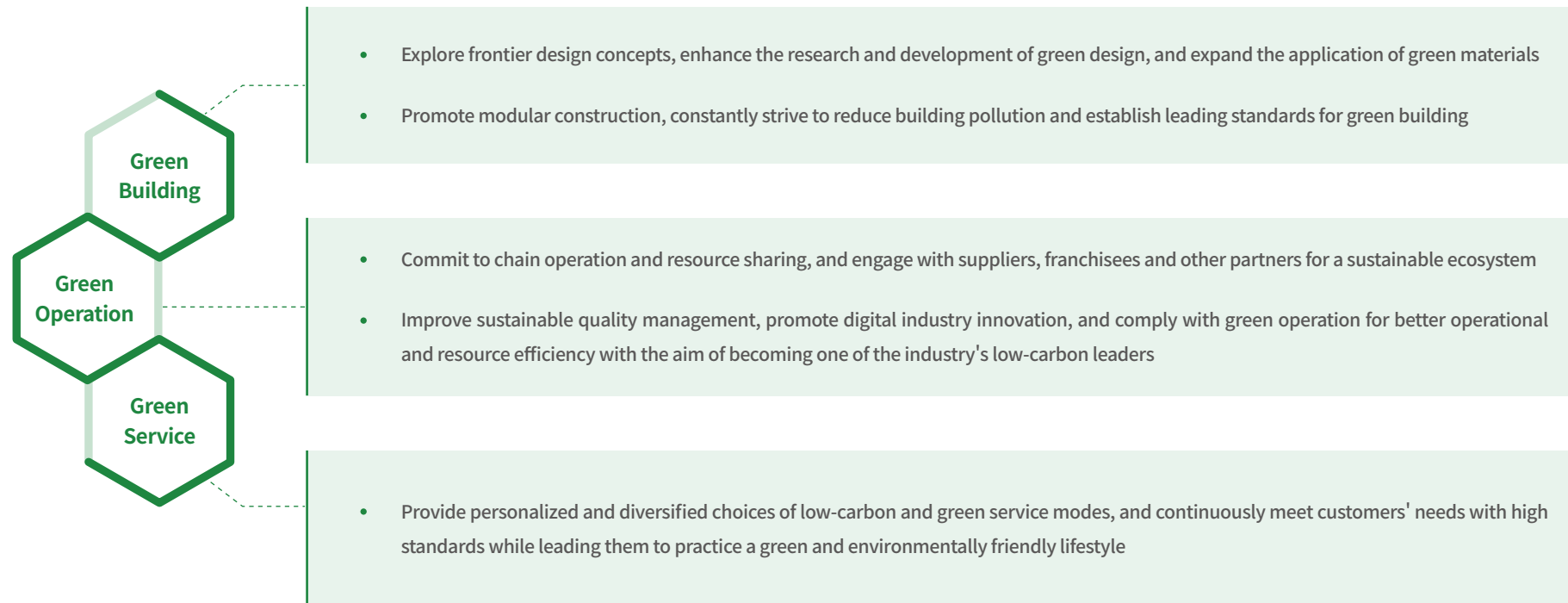
While providing top-notch hotel services, H World consistently adheres to a green development philosophy, considering environmental friendliness as a crucial aspect of our business activities. We advance green building, practice green management, and lead green services. We strive to use natural resources more efficiently, continuously reduce our environmental footprint, and contribute to the global effort to mitigate climate change.



Commitment to Green Development

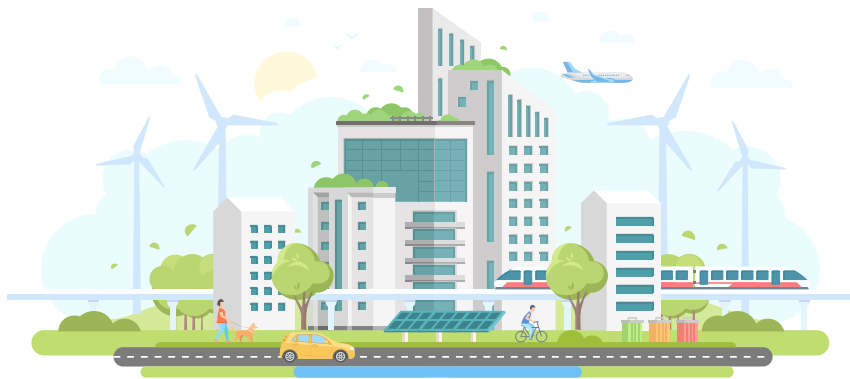
Under the strategy of sustainable quality growth, H World has adopted a distinctive green development philosophy. Alongside providing top-class hotel services, we aim to reduce the environmental footprint of our operations, thereby contributing to the establishment of an eco-friendly society. Our green development philosophy rests on three main pillars: Green Building, Green Operation, and Green Service. We not only embody green principles through our actions but also collaborate with suppliers, franchisees, customers, and other stakeholders to collectively pursue sustainable development goals.

H World's Green Development Philosophy



Advancing Green Building

In the field of architectural design, we are committed to exploring cutting-edge environmental concepts. Our goal is to provide guests with comfortable and healthy spaces while maximizing the efficient use of energy and resources, advancing green buildings that facilitate harmonious coexistence between humans and nature. Legacy DH is a member of the German Sustainable Building Council (DGNB) and considers "Green Building" as one of its key focuses in fulfilling corporate social responsibilities. Steigenberger Hotel Am Kanzleramt, part of the Legacy DH network, has the highest overall degree of fulfilment ever achieved for a DGNB Platinum hotel certification in new construction.



Steigenberger Hotel Am Kanzleramt

In China, we are also continuously advancing the green building process. H World's Jiangqiao headquarters building adhered to green building standards during its design, incorporating numerous energy-saving and environmentally friendly features. For example, the building's rainwater recycling system covers an area of 8,000 square meters and is equipped with a retention tank of 150 cubic meters. The treated rainwater is reused for road washing and landscaping irrigation, significantly reducing the consumption of fresh water. In the design of hotel products, we also actively expand the use of environmentally friendly materials. For instance, in Orange Hotel 3.0, bamboo wood fiber made from recycled wood is used. We also focus on modular construction as a key approach, and reduce resource and energy consumption and minimize environmental impact starting from planning bulk procurement and on-site construction.



Modular Construction: Aesthetic Technology Combined with Practice, Aiding in Energy and Resource Conservation

"Modular construction" refers to the use of standardized design, factory production, and assembly construction techniques to prefabricate building components, which are then transported to the site for assembly. Compared to traditional construction, it has the advantages of faster construction speed, reliable quality, and energy conservation. Along with the hotel industry's large-scale bulk procurement features, it further reduces construction waste and avoids unnecessary waste of resources.

Both our HanTing 3.5 and Hi Inn 6.0 have begun experimenting with "modular construction." In the HanTing 3.5, the proportion of "modular construction" has reached 90%, extensively using integrated shower rooms, one-piece sink counters, and modular furniture. The renovation time per room and per property can be reduced to 7 days and 60 days, respectively, effectively shortening the construction period and reducing environmental impact.

During the Reporting Period, the newly launched JI Hotel 5.0 has been upgraded from "modular construction" to "digital modular construction," leading the industry to usher in the "smart manufacturing" era of hotels. Breaking the traditional construction sequence, processes such as paneling, furnishing, and wire slotting for JI Hotel 5.0 can all be completed at the factory in advance. On-site installation personnel can quickly complete module assembly and easily connect the wiring, further achieving cost reduction and efficiency improvement in terms of assembly time, consumable material costs, and operational energy consumption. Additionally, guests can easily adjust the air conditioning, TV, lighting, and other settings in their rooms through the intelligent guest control system using voice commands. These features can help guests turn off power promptly, achieving energy-saving and low-carbon stays.



JI Hotel 5.0 Employs "Digital Modular Construction"

Practicing Green Operation

H World always places a high emphasis on environmental protection and the efficient use of energy and resources. We strictly adhere to laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, actively practicing a responsible operation philosophy. As of the end of the Reporting Period, 91 of Legacy DH's leased and owned properties had obtained ISO 14001 Environmental Management Systems certification.

● Energy Management

H World continues to optimize energy management, explore efficient energy-saving technologies, promote the use of green energy, and actively fulfill corporate carbon reduction responsibilities. As of the end of the Reporting Period, 76 of Legacy DH's leased and owned properties had obtained ISO 50001 Energy Management Systems certification.

We have built our own online environmental management system "Easy Energy Consumption," which analyzes various types of energy usage data, including electricity, purchased gas, and purchased heat. This system not only provides a data basis for energy-saving renovations, but also promptly detects anomalies in energy usage, helping properties to conduct timely equipment troubleshooting and repairs to prevent waste. As of the end of the Reporting Period, over 6,500 hotels in our network were connected to the "Easy Energy Consumption" system, showing a significant year-on-year growth in quantity.

Legacy Huazhu continuously improves the energy usage efficiency of its properties through energy conservation management and energy conservation renovation. In terms of energy conservation management, our measures include establishing maintenance standards for large equipment and timely adjusting the return water temperature of central air conditioning based on outdoor temperatures. As of energy conservation renovation, 100% of our network hotels are equipped with LED energy-saving lights. In addition, during the Reporting Period, 53 of our directly operated properties carried out the "Boiler Decocking Agent" pilot project, aiming to further improve the efficiency of gas energy utilization.

Meanwhile, we conducted surveys across managed properties nationwide to develop retrofit plans for air source heat pumps and solar water heating systems for properties with suitable installation conditions. As of the end of the Reporting Period, over 30% of our leased and owned properties had been equipped with air source heat pumps, and nearly 10% had adopted solar water heating systems. Through ongoing efforts and collaboration with franchisers, we will continue expanding our usage of such equipment in our hotel network.





H World Actively Promotes the Use of Air Source Heat Pumps for Low Power Consumption and High Efficiency

Air source heat pumps can produce hot water with a relatively small amount of electricity consumption, while storing the hot water produced in a water tank. Regarding its energy-saving and environmentally friendly characteristics, air source heat pumps have been widely used in our properties of various brands. We are actively exploring the application possibilities of low-temperature air source heat pumps. By adding thermal expansion valves and refrigeration cycles, even at temperatures as low as -25°C , low-temperature air source heat pumps can maintain normal operation and ensure uninterrupted supply of hot water. As of the end of the Reporting Period, we had already introduced such equipment to some properties in the northern region of China, and will continue to monitor its actual operational capabilities to lay the groundwork for further promotion.



— Air Source Heat Pumps Installed at the HanTing Beijing South Station Muxiyuan Property —

During the Reporting Period, the key performance indicators related to the Group's energy use and greenhouse gas emissions were as follows:

Category	Unit	2023 Data ¹
Direct energy consumption	MWh	178,242
Indirect energy consumption	MWh	600,315
Including: Purchased electricity	MWh	460,057
Green electricity	MWh	11,415
Including: Other indirect energy consumption	MWh	140,257
Total energy consumption	MWh	778,557
Intensity of energy consumption	kWh/room night sold	26.2
Direct (Scope 1) greenhouse gas emissions ²	tCO ₂ e	35,648
Energy indirect (Scope 2) greenhouse gas emissions ³	tCO ₂ e	289,573
Total greenhouse gas emissions	tCO ₂ e	325,221
Intensity of greenhouse gas emissions	kilogram of CO ₂ e/room night sold	11.0

Note:

1. Data coverage includes both Legacy Huazhu and Legacy DH's owned and leased hotels.
2. Direct (Scope 1) greenhouse gas emissions mainly come from the use of natural gas and fuel oil, with CO₂ emission factors derived from emission factor guidelines issued by various countries or regions, including the *IEA (International Energy Agency) Emission Factors 2023*.
3. Energy indirect (Scope 2) greenhouse gas emissions mainly come from purchased electricity, heating, cooling, steam, hot water, and high-temperature water, with CO₂ emission factors derived from emission factor guidelines issued by various countries or regions, including the *National Bureau of Statistics on the Release of the 2021 Electricity CO₂ Emission Factors* and the *IEA Emission Factors 2023*.

● Water Resource Management

The Group continues to strengthen the water resource management system while continuously improving water resource efficiency. During the Reporting Period, Legacy Huazhu added instant heating faucets to hotel construction standards. These faucets can release hot water in seconds, not only reducing guest waiting time but also effectively preventing water resource waste. In addition, when selecting properties, we also prioritize buildings with existing reclaimed water systems under equal conditions. In the new property selection phase, the Group plans to further consider related factors to contribute to more efficient water use and wastewater reduction.

At the same time, Legacy Huazhu's "Easy Energy Consumption" system can analyze hotels' water consumption status and display alerts for prompt timely equipment maintenance to avoid leakage. For hotels with the highest monthly water consumption, we help them analyze reasons and improve their water management capabilities. Legacy Huazhu also posts water-saving signs in offices and kitchens to raise staff awareness, so that they may use water in a reasonable and on-demand manner during room cleaning and food processing, and avoid leaving faucets running in vain.

During the Reporting Period, the Group's key performance indicators related to water resources were as follows:

Category	Unit	2023 Data ¹
Water consumption ²	ton	8,245,354
Intensity of water consumption	kg/room night sold	277.7

Note:

1. The data in the table covers both Legacy Huazhu and Legacy DH's owned and leased hotels.
2. Water usage includes municipal water, purchased hot water and high-temperature water.



Our other water-saving measures mainly include but are not limited to:

- Legacy Huazhu promotes the use of smart toilets to avoid the water-running phenomenon that easily occur with conventional push-button toilets.
- Without affecting the guest experience, Legacy Huazhu moderately reduces the valve opening, limiting the water output to 5-6 liters per minute to reduce water resource consumption.
- Legacy DH installs burst valves on faucets, significantly reducing water usage by nearly half while still maintaining guest satisfaction and comfort.

● Environmental Consumables

Consumables are one of the major sources of resource consumption in the hotel industry, and H World sees an important opportunity to practice plastic reduction, promote environmental protection, and advocate green operations. Together with our upstream partners, we develop alternative materials and use recycled plastics to minimize the environmental impact during the production of consumables, while reducing the carbon footprint of the consumables themselves. As of the end of the Reporting Period, the environmental consumables mentioned above have been introduced to H World's most widely distributed hotel brands such as JI Hotel, HanTing, and Orange Hotel, with a property coverage rate exceeding 90%.



HanTing – Wheat Straw Combs

As of the end of the Reporting Period, our economy and midscale brands such as HanTing, JI Hotel, Hi Inn, and Ibis have fully adopted wheat straw-added models for toothbrushes and combs. With the use of environmentally friendly paper for external packaging, each product is expected to reduce plastic usage by 25%-30%.



Orange Hotel – Orange Wood Fiber Toothbrushes

Considering its brand features, Orange Hotel incorporates orange wood fiber materials into the toothbrush handles, reducing plastic usage by 20%.



JI Hotel – Corn Starch Shower Caps

As of the end of the Reporting Period, some HanTing and JI Hotel properties had introduced shower caps made of corn starch.

In addition to relentless efforts in plastic reduction, during the Reporting Period, we also launched sustainable consumables such as plant fiber slippers and natural bamboo paper. Through such measures, we are continuously improving the ecological environment benefits and practically implementing the green development philosophy.



Plant Fiber Slippers: Eco-friendly and Biodegradable, Ultrasonically Sewn

During the Reporting Period, H World introduced new eco-friendly slippers in midscale hotel brands such as JI Hotel and Orange Hotel. The slippers are made with all-plant fibers fabric for the upper part and pearl cotton material for the sole. The fiber fabric, produced from natural plant materials by using textile technology, is completely biodegradable, while pearl cotton possesses eco-friendly properties and can be recycled after treatment.



Plant Fiber Slippers

Waste Management

For waste management, we always adhere to the principles of "reduce, reuse, recycle, and proper disposal." All our guest rooms have avoided using plastic disposable cups and provide ceramic or paper cups instead. When guests order food, we do not actively provide disposable tableware, and advise them to follow the principles of thrift and appropriateness.

We continuously explore diverse paths to minimize waste generation as much as possible. Over 40 properties in the Legacy DH network have participated in the "Too Good To Go" initiative, selling leftover ingredients at discounted prices to surrounding residents at the end of the day. This measure helps reduce food waste while supporting the local community. Meanwhile, at Legacy Huazhu, Orange Hotel provides guests with eco-friendly laundry bags made of non-woven cloth, which are free to take home and get reused.



Orange Eco-friendly Laundry Bag

For waste already produced, we make classification and adopt different disposal measures:

Type of Waste	H World Disposal Measures
Recyclable general waste	In accordance with the laws and regulations of the country or region of operation, we carry out classification and recycling to improve resource reuse rate.
Food waste, domestic waste	Handled by the property management or local municipal sanitation department.
Hazardous waste	Entrusted to a third-party organization with relevant qualifications to ensure safe and compliant management.

Leading Green Services

By offering a variety of green service models and accommodation choices, H World is committed to conveying the concept of sustainability to guests, encouraging them to contribute to protecting the natural environment.

In November 2023, Legacy Huazhu officially implemented the "Green Living, Towel Reuse" initiative. Guests who make their reservations through the H Rewards APP and choose to forgo linen changes through multi-day stay, will receive extra membership points. By the end of the Reporting Period, this initiative had been implemented in 5,910 hotels in H World network across 324 cities, avoiding the laundering of over 200,000 towels, while saving approximately 674 tons of water and nearly 19,000 kWh of electricity. Legacy Huazhu also continues to encourage guests to request electronic invoices so as to help save paper resources. During the Reporting Period, it issued 7,774,030 electronic invoices through the "Easy Invoice" system, reducing carbon emissions by 118.2 tons.

Legacy DH has also launched "Green Choice" and "Green Meeting" services. Guests who choose not to have their room cleaned during their stay receive a voucher worth five euros, which can be used to purchase food and beverages at the hotel bar. "Green Meeting" provides meeting participants with various hardware that are certified with sustainability, including desk pads and coasters made from recycled leather, and paper certified by the Forest Stewardship Council (FSC). Additionally, Legacy DH plans to expand the coverage of electric vehicle charging facilities across its properties to support guests' sustainable travel options.

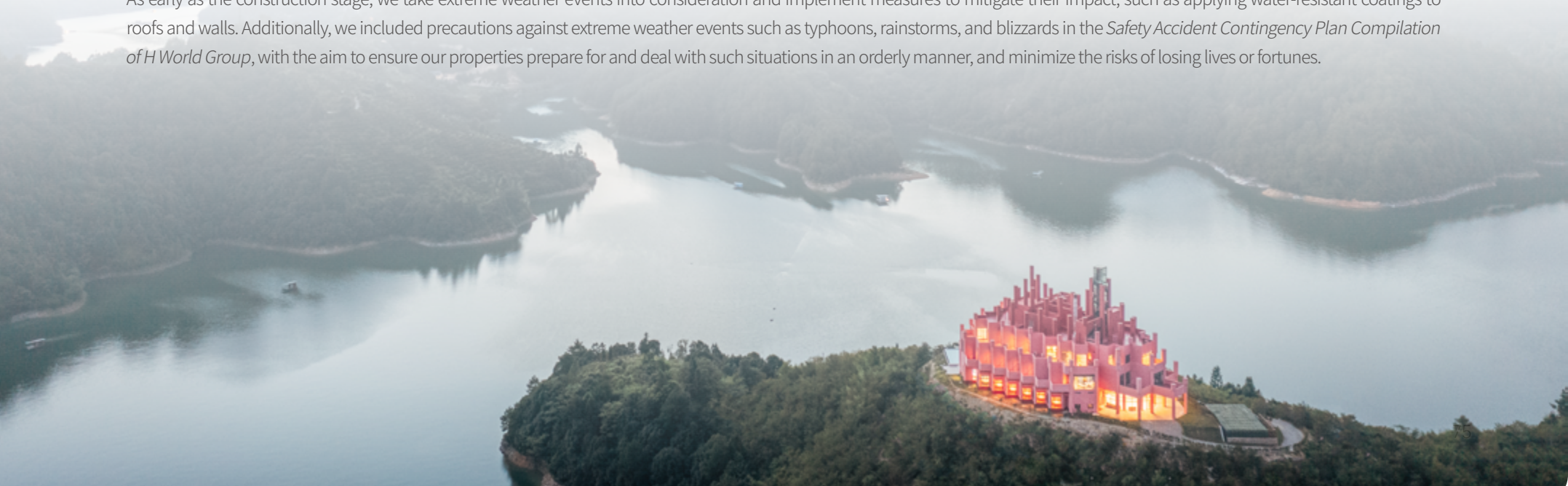
Combating Climate Change

H World continues to focus on the global challenge of climate change. With China's target of "striving to realize carbon peaking by 2030 and carbon neutrality by 2060," and other major countries around the world formulating plans to reduce carbon emissions, the Group is committed to following the trend of green and low-carbon development. Legacy DH has already set a "2050 Climate Neutral" goal, while Legacy Huazhu is continuously expanding the scope of greenhouse data collection for franchisees and other Scope 3 categories, laying the foundation for further strengthening greenhouse gas emission management.

We actively explore the opportunities to utilize renewable energy sources, such as air source heat pumps, solar water heating systems and green electricity. At the same time, by strengthening energy management system and carrying out energy conservation renovation, we continuously improve the efficiency of energy use and strive to minimize greenhouse gas emissions resulting from our operational activities.

On top of reducing energy consumption and practicing green development in our own operation, we also collaborate with Non-Governmental Organizations (NGOs) to reduce carbon footprints through various external initiatives. For example, Legacy DH works with "Atmosfair" to engage in social climate protection and CO₂ offsetting programs. It also supports UN-certified climate change programs, including domestic solar power systems in Ethiopia and small-scale biogas systems in Nepal.

On the other hand, we strive to adapt to the challenges posed by climate change and to respond to them proactively. We have been paying close attention to extreme weather events, which are occurring at an increasingly higher frequency. Given the wide distribution of our properties, some locations are vulnerable to typhoons, heavy rainfall, and local flood seasons. As early as the construction stage, we take extreme weather events into consideration and implement measures to mitigate their impact, such as applying water-resistant coatings to roofs and walls. Additionally, we included precautions against extreme weather events such as typhoons, rainstorms, and blizzards in the *Safety Accident Contingency Plan Compilation of H World Group*, with the aim to ensure our properties prepare for and deal with such situations in an orderly manner, and minimize the risks of losing lives or fortunes.



06

Achieving a Better Society Through Gratitude and Giving Back

- Committed to Public Welfare
- Warmth and Love in the Community



Achieving a better society is one of H World's steady corporate missions. With gratitude, we continue to give back and have been supporting rural children's education and aiding vulnerable groups for many years. We also encourage our employees to actively participate in community volunteer activities, joining hands with H World to foster a caring and supportive community atmosphere, collectively spreading warmth and strength to society and illuminating the light of public welfare.



Committed to Public Welfare

As a socially responsible enterprise, H World seeks not only business development but is also committed to contributing to societal progress. We invest deeply in education and support initiatives for remote areas and respond quickly in the face of natural disasters to provide help and support to affected compatriots. By spreading love and fostering a positive atmosphere, we aim to make meaningful contribution to society.

Committed to Rural Education

Rural revitalization cannot happen without talent support, which typically requires quality educational resources as a prerequisite. H World has consistently focused on rural education, leveraging the Shanghai HanTing Social Welfare Foundation ("the Foundation") to continuously support rural educational development. Since 2016, the Foundation has been running the Scholarly HanTing online teaching public welfare project for eight years. Through the platform, the Foundation provides online educational resources to impoverished schools in remote mountainous areas, supporting the comprehensive and healthy growth of local children and training local teachers.

By the end of the Reporting Period, the Scholarly HanTing project had cumulatively:

- ▶ Supported **31** schools
- ▶ Arranged for professional teachers to conduct **14,305** classes
- ▶ Benefited **11,727** students
- ▶ Trained **503** local teachers

During the Reporting Period, the Foundation invested approximately CNY **640,000** into this project, providing **4,120** educational tools to the supported schools.



Scholarly HanTing Project

During the Reporting Period, the Foundation continued to fulfill its social responsibilities through the Scholarly HanTing project, providing a total of 1,183 online teaching sessions for 31 schools. The subjects included art, English, music, and practice among other areas, aiming to provide comprehensive and diverse educational experiences for students in remote areas.

- **Empowering Rural Teachers Through Town-Village Connectivity**

To enhance local educational quality, starting in September 2023, the Foundation initiated the Town-Village Connectivity model in six schools in Weining County, Bijie City, Guizhou Province. Teachers from Shanghai assist in mentoring county and township teachers, who then train village teachers, synchronously improving the teaching levels of county, township, and village teachers. Additionally, during the summer vacation, the Foundation provided 36 rural teachers with training in new concepts in math teaching and practical course teacher training. The training helped teachers turn concepts into practice, internalizing and externalizing what they have learned to make rural teaching more efficient and engaging.

- **Outstanding "Sprout Student" summer research camp**

During the Reporting Period, the Foundation organized a summer research camp, inviting 29 Sprout Students to Nanjing, Jiangsu, to experience the unique charm of traditional Chinese culture. The research camp aimed to inspire the children's innovative spirits, enrich their spiritual world, and enhance their sense of national identity and pride.

- **Bilingual speech contest, enriching students' extracurricular lives**

To help students improve their language expression skills and overall qualities, during the Reporting Period, the Foundation organized the "I am a Little Inventor" bilingual speech contest in the supported schools. A total of 85 students actively registered to participate. This contest not only trained the children's public speaking skills but also helped to enrich their extracurricular lives, encouraging them to explore beyond textbooks.

In addition to offering online teaching through the Scholarly HanTing project, the Foundation also actively participates in the Changning District of Shanghai's Aid Program for Yunnan, providing financial support to schools in remote areas of Yunnan Province to help improve the infrastructure of local educational facilities. In October 2023, the Foundation donated CNY 800,000 to Lyuchun County, Yunnan Province, to help construct faculty dormitories and a canteen for Gekui Middle School, and also to renovate the teaching building and playground of Gekui Township Kindergarten, creating a safer and more comfortable campus environment for teachers and students.

In 2022, the Foundation supported the canteen renovation project at the Luquan Yi and Miao Autonomous County Special Education School and donated a psychological counseling room to Rende No. 1 Primary School in Xundian Hui and Yi Autonomous County. During the Reporting Period, representatives of the Foundation visited the two schools to check and confirm the implementation of related work. The Special Education School has completed the canteen renovation. Upon further application by the school, the Foundation provided an additional donation of CNY 33,600 to address the issue of nutritional meals for special education students, ensuring their healthy growth in body and mind. The counseling room has been equipped with psychological counseling services provided by volunteers from East China University of Science and Technology. Guidance and training for county area psychologists are progressing steadily.



Gekui Kindergarten Renovation



Gekui Middle School Dormitory Building Construction



Appreciation Letter from Gekui Middle School Students
Received by the Foundation

Supporting Agricultural Development

H World fully supports the national rural revitalization strategy and uses its membership base and supply chain advantages to help farmers enhance product visibility and explore broader market opportunities. We integrate hotel food supply with agricultural assistance projects, bringing safe food to H World's tables while also helping to expand the market for agricultural products, thereby supporting rural industrial construction.

H World's JI Hotel and the government of Zhenghe County, Fujian Province, cooperate to carry out the Zhenghe Tea Industry Assistance project. Through the project, JI Hotel purchases approximately 30,000 kilograms of high-quality raw tea annually from the local area. This not only opens up stable sales channels for local tea farmers but also provides high-quality tea options for guests at 2,000 JI Hotel properties nationwide.



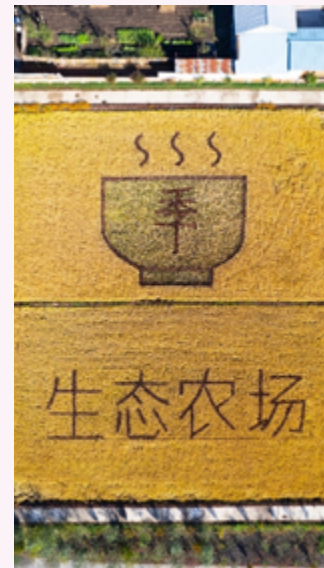
Zhenghe White Tea Farmers

Additionally, H World has signed a strategic cooperation agreement with Xinli Village, Xinglong Township in Wuchang City, Heilongjiang Province to jointly create a JI Hotel ecological farm. Following the signing of the strategic cooperation agreement, H World became a long-term buyer of rice from Xinli Village, providing more considerable and stable income for rice farmers, easing the cooperative's turnover pressures, and encouraging the return of young people. In the future, we plan to explore more high-quality agricultural products, continuously deepen the integration of the hotel business with rural revitalization, fulfill social responsibilities through practical actions, and contribute to rural economic development with the strength of H World.

In addition to existing agricultural assistance projects, we are also actively expanding other ways to support rural revitalization. In August 2023, the H World Rural Revitalization Special Charity Fund was officially established in Linzhou City, Henan Province. We will take this newly established foundation as an opportunity to continue leveraging H World's corporate strength to contribute to revitalizing more local economies.



JI Hotel's Ecological Farm in Wuchang



Overhead View of JI Hotel's Ecological Farm



JI Hotel's Ecological Farm Wuchang Rice Poster

Caring for Special Groups

During the Reporting Period, the Foundation donated approximately CNY 116,000 to the Shanghai Feiye Art Special Education School to help autistic children participate in a young journalists' camp, giving them the opportunity to experience firsthand the local customs and architectural culture of Shanghai. Additionally, we sponsored the school to conduct applied arts courses, teaching children about electronic drafting and drawing recognition, while allowing them to experience the joy of creation and expression through artistic immersion.

On December 18, 2023, a 6.2-magnitude earthquake struck Linxia Prefecture in Gansu, affecting Gansu and Qinghai provinces to varying degrees. H World took the hardships of our compatriots to heart and quickly raised funds to support the affected areas. On December 28, the Group, together with colleagues from various sectors who participated in the H World Partners Conference, donated CNY 4.52 million through the Shanghai Charity Foundation to the people in the Gansu earthquake area for emergency aid and subsequent reconstruction efforts.



Donation Certificate



Warmth and Love in the Community

H World understands that close cooperation with the communities where it operates is vital for sustainable corporate development. We strive to create a warm and harmonious community atmosphere and actively establish good mutual support relationships with the community. We provide assistance to the community to the best of our ability and regularly organize our employees to participate in volunteer activities, taking practical actions to give back to society and convey the company's warmth and care.



Legacy Huazhu's "Love House" Community Service Activity

On December 15, 2023, Legacy Huazhu officially launched the Love House community service activity in Daxing District, Beijing. Legacy Huazhu utilized 27 hotels within the region, including HanTing, Ji Hotel, Orange Hotel, Ibis, and Hi Inn, to offer thoughtful assistance in 12 different ways to the surrounding community and students at no charge. The assistance included free photocopying, free stationery, emergency phone access, mobile charging, free Wi-Fi, and backpack storage.

The Love House is not only an important attempt to serve the community and be a good neighbor but also a demonstration of the Group's commitment to actively participating in public welfare and fulfilling social responsibilities. We plan to gradually expand the scope of this activity, providing more convenience to residents while further deepening the connection between H World and the local community.



Love House Community Service Activity with 12 Types of Assistance



Legacy DH's "Social Day" Activities

Each year, Legacy DH's properties host a Social Day event, planning activities with unique themes to encourage employees to actively engage in volunteer service, thus conveying warmth and care to the community through their actions.

During the Reporting Period, employees of Al Hamra Apartments and Al Hamra Village Hotel in the United Arab Emirates distributed gourmet meals to over 120 local construction workers, spreading goodwill and joy. This warm interaction not only made the workers feel cared for by the community but also brought the hotels closer to the local community.

In addition, employees of the Steigenberger Hotel in Cairo, Egypt, visited a children's cancer hospital during Ramadan. Volunteers distributed carefully selected gifts and festive decorations to the hospital's children, not only brightening the hospital environment but also bringing joy and hope to these young patients facing difficult circumstances.



Al Hamra Apartments and Al Hamra Village Hotel Employees Distributing Gourmet Meals to Construction Workers



Steigenberger Hotel Employees Visiting a Children's Cancer Hospital

Appendix: Index of GRI Standards

Statement of use	H World has reported the information cited in this GRI content index for the period of 2023/1/1 – 2023/12/31 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standards	Disclosures	Report content/remarks
GRI 2: General Disclosures		
2-1	Organizational details	H World at a Glance
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-6	Activities, value chain and other business relationships	H World at a Glance
2-7	Employees	3.1 Equity, Diversity, and Inclusion
2-9	Governance structure and composition	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance
2-16	Communication of critical concerns	1.3 Communication with Stakeholders
2-22	Statement on sustainable development strategy	1.1 Long-term Strategies for and Commitments to Sustainable Development
2-23	Policy commitments	H World at a Glance
2-24	Embedding policy commitments	H World at a Glance
2-26	Mechanisms for seeking advice and raising concerns	H World at a Glance
2-27	Compliance with laws and regulations	H World at a Glance

GRI Standards	Disclosures	Report content/remarks
2-28	Membership associations	4.3 Building an Industry Ecosystem
2-29	Approach to stakeholder engagement	1.3 Communication with Stakeholders
GRI 3: Material Topics		
3-1	Process to determine material topics	1.4 Materiality Assessment
3-2	List of material topics	1.4 Materiality Assessment
3-3	Management of material topics	1.4 Materiality Assessment
Economic		
GRI 201: Economic Performance		
201-2	Financial implications and other risks and opportunities due to climate change	5.2 Combating Climate Change
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	H World at a Glance
205-2	Communication and training about anti-corruption policies and procedures	H World at a Glance
Environmental		
GRI 302: Energy		
302-1	Energy consumption within the organization	5.1 Commitment to Green Development
302-3	Energy intensity	5.1 Commitment to Green Development
302-4	Reduction of energy consumption	5.1 Commitment to Green Development
302-5	Reductions in energy requirements of products and services	5.1 Commitment to Green Development
GRI 303: Water and Effluents		
303-3	Water withdrawal	5.1 Commitment to Green Development

GRI Standards	Disclosures	Report content/remarks
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	5.1 Commitment to Green Development
305-2	Energy indirect (Scope 2) GHG emissions	5.1 Commitment to Green Development
305-4	GHG emissions intensity	5.1 Commitment to Green Development
305-5	Reduction of GHG emissions	5.1 Commitment to Green Development
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	5.1 Commitment to Green Development
306-2	Management of significant waste-related impacts	5.1 Commitment to Green Development
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	4.1 Responsible Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	4.1 Responsible Supply Chain
Social		
GRI 401: Employment		
401-1	New employee hires and employee turnover	3.1 Equity, Diversity, and Inclusion
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Comprehensive Compensation Benefits
GRI 403: Occupational Health and Safety		
403-3	Occupational health services	3.4 Safeguarding Physical and Mental Health
403-5	Worker training on occupational health and safety	3.4 Safeguarding Physical and Mental Health
403-6	Promotion of worker health	3.4 Safeguarding Physical and Mental Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Safeguarding Physical and Mental Health

GRI Standards	Disclosures	Report content/remarks
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	3.3 Employee Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Employee Training and Development
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	3.1 Equity, Diversity, and Inclusion
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	3.1 Equity, Diversity, and Inclusion
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	6 Achieving a Better Society Through Gratitude and Giving Back
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	4.1 Responsible Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	4.1 Responsible Supply Chain
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	2.1 Strengthening Safety Assurance
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	2.4 Enhancing Digital Empowerment



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