

佳源服務控股有限公司

JIAYUAN SERVICES HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE : 1153



2023

ENVIRONMENTAL · SOCIAL AND
GOVERNANCE REPORT

CONTENTS

ABOUT THE REPORT	2
ABOUT JIAYUAN SERVICES	3
SUSTAINABLE GOVERNANCE	5
QUALITY SERVICE	10
VALUING TALENTS	15
RESPONSIBLE BUSINESS	25
ENVIRONMENTAL COMMITMENT	30
COMMUNITY INVESTMENT	42
APPENDIX	43





ABOUT THE REPORT

This is the fourth Environmental, Social, and Governance (ESG) Report (the “Report”) issued by Jia Yuan Services Holdings Limited (the “Company”), together with its subsidiaries (collectively referred to as the “Group,” “we,” or “us”). This report aims to inform stakeholders about the Group’s environmental, social, and governance performance and management approaches for the year 2023 and enhance stakeholders’ understanding of the Group’s sustainable development efforts.

The Board of Directors holds full responsibility for the Group’s environmental, social, and governance strategies and the Report. The Board regularly assesses potential risks in these areas to ensure the establishment of appropriate risk management and internal control systems. This ensures effective implementation of the Group’s sustainable development strategies and initiatives. The Board has reviewed this report and confirms the accuracy, truthfulness and completeness of its contents. The Group will continue to evaluate the impact of its core business on environmental, social, and governance aspects and prepare the Report accordingly.

REPORTING GUIDELINE AND PRINCIPLE

This report follows Appendix C2, “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). It has been prepared on the basis of actual circumstances of the Group, adhering to the principles of “Materiality,” “Quantitative,” “Balance” and “Consistency.” The report discloses the Group’s management approach and performance in environmental and social aspects during the reporting period, based on actual circumstances. All information disclosed in this report is sourced from official documents, statistical data, or publicly available data of the Group.

REPORTING BOUNDARY AND PERIOD

This report covers all subsidiaries of the Group in the People’s Republic of China (“China”). Key environmental performance indicators cover all subsidiaries in Jiaying City, Zhejiang Province (encompassing five counties and two districts). Unless otherwise specified, this report covers the Group’s environmental and social performance and related actions for the period from 1 January 2023 to 31 December 2023 (the “reporting period” or “the year”).

ACCESS TO THE ESG REPORT

The Group’s Environmental, Social and Governance Report is available in both Chinese and English. In the event of any discrepancies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the Report can be accessed on the Group’s official website at <http://jy-fw.cn/> or on the HKEXnews website at <http://www.hkex.com.hk>.

FEEDBACK

The Group is committed to continuously improving its disclosure of information in environmental, social, and governance aspects. Any suggestions and feedback on the content and governance measures in the report are welcome. If you wish to make any suggestions or offer comments, please reach out to us through the Group’s website at <http://jy-fw.cn/>.





Headquartered in Jiaxing City, Zhejiang Province, Jiayuan is a leading provider of comprehensive property management services in the Yangtze River Delta region. With more than 19 years of operations, we have evolved from a leading regional property management service provider to a well-established and integrated property management service provider with a national presence. We have consistently enhanced the quality of our services and have focused on creating a better living environment for client property owners. We pay close attention to the needs of our clients, continuously improving service quality to exceed their expectations.

We uphold and adhere to the service philosophy of “Build A Beautiful Life With Heartfelt Service (用心服務, 共築美好);” and have introduced the concept of “Business Close to Life” (經營生活化),” so we can comprehensively meet the daily living needs of property owners. At the same time, we consistently improve and optimise our service systems, creating a replicable and scalable service model. Through our “Five Senses Service” approach – hear, touch, sight, smell and taste – we have established a service model centred on the sensory experience of property owners. This model effectively integrates various aspects of property management services, setting relevant requirements and standards to create a high-quality living environment for customers. Our outstanding performance in operations and services has been widely recognised and affirmed by various segments of the society.

◆ PROPERTY MANAGEMENT SERVICES

We provide a wide range of property management services for property developers and owners, including security, cleaning, landscaping, maintenance, elderly care and childcare, collectively referred to as the “Six Protection Services.” Additionally, we enhance the details of daily living through our “Five Senses Service.”

◆ VALUE-ADDED SERVICES TO PROPERTY DEVELOPERS

Unlike traditional property services, we provide comprehensive value-added services to property developers, which include sales management, early-stage planning and design consulting, pre-delivery cleaning and inspection, car park sales assistance and other customised services tailored to client needs, such as employee catering services and consignment services, meeting the needs of developers at every stage, from early-stage consulting to post-delivery management.

◆ COMMUNITY VALUE-ADDED SERVICES

To enhance the quality of life of customers and meet the diverse needs of property owners, we offer differentiated and customised community value-added services for different age groups, family structures and professions. Our services include home services, public area value-added services, car park rental assistance services and other life-support services.



ABOUT JIAYUAN SERVICES



HONOURS AND ACCREDITATIONS



No.	Honours Title	Award Date
1	"Beautiful Home' Residential Community of Haining City 2023" by Haining City "Six Cities Joint Creation" Work Leading Group/Haining City Urban and Rural Housing Work Coordination Committee Office	December 2023
2	"Municipal 'Red Property' Project 2023" by Jiaxing Municipal Housing and Urban-Rural Development Bureau	December 2023
3	"Chinese Landscape Architecture Style Residential Area" by Qingdao Municipal Landscape and Forestry Bureau	December 2023
4	"Model Community of the Year 2023" by Huhaitang Community Party Committee/Huhaitang Community Residents Committee	December 2023
5	"Demonstration Property of the Year 2023" by Huhaitang Community Party Committee/Huhaitang Community Residents Committee	December 2023
6	"Model Community of the Year 2023" by Kunpengdi Community Branch Committee/Kunpengdi Community Residents Committee	December 2023
7	"Demonstration Property of the Year 2023" by Kunpengdi Community Branch Committee/Kunpengdi Community Residents Committee	December 2023
8	"Top Ten Co-construction Units" by the China Communist Party Fangxing Community Committee of Baohe District, Hefei City.	December 2023
9	"Demonstration Community Training Site for Anhui Beautiful Red Property" by the Organisation Department of the China Communist Party Lujiang County Committee	October 2023
10	"Ten-Year Outstanding Contribution Unit 2013-2023" by the Nanhu Community General Party Committee	May 2023
11	"Tongxiang Outstanding Property Service Enterprise of the Year 2022" by Tongxiang Municipal Housing and Urban-Rural Development Bureau	March 2023
12	"System Security Creation Activity Demonstration Unit (Site)" by the Leading Group for "Secure Tongxiang" Movement	March 2023
13	"Top Ten Star Enterprises of Nanhu Street of the Year 2022" by the China Communist Party Nanhu Street Working Committee, Nanhu District, Jiaxing City	February 2023
14	"Provincial Red Property Project of the Year 2022" by the Housing and Urban Construction Department, Zhejiang Province	January 2023
15	"Zhejiang Provincial High-Standard Waste Sorting Demonstration Community and Demonstration Area of the Year 2022" by the Leading Group Office for Waste Sorting, Zhejiang Province	January 2023
16	"Jiangxing Municipal Second Batch of 'Waste-free Cells'" by the Regional "Waste-free City" Construction Work Task Force Office, Jiaxing City	January 2023





ESG GOVERNANCE STRUCTURE

To ensure sustainable development, the Group has proactively established an Environmental, Social, and Governance (ESG) framework, concentrating on core ESG areas and integrating the concept of sustainable development into its daily operations, strategic planning and business decision-making. Specifically, the Group has implemented a three-tier governance structure, from decision-making to the execution level, so as to effectively and systematically drive ESG practices and nurture long-term values.

Decision-making Level – the Board of Directors

The Board, being the ultimate decision-making body of the Group, is responsible for its ESG management, formulating the sustainability strategy, assessing the risks and supervising operation of the Group's risk management system to ensure effectiveness. After hearing regular and thematic reports from the ESG working group, the Board evaluates, prioritises and manages material ESG-related issues (including risks to the issuer's businesses); ensures that relevant resources are properly and adequately invested and to review the progress against ESG-related goals and targets; and then reviews and signs the annual ESG reports.



Supervision and Guidance Level – ESG Working Group

The ESG working group is responsible for identifying and assessing ESG risks under the guidance of the Board, developing specific work plans based on ESG strategies, understanding implementation of ESG management measures at the execution level and reporting the progress to the Board regularly. In addition, the ESG working group collects ESG-related information and data regularly and prepares the Report.



Execution Level – Functional Departments and Subsidiaries

Each functional department and subsidiary of the Group is responsible for rolling out and implementing ESG policies and measures in daily operations, reporting the progress in a timely manner and also assisting the working group in collating ESG information and calculating quantitative data.





COMMITMENTS AND INITIATIVES FOR SUSTAINABILITY

The Group adheres to the service philosophy of “Build A Beautiful Life With Heartfelt Service,” focusing on providing quality services that meet the needs of property owners and create delightful surprises for them. Together, we aim to build happy communities characterised by “Healthy Living and Joyful Residences.” We maintain close contact with our stakeholders to understand their concerns and continuously improve the relevant governance practices. We actively promote green property management, constantly optimising and innovating our operational strategies, and investing resources across multiple levels to contribute to sustainable development of society.

ESG Key Fields	Our Contribution and Measures
<p>Quality Service Experience First</p>	<p>The Group places high emphasis on service quality, establishing and continuously improving the service system. By constantly enhancing service quality and optimising customer experience, we provide high-quality services that meet customer expectations.</p> <ul style="list-style-type: none"> • Service quality management • Customer complaint handling • Customer information security and privacy protection
<p>Valuing Talent Building Future Together</p>	<p>The Group actively promotes a corporate culture of diversity and equality, valuing every employee’s contribution and worth. We strive to create a diverse, equal, and healthy working environment.</p> <ul style="list-style-type: none"> • Equal employment opportunities • Strict prohibition of child labour and forced labour • Employee welfare protection • Occupational health and safety • Employee development and training
<p>Stable Operations Sustainable Development</p>	<p>The Group is dedicated to building a favourable business environment, continuously improving management methods and governance practices to achieve long-term development.</p> <ul style="list-style-type: none"> • Intellectual property protection • Supplier access and evaluation • Supply chain environmental and social risk management • Improve anti-corruption monitoring systems
<p>Going Green and Low Carbon Protecting the Environment</p>	<p>The Group has established a comprehensive environmental management system for exploring energy-saving and emission reduction measures, actively responding to climate change risks, and contributing to green social development.</p> <ul style="list-style-type: none"> • Energy conservation • Emissions and waste management • Reduce resource consumption • Address climate change
<p>Giving Back to Society Passionate for Charity</p>	<p>The Group cares about the society and takes proactive actions, encouraging employees to participate in public welfare and charity, contributing to the construction of a harmonious society.</p> <ul style="list-style-type: none"> • Organise community care activities • Participate in social charity





STAKEHOLDERS ENGAGEMENT

The Group’s major stakeholders include regulatory authority and government, shareholders and investors, employees, customers and property owners, suppliers and partners, peers and industry organisations, communities, and public welfare institutions. We communicate with these stakeholders through various channels to fully understand their demands and expectations, responding to their concerns with practical actions and creating positive environmental and social impacts.

Stakeholders	Demands and Expectations	Main Communication Channels	Communication and Response
Regulatory Authority/ Government	<ul style="list-style-type: none"> – Comply with the laws – Pay taxes in accordance with the law – Promote local economic development and employment 	<ul style="list-style-type: none"> – On-site inspections and visits – Research and discussion through work conferences 	<ul style="list-style-type: none"> – Operate in compliance with the law – Pay taxes on time and in full – Create more job opportunities
Shareholders/ Investors	<ul style="list-style-type: none"> – Low-risk and reasonable return on investments – Information disclosure and transparency – Protection of interests of shareholders 	<ul style="list-style-type: none"> – Annual general meeting – Annual reports and interim reports – The Group’s official website – Announcements 	<ul style="list-style-type: none"> – Disclose the Group’s information in accordance with the law – Hold general meetings – Organise investing activities – Enhance profitability
Employees	<ul style="list-style-type: none"> – Safeguard the rights and interests of employees – Employee benefits – Safe working environment – Career development opportunities – Achieving personal value 	<ul style="list-style-type: none"> – Internal conferences, communication and discussion – Training and seminars – The Group’s policies and announcements 	<ul style="list-style-type: none"> – Strengthen health and safety management – Provide a platform for development – Develop a fair mechanism for promotion – Care about employees – Organise team building activities





Stakeholders	Demands and Expectations	Main Communication Channels	Communication and Response
Customers/ Property Owners	<ul style="list-style-type: none"> – Service quality – Information and privacy security – Integrity in operations 	<ul style="list-style-type: none"> – Customer satisfaction survey – Regular meetings – 400 hotlines and emails 	<ul style="list-style-type: none"> – Strengthen quality management – Improve communication channels – Optimise management mechanisms – Upgrade product system
Suppliers/Partners	<ul style="list-style-type: none"> – Mutual development – Honest cooperation – Business ethics 	<ul style="list-style-type: none"> – Business meetings and exchange meetings – Qualification audits – Regular assessments 	<ul style="list-style-type: none"> – Improve management systems – Establish a communication platform
Peer/Industry Associations	<ul style="list-style-type: none"> – Cooperation and experience sharing – Fair competition – Development of the industry 	<ul style="list-style-type: none"> – Industrial seminars – Site visits 	<ul style="list-style-type: none"> – Stick to fair competition – Achieve win-win results – Share experience of sustainable development
Communities/ Charitable Organisations	<ul style="list-style-type: none"> – Community engagement – Job opportunities – Environmental protection – Harmonious development 	<ul style="list-style-type: none"> – Charitable donations – Charitable activities – Community services 	<ul style="list-style-type: none"> – Organise volunteer services – Promote the development of community culture – Care about underprivileged groups

IDENTIFYING MATERIALITY ISSUES

The Group adheres to the “materiality” reporting principle, has established a stakeholder communication mechanism, and carries out materiality assessment of ESG issues. The materiality assessment includes a three-stage process of issue identification, issue research and ranking, and issue disclosure. By analysing the importance of each ESG issue to the Group’s business development, the assessment process helps optimise and perfect its ESG work planning, improve the ESG management, and identify disclosure priorities, to enhance the effectiveness of ESG information disclosure.





Materiality	Issues	Subject Area
Very Important	Service Quality	Operations management
	Employment and employee benefits	Employment and labour practices
	Occupational health and safety	Employment and labour practices
	Employee development and training	Employment and labour practices
	Assessment and evaluation of suppliers	Operations management
	Customer complaint handling	Operations management
	Anti-corruption and anti-money laundering	Operations management
	Community investment	Society investment
	Protection of intellectual property rights	Operations management
Important	Equal opportunity	Employment and labour practices
	Prevention of child labour and forced labour	Employment and labour practices
	Environmental and social risks of the supply chain	Operations management
	Data security and privacy protection	Operations management
	Exhaust emissions	Environment
	Greenhouse gas emissions	Environment
	Waste management	Environment
	Energy consumption	Environment
	Water consumption	Environment
	Paper consumption	Environment
	Management of risks associated with environmental and natural resources	Environment
Climate change	Environment	



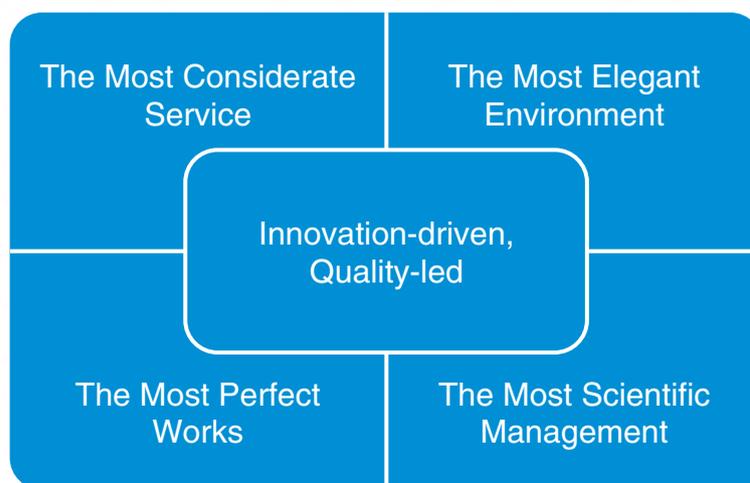
QUALITY SERVICE



Quality Goals

- Contract performance rate reaching 100%
- Customer satisfaction rate reaching 85%
- Property fee collection rate reaching 94%

The Group adheres to the principle of “Innovation-driven, Quality-led”, and practices the service principle of “Providing Heartfelt Service to Co-create a Better Future.” We are committed to creating a “Most Considerate Service, Most Elegant Environment, Most Perfect Works, and Most Scientific Management” livable community. Our goal is to make our property owners feel satisfied. We have established and continuously optimised our service system to maintain high-quality service. We also constantly improve our project quality management and complaint handling processes to understand the needs of the property owners and protect their rights and interests. We provide an array of community services and organise community cultural activities, hoping to respond to the needs of property owners with warm service, co-build a harmonious and prosperous community, and rediscover the value of urban living.



QUALITY MANAGEMENT SYSTEM

We are committed to providing comprehensive and meticulously crafted professional services, ensuring property owners receive a convenient, reliable and high-quality service experience. The Group’s mission is to create a livable, healthy, and happy community. By incorporating smart technology, we have innovated our service model, transforming from traditional property-based basic services to a new integrated modern community service. We have created the “Jiayou Life” service system, covering three major aspects: Liveable Yue Home, Sweet and Safe Home and Healthy and Happy Home.





“Jiayou Life” Service System

Liveable Yue Home

Sweet and Safe Home

Healthy and Happy Home

“Six Guaranteed Butler Services”

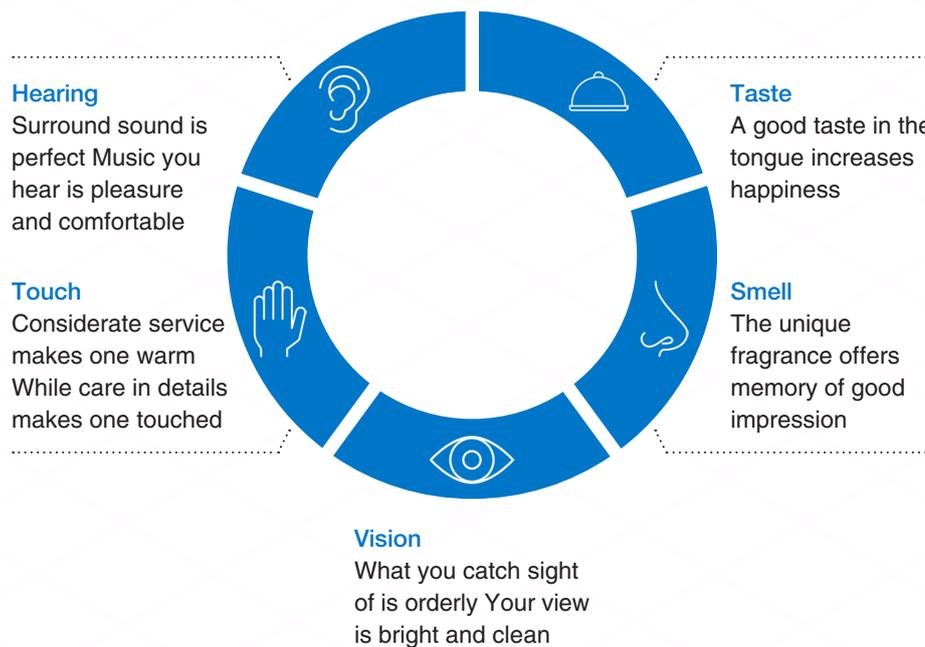
“Lingxian Wuyou” Community Market

“Mi Dao” restaurants

“Jia Jia Bang” Home Delivery Service

Sports day, Talent Show and Thanksgiving season and other activities for property owners

To further enhance service quality, the Group has independently developed the “528 Flow Line System,” strictly controlling the quality of each property service link and comprehensively optimising the property owners’ auditory, tactile, visual, olfactory, and gustatory sensory experiences.



This year, the Group has focused on the “Protect Children” and “Protect the Elderly” aspects of the “Six Guarantees Butler services.” We have launched the “Hundred Group Battle” community operations implementation plan, establishing different themed interest groups to build close-knit community connections and stimulate community vitality.





QUALITY CONTROL

Upholding the core value of “Quality Creates the Future,” the Group exercises strict quality control over projects through internal policies and regulations such as the Project Site Work Quality Inspection Standard (《項目現場工作品質檢查標準》). To ensure project quality, we have developed product system documents covering product quality standards, standard compliance inspection scorecards, and on-site quality inspections for various projects, along with inspection and evaluation practices. These policies and regulations have continuously improved the quality of our services to individual projects.

The Group’s regular project inspection process is as follows:



1. The Quality Operation Center leads the inspection team to conduct quality inspection of the projects under management on a quarterly basis.



2. The inspection team evaluates the on-site work of the delivery project on two major dimensions: internal affairs management and on-site management, and holds meetings and discussions with the project manager and key staff of each project on the problems found during the inspection, analyses the root causes of the problems, and proposes corresponding rectification and improvement measures and rectification deadlines.



3. For projects with serious quality failures or many problems, the inspection team can carry out on-site systematic training or operational exercises to help improve their management quality.



4. The inspection team closely follows up on the subsequent rectification of the inspected projects and urges the project staff to implement the enhancement measures as soon as possible.

In addition to regular inspections, the Group also conducts unscheduled quality spot checks using methods like video verification, undercover visits, and commissioned cross-inspections by other companies, in order to strictly control project quality. For residential project deliveries, our Residential Delivery Project Site Work Quality Inspection Scorecard (《住宅交付項目現場工作品質檢查評分表》) covers 36 assessment items including office environment, quality inspection, and security management. Based on the established scoring standards, we identify and improve any deficiencies to ensure we provide customers with high-quality residential services.

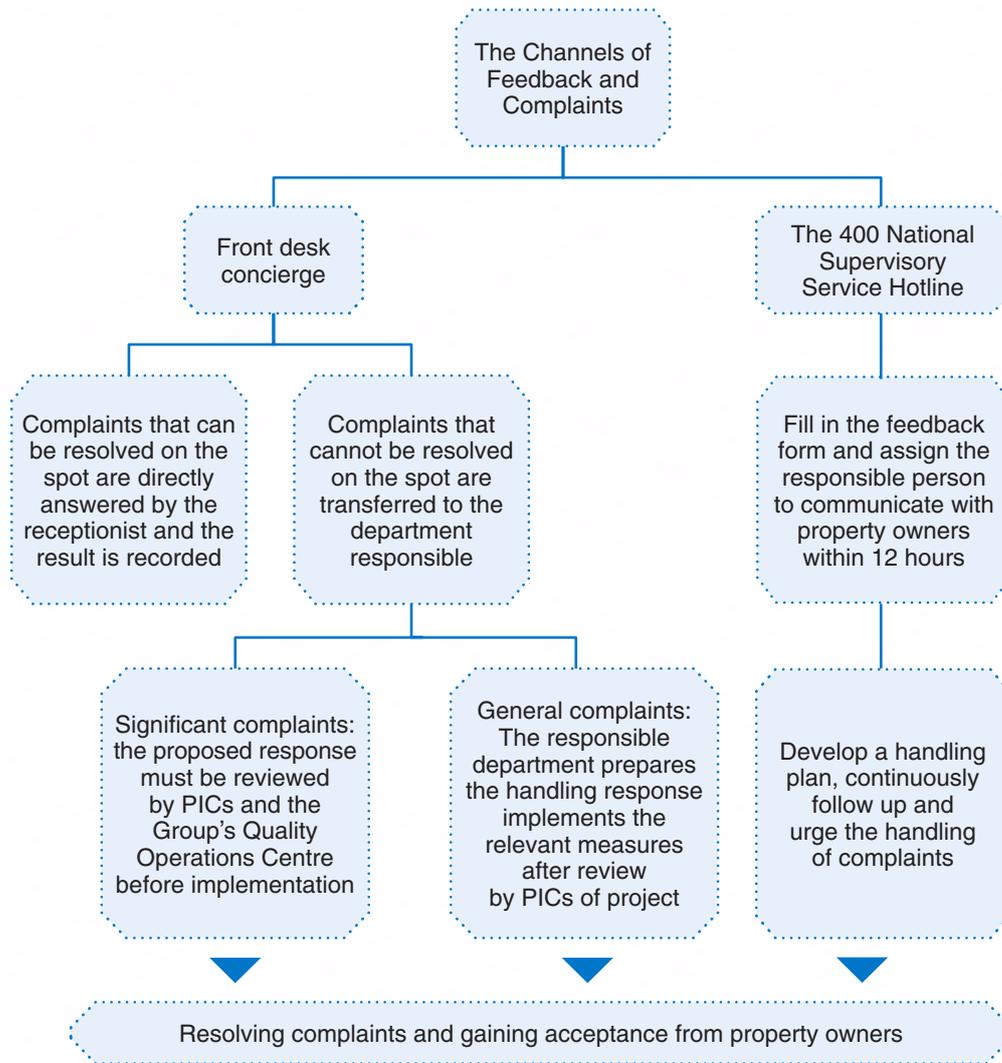
The core business of the Group does not involve safety and health risks. Therefore, this year, the Group has not recalled any products due to quality or safety issues.





CUSTOMER COMPLAINT MECHANISM AND CUSTOMER SATISFACTION

The Group has always regarded property owners as important stakeholders in its journey toward sustainable development. We care about their experiences and feedback and are committed to meeting their needs and providing high-quality services. We continuously optimise our property owner complaint management mechanism-property owners can provide feedback and file complaints by directly contacting the front desk concierge or calling our 400 national supervisory service hotline. The responsible departments handle the complaints according to the established process and provide timely updates to project managers and homeowners. After the complaint is resolved, we arrange personnel to follow up with the property owners to confirm their satisfaction with the handling of the complaint, truly safeguarding their interests. Our property owner feedback and complaint handling process is as follows:





Additionally, the Group regularly conducts property owner satisfaction surveys and evaluates the handling of property owner feedback and complaints, summarising problems that have risen in each link of the complaint handling process for further improvement. Through special discussion meetings, we develop improvement plans based on the issues reflected in the satisfaction surveys. After the improvements are completed, dedicated personnel provide feedback to the property owners and invite them to verify the results. The Group also strictly carries out Group-level daily/weekly/monthly inspections and “7+1” self-inspection, as per requirements stipulated. Based on product quality standards such as the 528 Flow System (《528動線體系》), 3546565 Product System (《3546565產品體系》), and 3339393 Perception System (《3339393感知體系》), we proactively identify on-site shortcomings from the property owner’s perspective and complete rectification within the required timeframe. For complaints involving service attitude issues or improper handling, the responsible parties are penalised by way of fines and serious cases even result in disciplinary actions such as demerit or demotion. For projects with a higher concentration of complaints, the Group urges the responsible departments to summarise the issues and propose optimisation solutions.

During the reporting year, the Group conducted property owner satisfaction surveys for 166 projects, covering 128,358 households, with an overall satisfaction score of 92.

CUSTOMER PRIVACY PROTECTION

The Group places high priority on customer information security and privacy protection. We have strictly implemented the requisite information security and privacy protection measures and obtained ISO/IEC 27001:2013 certification to ensure that the collection, storage, and use of customer information comply with relevant laws, regulations and the Group’s policies. We have published the Information Security Management Handbook (《信息安全手册》) and established an Information Security Management Group to build, implement, operate and maintain an information security management system that meets the requirements of customers, relevant parties and legal regulations, effectively controlling information security business risks.



Information Security Management System Certification

We regularly conduct information security risk assessments to ensure continuous and reliable operations of our business systems. Through our Information Security Risk Management Procedure (《信息安全風險管理程序》), we identify and control information security risks, and our Human Resources and Administration Centre has developed the Information Security Risk Treatment Plan (《信息安全風險處理計劃》) based on the risk assessment to promptly address and control the relevant risks. Meanwhile, our IT department is responsible for regularly validating the property management system, testing password and login authorisation, login auditing, data backup and recovery procedures, as well as checking and upgrading antivirus software to promptly detect and protect against intrusion viruses.

To ensure that the collected data are used solely for providing customer services, we continuously optimise the management of paper and electronic files, standardising the file storage procedures. We require all paper files to be stored in the file room, to be managed by designated personnel, with access only granted after approval from the project manager and the customer. Electronic files containing personal information such as names and addresses are all entered into the property management system and encrypted, while passwords are managed by the custodian, position supervisor and project manager. The Group also signs Non-Disclosure Agreements (《保密協議》) with all employees to prevent illegal use, leakage, or sale of customer information. We regularly conduct information security education and training programmes to strengthen employees’ awareness of the importance of information security, ensuring effective implementation of information security management measures and preventing any form of customer information leakage.



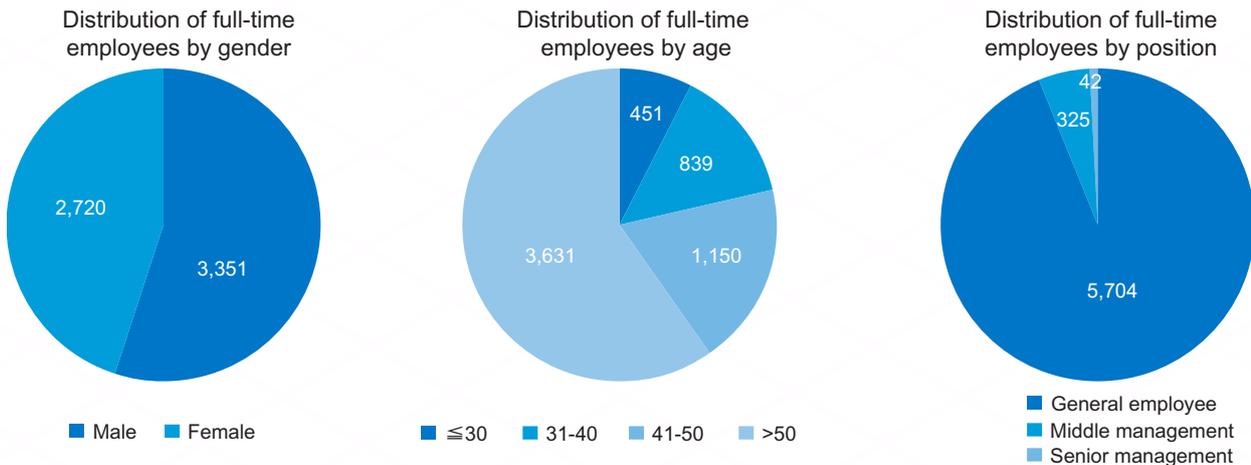


The Group understands that employees are an important driving force for the long-term development of the enterprise. We strictly comply with the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) and other national and local laws and regulations on employment and labour management, and formulate internal systems and policies including the Work Standards of the Group (《集團工作標準》), the Standards on Remuneration and Benefits (《薪酬福利工作標準》), the Related Standards on Remuneration Grades (《薪酬等級相關標準》), the Employee Handbook (《僱員手冊》) and the Regulations on Employee Relations Management (《員工關係管理規定》) to further protect legitimate rights and interests of employees. We are continuously improving relevant governance measures and remain committed to creating a diverse, equal, and healthy work environment for our employees.

EMPLOYEE COMPOSITION

As of 31 December 2023, the Group had 6,071 full-time employees (no part-time or temporary employees) and 1,008 outsourced employees. All 6,071 full-time employees and 1,008 outsourced employees were from Mainland China. There were 3,351 (approximately 55.2%) full time male employees and 2,720 (approximately 44.8%) full-time female employees. Of all employees 13.8% were aged 31-40 and 7.4% were under 30. Middle and senior management personnel accounted for approximately 6.0% of the total full-time workforce.

The distribution of full-time employees by category is as follows:





EMPLOYEE RECRUITMENT

The Group commits to creating a compliant, fair, diverse, and inclusive work environment. We have established standardised management practices to regulate the recruitment and hiring processes based on the principles of openness, fairness, competition and meritocracy when recruiting talents. We match candidates reasonably based on their characteristics and job requirements. Our Regulations on Employee Relations Management (《員工關係管理規定》) specify the processes and requirements for internal recruitment, hiring, probation, record-keeping, and resignation. In addition, we have established an internal talent pool to assess available human resources, understand personnel needs and combine department-specific staffing standards to formulate the Group's Annual Staff Recruitment Plan (《年度員工招聘計劃》). We use various channels for internal and external recruitment, including internal job posting, recommendations from external talent agencies, social and campus job fairs, and online platforms, to attract potential candidates with diverse cultural backgrounds and unique abilities.

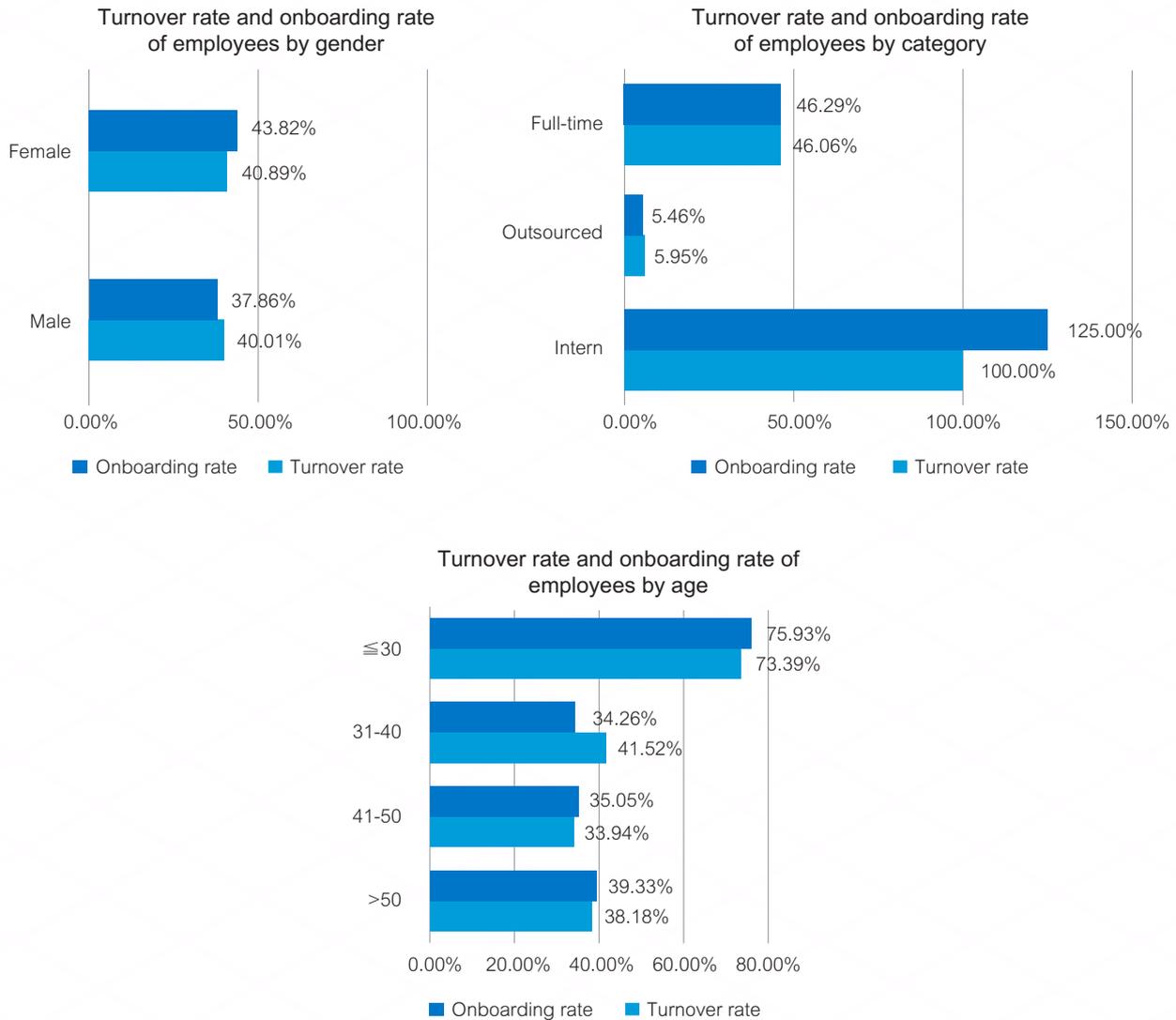
Stages of the external recruitment process of the Group:

Issuing job posting	<ul style="list-style-type: none">The human resources department publishes information of job vacancies on recruitment websites, social media, offline job fairs and other channels according to the needs of different departments.
Screening resumes	<ul style="list-style-type: none">The human resources department is responsible for reviewing the resumes and relevant information of job seekers according to the requirements of the position, and establishing an external talent pool based on the information collected from job seekers, classified by standard graduates and those with work experience.
Interviews	<ul style="list-style-type: none">Interviews are conducted in three rounds and are carried out jointly by the human resources department and the manager of the department to which the position belongs, and candidates are selected according to the Group's standardised evaluation criteria.
Competency assessment	<ul style="list-style-type: none">We abide by the principle of "pay based on the position and individual competency", examine the qualifications of the candidates, determine their positions and salaries, and conduct background checks on candidates for key positions to ensure that the information on the relevant candidates is correct.





During the year, the Group hired 2,871 new employees (including 2,811 full-time employees, 55 outsourced employees and 5 interns). Of these 1,480 (approximately 51.5%) were male and 1,391 (approximately 48.5%) were female employees. The Group’s overall employee turnover rate for the year was 40.4%¹ and the employee onboarding rate was 40.5%.² The turnover rate and onboarding rate of each category of employees³ were as follows:



Note:

- ¹ The overall employee turnover rate for the year is calculated as: Total number of departed employees (including full-time, outsourced, part-time and interns)/Total number of employees (including full-time, outsourced, part-time and interns) at the end of the year
- ² The overall employee onboarding rate for the year is calculated as: Total number of onboarded employees (including full-time, outsourced, part-time and interns)/Total number of employees (including full-time, outsourced, part-time and interns) at the end of the year
- ³ The turnover rate and onboarding rate of each category of employees for the year are calculated as: Total number of employees (lost or onboarded) in that category/Total number of employees in that category (including full-time, outsourced, part-time and interns) at the end of the year





VALUING TALENTS

EMPLOYEE’S RIGHTS AND INTERESTS

The Group upholds the principles of fair and just employment and opposes any discrimination based on gender, age, region, educational background, religious beliefs, or sexual orientation. We are committed to ensuring that every employee has equal opportunities and respect. All employees are entitled to statutory holidays, annual leave, sick leave, marriage leave, maternity leave, and other benefits.

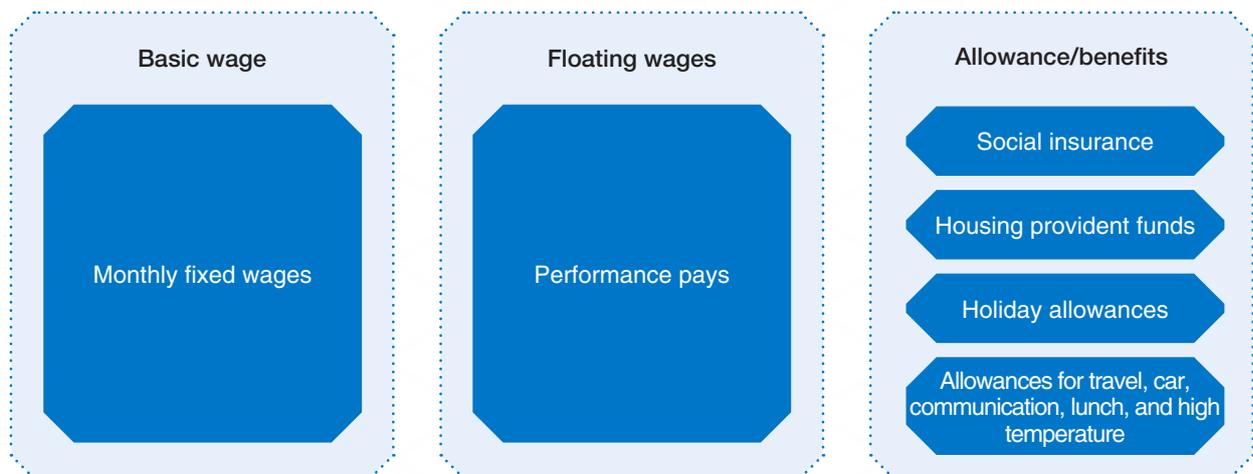
The Group strictly adheres to relevant laws and regulations such as the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》) and Labour Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》). During the recruitment process, we verify and keep records of age of employees to ensure compliance with legal requirements. We also strictly prohibit any form of forced labour, uphold moral and legal standards, and prevent any incidents related to employment of child labour or forced labour. If any violations are found, the Group takes immediate remedial measures and monitors implementation of relevant solutions.

During the year, we did not have any issues related to employment of child labour or forced labour.

REMUNERATION AND BENEFITS

The Group values human care and employee welfare. We have established a fair and transparent compensation and benefits system, clearly defining the requirements for distribution of compensation and benefits, as well as performance evaluation criteria. Additionally, we have defined the employee welfare system in documents such as the Work Standards of the Group (《集團工作標準》), the Standards on Remuneration and Benefits (《薪酬福利工作標準》) and the Related Standards on Remuneration Grades (《薪酬等級相關標準》) to ensure fairness and reasonableness.

We timely and fully distribute the basic salary to our employees, and handle their social insurance and housing provident fund accounts, ensuring monthly payments of relevant fees in accordance with legal requirements. Additionally, we have established attractive incentive mechanisms, including overtime allowances, performance bonuses, and other rewards. We also provide substantial living assistance, such as occupational equipment, meal allowances, accommodation arrangements, and transportation subsidies, covering various aspects of employees’ “clothing, food, housing, and transportation” needs. This is aimed at creating a more comfortable working environment for our employees.





EMPLOYEE CARE

The Group listens to employees' voices through various channels to address the issues they face, enhance their sense of belonging to and trust in the Group, and strengthen internal cohesion. Employee communication channels include but are not limited to surveys, written interviews, and face-to-face communication. These channels aim to actively listen to employees' opinions and strives to better understand their needs and thoughts and feelings, and take timely measures accordingly.

In addition, we also provide channels such as caring hotlines and complaint emails to support employees in expressing their opinions. We highly value such feedback and actively follow up to address relevant issues. Furthermore, we continuously improve internal management regulations and ensure effective implementation of the corresponding measures through follow-up visits. Through these caring and communication measures, we are committed to creating a caring and trusting work environment where employees feel valued and supported, thus boosting their motivation and creativity. We believe that through these efforts, we can promote the growth and development of employees and drive the long-term progress of the Group.

OCCUPATIONAL HEALTH AND SAFETY



Goals of Occupational Safety and Health

- Zero work-related accidents, zero major safety accidents
- Distribution rate of labour insurance products reaching 100%
- Occupational health medical examination rate reaching 100%

We adhere to the principles of “people-oriented, life first; prevention-oriented, enhancing training; full attention, and timely handling.” The Group is committed to providing a safe and healthy work environment for all its employees and strictly complies with national and local laws and regulations, such as the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》), and Fire Control Law of the People’s Republic of China (《中華人民共和國消防法》). It follows national standards such as the Requirements and Guidelines for Occupational Health and Safety Management System (GB/T 45001-2020) 《職業健康安全管理體系要求及使用指南》 (GB/T 45001-2020), continuously improving relevant governance measures to effectively safeguard employee health.





The Group has formulated the Employee Safety Management Standard (《員工安全管理工作標準》), which details the division of responsibilities for safety management, classification of safety incidents and the corresponding handling methods, and specifies the corresponding objectives and management plans. Through measures such as strengthening safety education, organising annual occupational health check-ups and regular inspection of equipment and facilities, the Group strives to enhance employees' occupational health and safety awareness and reduce the likelihood of accidents. The Group has obtained ISO 22000 food safety management system certification to ensure that the food provided to employees in the canteen meets the safety standards.

Safety Check	Incident Review	Publicity and Training
<ul style="list-style-type: none"> Conduct safety inspections of the office premises to ensure that fire safety equipment and other safety facilities are functioning properly, thereby preventing potential safety hazards. 	<ul style="list-style-type: none"> Review the causes of safety incidents, recorded injuries and illness of staff, relocate injured staff properly, calm their families, pay compensation and convey condolences; follow up the implementation of remedial work. If there is incomplete investigation of the causes of the incident and inadequate implementation of the remedial work, the responsible person is punished seriously. 	<ul style="list-style-type: none"> Post safety tips and safety notices in the office area; hold fire drills and fire safety training for all staff, as well as fraud and pandemic prevention training to raise staff awareness of personal and property safety.

The division of responsibilities for the Group's safety work is as follows:

Human Resources and Administration Centre of the Group	Responsible for developing and improving employee safety management standards;
	Responsible for safety education of the staff of the headquarters, and supervising and checking the management of staff safety incidents
Corporate Human Resources and Administration Department	Follow work standards issued by the Group regarding the handling of employee safety incidents in disciplined manner;
	Responsible for safety of the enterprise's employees, timely reporting of employee accidents, and participation in the investigation and handling of accidents





Performance Indicator of Occupational Safety and Health	2021	2022	2023
Number of work-related deaths (persons)	2	0	0
Work-related death rate ⁴ (%)	0.03	0	0
Number Of Working Days Lost Due To Work-Related Injuries ⁵ (Days)	1,514	3,142	2,867

EMPLOYEE DEVELOPMENT AND TRAINING

The Group believes that diverse training programmes can help employees enhance their skills and knowledge levels, promoting both personal and professional development. For a long time, we have been providing internal training as the main focus, supplemented by external recruitment, to provide our employees with abundant professional skills training and career advancement opportunities.

We have developed different and personalised career development paths and training programmes for fresh graduates, outstanding employees and management personnel to fully explore their potential and provide key talents for the Group's business:

Fresh Graduates

- Train them with professional instructors and arrange multi-departmental job rotations to guide them to a suitable direction and development path based on a combination of factors such as their performance on the job, opinions of their departmental leaders and opinions of their instructors.

Outstanding Employees

- The Human Resources and Administration Centre of the Group regularly conducts talent check, selects outstanding employees as key training targets, and provides them with diversified training such as theoretical knowledge training, job rotation exercise and personalised counseling by instructors to help them become business or management talents.

Management Personnel

- Pay attention to their on-the-job performance, formulate individualised training plans based on performance evaluation and assign mentors to enhance their management and leadership abilities through training, with the aim of creating a management team with strong working ability and high quality.

Note:

⁴ The ratio of work-related deaths is calculated as: Number of work-related deaths/total number of employees

⁵ In 2021, the scope of this indicator was within Zhejiang Province and Jiangsu Province, but it was extended to all projects in China in 2022.





The Group has been committed to continuously optimising its training mechanisms and improving its training curriculum. We emphasise standardised training content and invest in diverse training programmes and resources to enhance the professional quality and capabilities of all employees in the Group. In 2023, in response to the needs of product system development, we added training content related to the product system series. Throughout the year, both the Group and its enterprises conducted product-focused training, including three courses specifically designed for newly promoted project leaders. We combined practical research on group development and formulated a weekly Wednesday flash class plan, inviting the general managers of the company and outstanding project leaders as training instructors. They shared practical results of the product system with all employees in a total of 25 sessions. The Group constantly reviews and updates the curriculum for employee training, providing various training courses to help employees understand the Group's culture, enrich their business knowledge, enhance practical skills, and improve their business capabilities.

Staff Training System	
“Yuan Power” training programme	We provide fresh graduates with special training covering general knowledge about the property management industry, corporate culture of the Group and customer service to help them get into work quickly with a combination of theory and practice.
Orientation training programme	We target our orientation training for new joiners by providing a week of onboarding training, covering the history of the Group, its corporate culture, organisational structure, management system, and job responsibilities to assist new employees in familiarising themselves with the working environment and integrating quickly into their new roles.
On-the-job training programme	We provide service, communication, and management training courses for staff in management positions to improve their customer communication, problem handling and team management skills.
Reserve personnel training programme	We offer courses in leadership development, management skills enhancement, team building, budget management and investment development to reserve cadres to prepare them for subsequent promotions.
Promotion training programme	We enhance business and management skills of the management cadres through pre-promotion and post-promotion training. We provide business knowledge training to cadres before promotion to help them adapt quickly to the position, and offer operation and management related courses after promotion to help them handle their daily management work efficiently.
Product system series training programme	Through product-focused training courses, we standardise service processes, improve employee service levels, and enhance the overall service quality of the Group.





Case

Training Programme of “Capability Training Camp”

In line with the actual development of the Group, we studied and developed the “Capability Training Camp” training programme during the year. We are committed to providing different types of training courses for our employees to help them understand the Group’s culture, enhance their business knowledge, train their practical skills and improve their business capabilities.



During the year, the Group provided training for a total of 74,503 hours to its employees (12.30 hours per capita)⁶, covering all full-time employees, outsourced employees and interns.

The specific training hours are as follows:

Overall Training Hours Per Capita	
Total training hours for all employees (hours)	74,503.00
Training hours per capita (hours)	12.30
By Gender	
Male (hours)	10.52
Female (hours)	10.52
By Category	
Full-time (hours)	12.11
Part-time (hours)	0
Outsourced employee (hours)	0.98
Intern (hours)	3.50
By Job Position	
Senior (hours)	14.83
Middle (hours)	27.20
General Employee (hours)	9.65

Note:

⁶ The number of training hours per employee is calculated as: Total training hours for all employees (including full-time, outsourced employees, part-time and interns)/Total number of employees (including full-time, outsourced employee, part-time and interns).



VALUING TALENTS



This year, a total of 27 employees in the Group successfully advanced through various development paths. Among them, one outstanding manager was promoted to General Manager, one exceptional reserve cadre was promoted to Deputy General Manager, and 25 excellent employees were promoted to Project Managers.





While pursuing business success, the Group attaches due importance to its corporate responsibility and mission also. We adhere to principles of integrity and transparency in operations, focus on sustainability of the supply chain, and emphasise management practices in respect of anti-corruption, intellectual property rights, and marketing, to create a trustworthy and reliable business environment.

SUPPLY CHAIN MANAGEMENT

Good supply chain management is an important part of the Group's long-term development. In accordance with relevant laws and regulations, the Group has established an open, transparent, and competitive supply chain management system, standardised the supplier access and evaluation process, and manages the environmental and social risks related to the supply chain to promote its sustainability. The Group places particular emphasis on selecting partners when developing the supply chain. Our supply chain is made up of subcontractors who provide community services such as elevator and fire system maintenance, gardening, and waste management. The Group leads and strictly enforces the selection, daily management, and performance evaluation of subcontractors. During this process, each subsidiary plays a supportive role, ensuring smooth operations and providing necessary assistance. We prioritise working with suppliers who align with our values and meet environmental and social requirements. This approach promotes long-term stability in the supply chain, continuous improvement in quality control, and adherence to the principles of sustainable development.

Supplier Access Process

The Group adheres to the fundamental principles of fairness and impartiality and regularly reviews and updates the list of subcontractors. On this basis, subcontractors' qualifications are assessed through strict evaluation criteria to ensure the quality of their work.

Before initiating the supplier access process, the Group searches for potential suppliers and distributes the Supplier Information Registration Form (《供方信息登記表》) to the selected candidates. This process ensures that at least three suppliers of each professional type are considered. This selection is based on the Subcontractor Recommendation Form (《分包商推薦表》) submitted by the Group's subsidiaries. The suppliers are required to complete the form and provide necessary attachments, with minor supplies being the only exception.





The completed forms and attachments are reviewed by the Group and if the Supplier Information Registration Form (《供方信息登記表》) and the provided information meet the required standards, a thorough inspection is conducted. This inspection evaluates the supplier's organisational structure, pricing policies, project execution, operational practices, and service quality, in addition to assessing environmental and social risks. Concurrently, it places emphasis on overseeing the safety of subcontractors' maintenance and repair personnel, ensuring proper and effective use of safety equipment.

Following the inspection, the Group prepares the Supplier Inspection Report (《供方考察報告》) and makes initial recommendations. Approved suppliers are then added to the Corporate Qualified Supplier Database (《企業合格供方資源庫》), and their bids are evaluated based on criteria such as comprehensive services, industry reputation, and previous collaboration performance. Subcontractors with environmental certifications are given preference. During the year, all 184⁷ of the Group's major suppliers were sourced from Mainland China.

Supplier Risk Assessment and Management

The Group has a comprehensive monitoring and evaluation system for subcontractors to ensure systematic management. We consistently monitor subcontractors' performance across various areas, including production processes, occupational safety, environmental protection, and social responsibilities. Assessments and evaluations are conducted regularly, monthly, and annually to identify and mitigate potential risks, thereby avoiding or mitigating potential negative impacts.

Each subsidiary of the Group appoints dedicated personnel to oversee the daily activities of subcontractors, monitor their maintenance processes and outcomes, and document the relevant data for review. The Group frequently updates the list of subcontractors, reassessing their service quality, and retains the right to terminate contracts unilaterally in case of subcontractors who consistently fail assessments or do not make the required corrections on time. Subcontractors that do not provide services for over two years, ignore the Group's review requests, breach laws or business ethics, or engage in any misconduct that harms the Group's reputation or violates employee rights are removed from the list. For subcontractors who consistently fail assessments or are unable to complete corrections on time, the Group has the right to unilaterally terminate the contract. In case of initial quality issues with supplier materials, a written report must be submitted to the Business Operations Management/Human Resources and Administration Department for feedback. Following verification by the Business Operations Management/Human Resources and Administration Department, corrective measures are determined. Should quality problems persist, the supplier's qualification may be revoked. In severe cases, procurement is halted immediately and the supplier's qualification is cancelled.

Moreover, the Group upholds rigorous standards of integrity in procurement, actively scrutinising any breaches of business ethics. Immediate measures are taken upon discovery of subcontractors engaging in bribery or any form of unethical conduct.

Note:

⁷ Due to integration of corporate resources and adjustments in procurement strategy, the number of suppliers this year has decreased, compared to last year.





PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group fully adheres to the requirements of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), along with other relevant laws and regulations for the protection of intellectual property rights. We have formulated and implemented relevant policies and clauses, continuously enhancing our intellectual property management system to safeguard various intellectual properties and prevent infringement risks.

The Group's Human Resources and Administration Centre oversees all tasks related to intellectual property rights. This includes acquiring, modifying, renewing, and licensing trademarks, domain names, copyrights, patents, and other intellectual properties involved in the Group's operations, as well as monitoring adherence in all departments. Additionally, we provide guidance and supervision to subsidiaries in maintaining intellectual property rights. We conduct legal education and regulatory training on intellectual property rights for relevant staff, aiming to enhance their awareness of issues related to protection of intellectual property.

Our information management and legal risk control departments examine matters related to intellectual property infringement risks and regularly review the use of common office and professional design software to ensure all software are obtained through appropriate channels and are in compliance with relevant laws and regulations.

Furthermore, the Group enters into Non-Disclosure Agreements (《保密協議》) and Non-Competition Agreements (《競業禁止協定》) with its employees and suppliers. Any employee found violating these laws, regulations, or agreements is subject to investigation, and appropriate actions are taken when necessary.

RESPONSIBLE MARKETING

The Group rigorously adheres to the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and other relevant laws, regulations and industry standards. We consistently monitor information circulating in the community, so we can promptly address and dispel any rumors or false information that could mislead property owners. The Group ensures that both online and offline publicity content aligns with principles of compliance, comprehensiveness and effectiveness for business promotion. Periodic checks are conducted to guarantee that the disseminated information is legal, accurate and truthful. If necessary, we undertake legal actions to address any infringements on the rights and interests of property owners, thereby safeguarding their lawful rights and interests.





BUSINESS ETHICS AND ANTI-CORRUPTION

The Group strictly complies with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), as well as other relevant national and local laws and regulations. To prevent and combat fraud, bribery, corruption, and unfair competition, the Group has established the Anti-fraud Policy (《反舞弊制度》), the Rules Governing the Management of Related Party Transactions (《關聯交易管理制度》), the Employee Integrity Self-discipline (《員工廉潔自律公約》), and Group Management Regulations (《集團管理制度》). The Group employee handbook clearly outlines disciplinary measures for violations such as misappropriation of assets and acceptance of bribes. Any violations result in severe punishment. We continuously standardise employee behavior and strengthen compliance awareness, fostering a clean and honest corporate environment and promoting the Group's stable and sustainable development.

In 2023, the Group carried out major improvements in anti-corruption oversight. We renamed the existing Financial Fund Center as the Financial Audit Center, clearly defining its responsibilities in internal auditing and oversight. The Financial Audit Center is now responsible for supervising implementation of anti-corruption measures in the Group, conducting regular special investigations and audits. Moreover, it performs quarterly routine audits and conducts random checks on subsidiary companies and project personnel to swiftly identify and address any misconduct. To enhance the professionalism of auditors, we regularly convene financial audit work meetings and reinforce standards for audit supervision. Concurrently, within the party organisation, the Group's Party Committee has appointed a Deputy Secretary in charge of discipline and a member of the Discipline Committee to advance our anti-corruption and integrity efforts.

Whistleblowing System

The Group continuously strengthens its anti-corruption reporting mechanism. We encourage employees to actively report any suspected violations or misconduct through various channels, including but not limited to email and the 400 national supervision service hotline.

In addition, the Group upholds high ethical standards in its business activities, ensuring that all operating and procurement contracts include anti-commercial bribery clauses and address of the whistleblowing inbox. We maintain a zero-tolerance policy towards employee misconduct, strictly prohibiting employees from accepting any form of payment from suppliers. Employees who violate the regulation face decisive and strict disciplinary measures.





Anti-corruption Training

The Group regards anti-corruption training as an important component of its anti-corruption management. To regulate employee conduct at source, all new employees are required to sign the Employee Integrity Self-discipline Convention (《員工廉潔自律公約》) ensuring that employees fully understand and commit to upholding the Group's expectations and code of conduct from the outset.

The Group continues to strengthen anti-corruption education and training for its employees, aiming to enhance their overall awareness of legal provisions and professional ethics. For senior management, in the reporting year, we organised two special sessions of the "Integrity Self-discipline Training," with a total attendance of 127. In addition, we conducted large-scale integrity and self-discipline training for all employees, with a total of 7,527 attendees, achieving full coverage of the integrity and self-discipline education programme. Through these measures, we aim to ensure that each employee's conduct aligns with the Group's high standards and values.



ENVIRONMENTAL COMMITMENT



The Group recognises the importance of energy conservation and carbon reduction in the context of high-quality development. We actively respond to the national “14th Five-Year Plan” for comprehensive energy conservation and emission reduction, continuously promoting energy conservation and carbon emissions reduction. By striving for green property management, we hope to contribute to the national carbon peak and carbon neutrality goals.

ENVIRONMENTAL MANAGEMENT

The Group consistently strives for enhancing energy efficiency and energy conservation and emissions reduction to achieve its green objectives. We strictly adhere to the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) and other environmental regulations, establishing a rigorous environmental management system to optimise our environmental governance framework continuously. By implementing diversified pollution control and energy conservation strategies, we ensure that emissions of waste gas and wastewater meet the standards, thereby reducing our operational impact on the environment, safeguarding natural capital, and forging a green corporate image.

During the reporting year, the Group did not experience any incidents that caused significant pollution or damage to the surrounding air, land, water sources, or ecological environment.

TACKLING CLIMATE CHANGE

The Group fully comprehends the profound impact of climate change on the global economy and natural environment and therefore proactively adopts a series of measures to address and adapt to the global challenge. The Group has established an ESG Working Group to closely monitor climate-related policies, identify climate-related risks during operations, assess their impacts, and actively explore measures to address climate change. The climate change risks faced by the Group are primarily divided into physical risks and transition risks.



Energy-saving and Emission Reduction Targets

- Formulate internal energy conservation and emission reduction targets in accordance with the local government’s “14th Five-Year Plan” for comprehensive energy conservation and emission reduction;
- Strengthen daily management, promote the transformation of high-energy-consuming facilities and equipment, and opt for energy-efficient equipment;
- Conduct statistical analysis of energy consumption, promptly analyse and report any anomalies in energy consumption.





	Physical Risks	Transition Risks
Type of Risks	<p>Physical risks refer to the impact of extreme weather events on physical assets, categorised into acute and chronic risks.</p> <p>Examples include heavy rainfall, typhoons, floods, high temperatures and extreme cold, all of which may affect the Group’s normal operations and lead to a decline in revenue.</p>	<p>Transition risks refer to the risks associated with the process of its transformation into a low-carbon emissions operation.</p> <p>Examples include advancements in green property technology, stricter environmental policies, and rigorous carbon emissions controls, all of which may increase the Group’s operating costs.</p>
Strategies	<p>Formulate internal documents such as the Property Emergency Event Handling Guidelines 《物業應急事件操作處理指引》, Emergency Handling Plan for Strong Wind, Rainstorm and Flooding in Summer 《夏季防風、暴雨、水浸應急處理預案》, and Typhoon Emergency Operation Procedures 《颱風應急操作流程》) to better address potential physical risks in property management, including natural disasters like typhoons, rainstorms and floods.</p> <ul style="list-style-type: none"> • Mobilise each department to respond to potential climate-related emergency situations. The Security Department is responsible for information transmission, resource allocation and logistics support; the Engineering Department manages the maintenance of mechanical and electrical equipment like water, electricity and air conditioning systems; the Property Fire Services Department ensures safety, fire emergency and disaster relief; the Greenery Department focuses on environmental protection and post-disaster recovery. During typhoon and flood emergencies, the Property Service Centre activates the emergency mechanism immediately on receiving a warning, establishing a command centre for 24/7 disaster preparedness. 	<p>The Group actively aligns with global moves for carbon reduction in economic contexts and national low-carbon development trends, optimises carbon emissions management strategies, and accelerates the green transformation in property management.</p> <ul style="list-style-type: none"> • Energy-saving system establishment: Implement intelligent systems that automatically control lighting, air conditioning, lifts, heating, and ventilation, etc. to reduce energy consumption based on actual needs.





Physical Risks	Transition Risks
<ul style="list-style-type: none"> • Pre-disaster Warning: Issue early warnings, conduct safety hazards check to ensure the stability of facilities like doors and windows, smooth drainage, and prepared emergency suppliers and electrical system debugging. • Post-disaster Handling and Facility Restoration: The Engineering Department organises personnel to comprehensively inspect the equipment under their jurisdiction immediately after typhoons and thunderstorms, starting repair work immediately upon discovering damage. • Environmental Restoration and Greening: The Cleaning Department simultaneously inspects damaged greenery and actively restores it to minimise the impact of disasters. • Reporting and Summarising Losses: Project leaders at all levels are responsible for compiling detailed reports on the disaster situation and property losses, reporting them hierarchically to ensure transparent information for subsequent decision-making and support. 	<ul style="list-style-type: none"> • Equipment Upgrade: Prioritise the use of high-efficiency and energy-saving equipment, gradually replacing old and inefficient equipment, such as LED lighting, energy-saving lifts, and variable frequency air conditioning systems, to ensure efficient operation while reducing the carbon footprint of property facilities. • Behavioural Advocacy: Educate staff and tenants on energy-saving cultures and practices, such as environmental awareness, paper-saving, waste sorting, and promoting low-carbon travel to cultivate good ecological habits. • Data Transparency: Strengthen management, publicly disclose environmental performance, regularly report energy-saving achievements, quantify emission reduction progress, and ensure transparency to share environmental responsibilities with stakeholders and foster collective progress.





Energy Management System

Energy Management Policies

The Group strictly adheres to the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), and other national and local laws and regulations. Internally, we have established the Energy Conservation and Emission Reduction Management (《節能降耗管理》), detailing the principles and usage norms for electricity and water in public areas. This aims to achieve efficient energy utilisation through meticulous management, promoting energy conservation and consumption reduction.

Setting Energy Conservation Goals and Implementation Plans

The Group formulates comprehensive plans based on the actual energy consumption in the current year and financial budgets to establish energy targets and implementation plans. The implementation plan sets out in detail the specific standards of energy consumption control, management action strategies, responsible parties and scheduled completion dates, and is incorporated into the annual budget blueprint after approval by the General Manager.

Energy Consumption Statistics Evaluation and Management Principles

In addition to maintaining comprehensive records of energy consumption, the Group regularly evaluates the performance of equipment such as air conditioning and power distribution systems. Historical data is used to assess their performance and efficiency and determine the need for necessary repairs and upgrades to continuously improve energy-saving and reduce emissions. The Group's energy management adheres to the following principles:

Energy Management Principles	Formulate detailed energy-saving plans and regulations;
	Promote energy-saving technology innovation and practical operation;
	Accurate statistics on energy consumption, planning for metering and rapid response to anomalies;
	Implementation of a rigorous inspection, checking and monitoring mechanism;
	Organise multi-dimensional energy-saving education programmes to strengthen the energy-saving awareness among the staff.

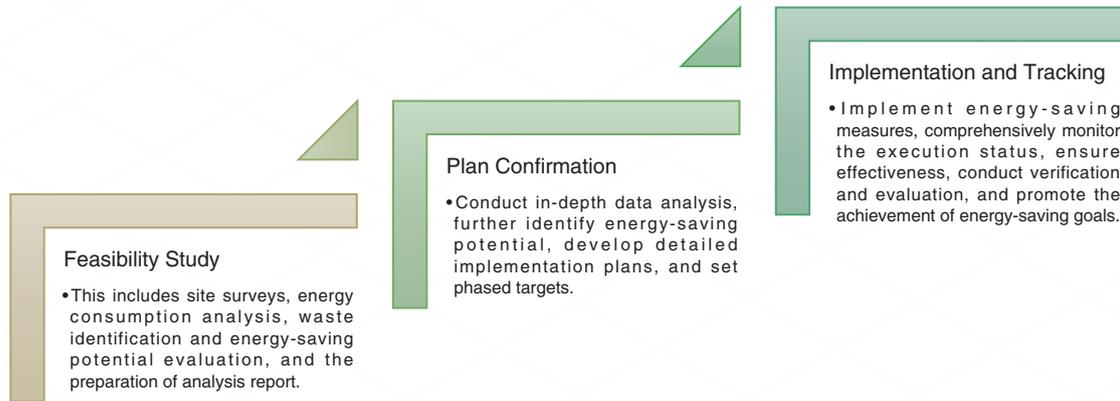




ENVIRONMENTAL COMMITMENT

Energy Usage Inspection and Tracking

The Group has a professional energy inspection team that leverages extensive experience to execute energy management projects and conduct precise energy consumption assessments, thereby ensuring effective implementation of energy-saving plans and enhancement of energy efficiency. The process is divided into three stages:



The Group has formulated a full range of energy-saving solutions to help achieve significant improvements in energy efficiency and cost savings.

Innovative Energy Saving Co-operation Model

The Group actively explores new energy-saving service mechanisms. Drawing on advanced experiences from Europe and the United States, the Group implements an energy-saving “contract management model”. By signing energy-saving service contracts with clients who are willing to reduce energy consumption and emissions, we provide a full range of services including energy efficiency audits, energy-saving project design, raw materials and equipment procurement, construction, training, operation and maintenance, and energy-saving testing. We share the benefits of energy saving and achieve mutually beneficial development.

Energy-saving Management Practices

The Group has established a dynamic energy conservation management system, aiming to achieve high efficiency in the use of energy and environmentally sustainable development, by using technological optimisation and refined management.





Lighting Systems “Green Revolution”	Dynamic Control Strategy	Introduction of Frequency Control System
<ul style="list-style-type: none"> The lighting system “Green Revolution” is realised in two ways. One is the choice of lighting fixtures. Priority is given to the use of energy-saving light sources with high luminous efficacy. On the other hand, it is the choice of switch control equipment. Multi-channel control and optical-acoustic control switches have been installed, combined with time and energy consumption controllers. Through customised deployment, the Group flexibly configures lighting fixtures (e.g. LEDs, fluorescent lamps) and control methods (microcomputer control, touch or induction) according to the characteristics of different areas (e.g. roads, foyers, corridors, etc.) to ensure that energy-saving benefits are maximised while safeguarding the quality of lighting. 	<ul style="list-style-type: none"> Flexible time management: In areas such as residential complexes, model zones and other venues with specific needs for electrical equipment, the on and off times of lawn lights, street-lights, advertising lighting, fountains, background music and other equipment are meticulously planned following seasonal changes and specific needs to ensure that unnecessary energy consumption is reduced while enhancing the environmental ambience. Dynamic scheduling: Intelligent software enable detailed control of the equipment, including normal working hours, special arrangements for holidays and festivals, night-time energy-saving mode, and periodic intermittent operation. The software can automatically adjust the status of the equipment according to the pre-set optimal start/stop time to optimise energy use. Load Matching Optimisation: Flexibility to increase or decrease the number of equipment run during peak and trough periods to ensure that the equipment load matches the actual demand and to avoid overloading and idling. 	<ul style="list-style-type: none"> The Group has adopted an inverter control system to achieve energy saving through the realisation of step-less speed regulation of motors. The system will be widely used in the energy-saving retrofitting of wind turbines, pumps, air-conditioners and elevators, with particularly outstanding results in saving energy used for lifts. While meeting the needs of owners, it optimises operational comfort, reliability and energy efficiency.





Energy Consumption Management Requirements

- Establish the Energy Conservation and Consumption Reduction Management (《節能降耗管理》), clarifying the management requirements for lighting, water systems, cooling, and other equipment and facilities across different functions and areas. Each subsidiary should integrate the Group's management requirements with the actual needs of the owners to facilitate energy consumption and gradually optimise control measures based on actual conditions and performance.

Energy Consumption Management Assessment

- Subsidiaries are required to strictly implement the Group's Energy Conservation and Consumption Reduction Management (《節能降耗管理》). Based on the previous year's energy consumption, set energy-saving targets and specific action plans for water, electricity and fuel, to be reviewed by the subsidiary's General Manager. Subsidiaries must regularly report on the implementation of energy-saving measures. For projects where energy use is significantly higher than normal, verify the issues, summarise the reasons, and develop and implement corrective actions.

Energy Consumption Statistics and Analysis

- Implement sub-metering management by energy consuming departments and major energy-consuming equipment, and improve the organisation, analysis, and archiving of energy consumption data. By statistically analysing the energy consumption of departments or equipment, evaluate the performance of all energy-consuming facilities and equipment, promptly address abnormal situations, and develop and promote the implementation of solutions.





The energy consumption involved in daily operations of the Group includes petrol (direct energy) and externally purchased electricity (indirect energy). During the reporting year, the total energy consumption was 25,206.30 MWh⁸, with intensity of 0.0022 MWh per square metre of area under control. The direct energy consumption was 212.66 MWh, and indirect energy consumption was 24,993.64 MWh.

Type	Unit	2022	2023
Total Energy Consumption	MWh	18,365.95	25,206.30
Energy Consumption Intensity	MWh/square metre of area under control	0.0013	0.0022
Direct Energy Consumption	MWh	258.81	212.66
Indirect Energy Consumption	MWh	18,107.13	24,993.64

Greenhouse Gas Emissions

The Group's direct greenhouse gas emissions mainly result from petrol consumption of its vehicles and mechanical equipment, while indirect greenhouse gas emissions primarily come from externally purchased electricity. During the reporting year, the Group's direct greenhouse gas emissions were approximately 63.41 tonnes of CO₂ equivalent, and indirect greenhouse gas emissions were about 14,253.87 tonnes of CO₂ equivalent. The total greenhouse gas emissions were around 14,317.28 tonnes of CO₂ equivalent⁹, with an emission intensity of approximately 0.001 tonnes of CO₂ equivalent per square metre of area under control.

Type	Unit	2022	2023
Total Greenhouse Gas Emissions	Tonnes of CO ₂ equivalent	10,404.26	14,317.28
Scope 1	Tonnes of CO ₂ equivalent	77.76	63.41
Scope 2	Tonnes of CO ₂ equivalent	10,326.50	14,253.87
Greenhouse Gas Emission Intensity	Tonnes of CO ₂ equivalent/square metre of area under control	0.001	0.001

Note:

⁸ The increase in total energy consumption for this year is attributed to the rise in electricity usage.

⁹ The increase in greenhouse gas emissions this year is attributable to the rise in electricity consumption.





EMISSION MANAGEMENT

Air Pollutant Emissions

In the Group's daily operations, emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM) mainly originate from the combustion of petrol fuel by vehicles and operational equipment. During the year, the Group produced a total of 0.28 kg of sulphur oxides, 59.15 kg of nitrogen oxides, and 2.93 kg of particulate matter.

Type	Unit	2022	2023
Sulphur Oxides (SO _x) Emissions	kg	0.50	0.28
Nitrogen Oxides (NO _x) Emissions	kg	62.79	59.15
Particulate Matter (PM) Emissions	kg	3.22	2.93

Waste Management



Waste Reduction Targets

- 100% centralised recycling and treatment of solid waste ;
- 100% of hazardous solid wastes treated harmlessly.

The Group strictly complies with national and local laws and regulations relating to waste management and formulates internal waste management policies in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染防治法》) and other relevant rules and regulations, to establish a waste governance framework. In our daily business operations, we actively promote the separation and recycling of waste in the community and cooperate with qualified recycling companies to ensure that waste is disposed of scientifically and properly.

The Group adheres to the principles of waste reduction, reuse and conserving resources, implements standardised guidelines for waste separation in the community and raises residents' awareness of waste separation through publicity and education. We have set up facilities such as daily life waste collection points and collection rooms in small districts in accordance with the basic principles of rational layout, hygiene and suitability, and ease of management to enhance the efficiency of waste disposal.





During the year, the Group generated a total of 14,345.00 tonnes of non-hazardous waste from its operations, which mainly originated from administrative offices, food waste and gardening and greening processes, as well as 184.42 kilograms of hazardous waste, which mainly consisted of batteries, light bulbs, light tubes, toner cartridges, expired medicines and paint buckets. Intensity of non-hazardous waste was 0.001 tonnes per square metre of area under control and that of hazardous waste was 0.016 grams per square metre of area under control.

Type	Unit	2022	2023
Total hazardous waste	kg	53.26	184.42 ¹⁰
Hazardous waste discharge density	g/square metre of area under control	0.004	0.016
Total non-hazardous waste	Tonnes	12,855.31	14,345.00
Non-hazardous waste discharge density	Tonnes/square metre of area under control	0.001	0.001

WATER CONSERVATION



Water Conservation Targets

- Actively introducing new facilities and equipment and launching watersaving technologies to enhance water conservation.
- Monitor the water consumption system in small districts to eliminate wasteful phenomena such as running, risking, dripping, and leaking.
- Launching water conservation campaigns to guide property owners to raise their awareness of water conservation.

The Group strictly complies with the Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》), Regulation on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》) and other national and local laws and regulations and adheres to the principles of efficient utilisation of water resources and environmental protection and energy saving in water resources management and implements stringent strategies for the utilisation of water resources.

¹⁰ Due to increased occupancy rates of property owners and improvements in project lighting, hazardous waste emissions have increased this year compared to last year.





Water Usage Audit and Management

- **Water Usage Audit:** The Group has implemented a comprehensive water usage audit system, which includes a comprehensive assessment of the implementation of water consumption plans, operational efficiency of equipment, and the rate of wastage to ensure effective implementation of various water conservation measures.
- **Emergency response time:** A quick response mechanism has been established, requiring the maintenance team to respond within 24 hours when a fault is reported and repair it as soon as possible to minimise unnecessary loss of water resources.

Water Usage for Facilities and Equipment

- In terms of the use of water resources in dedicated facilities (e.g. swimming pools, pools, etc.), the Group controls the water level and avoids overflowing in order to ensure the efficiency and quality of use.
- For facilities and equipment (including swimming pools, fountains, pools and central air-conditioning) that require regular cleaning, the Group carries out water quality treatment and cleaning through a professional water treatment team to extend the water replacement cycle as far as possible.
- At the same time, we have established an internal recycling system for water resources to reduce water wastage. For example, when cleaning the pools, the surplus water is pumped to the areas where water is needed (e.g. swimming pools, fountain pools, etc.).

Water Usage for Greening and Cleaning

- For greening, we prioritise the use of automatic sprinkler systems, which can be turned on as often as needed to suit the actual situation.
- Determine the frequency and volume of watering according to the season and the type of plants to achieve maximum efficiency and water saving.
- For cleaning water, it is emphasised to avoid using a large amount of water for flushing, and to adopt the form of sweeping, then wetting, then brushing to avoid wastage.

Domestic Water Usage

- The Group has strict regulations on the use of water, ensuring that sanitary appliances are designed in accordance with the relevant regulations and are regularly inspected to ensure that there are no water leaks.
- Emphasis is placed on rational use of water, water conservation and timely shut-off of water valves, including the rational setting of washing machine patterns, the application of water-saving shower heads and the use of time-delayed self-closing water-saving valves.

Education on Water Conservation

- **Internal training:** The human resources department and other relevant departments are responsible for organising special training on water conservation to cultivate good water consumption habits among staff and to instil a deeper sense of water conservation in people's minds.
- **Public publicity:** Display water conservation slogans, logos, and patterns on bulletin boards and in public water use areas to create visual reminders and create a cultural atmosphere of water conservation.
- **Establishment of incentives and penalties:** Ensure the effective implementation of water conservation measures through both incentives and penalties.





During the year, the Group consumed a total of 401,338.50¹¹ cubic metres of water resources, with a water consumption intensity of 0.03 cubic metres per square metre of area under control. The Group obtained all of its water from municipal piped water supply, and there was no problem related to the sourcing of water suitable for the purpose.

Type	Unit	2022	2023
Total Waster Usage	cubic metre	1,184,300.43	401,338.50
Water Usage Density	cubic metre/square metre of area under control	0.09	0.03

GREEN OFFICE

The Group has actively incorporated green concepts such as electricity and water conservation into its corporate culture and is committed to building a low-carbon and environmentally friendly green office environment.

Air-conditioning	The air-conditioning temperature should not be lower than 26°C in summer and not higher than 20°C in winter, and the temperature and air volume are controlled by the fan coil, which is flexibly adjusted according to the number of people in the room.
Lighting	According to actual needs, lighting fixtures are switched on and off, prioritising natural light to ensure lights go out when not in use, thereby reducing unnecessary power consumption.
Electronic devices	Computers, printers, copiers, and other equipment should be set to power-saving mode. After use, they should be adjusted to standby mode to reduce energy consumption. At the end of the workday, ensure they are completely shut down and disconnected from power sources.
Purchase of equipment	Priority is given to the purchase of low energy consumption and energy-saving certified equipment.
Paper	Encourage digitalisation of documents to reduce printing needs; choose economical printing modes to save toner and paper.

¹¹ Water consumption during this year has decreased significantly compared to last year, which is mainly attributed to reduced leakage ensured by more efficient maintenance, effective implementation of water conservation measures, ample rainfall this year reducing the water needed for greenery, and a decrease in the total number of projects.





COMMUNITY INVESTMENT

The Group has always focussed on quality, creating happy communities and striving to cultivate a harmonious and prosperous community ecosystem. We are dedicated to community development, basing our work on the actual needs of local residents and continuously innovating and improving service quality. In fulfilling corporate social responsibility, the Group actively engages in community public welfare volunteer services, demonstrating social commitment through actions. Our aim is to become a comprehensive service provider that exceeds residents' expectations, leads the direction of community development, and satisfies residents' deeper-level needs, delivering an enhanced quality of life experience for the community.

Duration of public service in 2023:
20,231 hours

Public welfare expenditure in 2023:
RMB128,333

Guided by a strong sense of social responsibility and an innovative spirit, the Group has established the “Five Feelings Volunteer Service Team.” This team organises annual “Red May” public welfare volunteer service aimed at providing customised community service and public welfare support throughout the year. We regularly host seasonal folk custom themed events centred on cultural heritage, enriching the community's atmosphere and enhancing community cohesion. Additionally, services such as “Red Property” and “Ten-Minute Onsite Services” mechanism provide residents with timely and efficient services. Moreover, the Group cares for and supports vulnerable groups within the community, including the elderly, children, disabled individuals, and widowed residents, ensuring their basic living needs are met. We also provide care for retired veterans and senior party members by regular visits.

The Group collaborates with government departments and industry associations to promote public welfare projects such as garbage classification, anti-fraud campaigns, grassroots governance, and the creation of a civilised community, demonstrating our firm commitment to social responsibility. Looking ahead, we will continue to deepen our community services and support, ensuring that our actions and commitments can consistently bring positive impacts to the community and promote comprehensive social progress and harmonious development.





LAWS AND REGULATIONS

Issue	Applicable Laws and Regulations	Compliance Status
Environment	<ul style="list-style-type: none"> • Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste • Environmental Protection Law of the People’s Republic of China • Water Pollution Prevention and Control Law of the People’s Republic of China • Regulations on Urban Drainage and Sewage Treatment • Atmospheric Pollution Prevention and Control Law of the People’s Republic of China • Energy Conservation Law of the People’s Republic of China 	<p>During the year, the Group was not in violation of any laws and regulations related to exhaust gas and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that have a material impact on the Group. In addition, the Group did not encounter any issues in obtaining applicable water sources.</p>
Employment	<ul style="list-style-type: none"> • Labour Law of the People’s Republic of China • Labour Contract Law of the People’s Republic of China • Provisions on the Prohibition of Using Child Labour • Law of the People’s Republic of China on the Protection of Minors 	<p>During the year, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare, as well as those relating to preventing child and forced labour.</p>





Issue	Applicable Laws and Regulations	Compliance Status
<p>Safety</p>	<ul style="list-style-type: none"> • Production Safety Law of the People’s Republic of China • Law of the People’s Republic of China on Prevention and Control of Occupational Diseases • Fire Control Law of the People’s Republic of China 	<p>During the year, the Group was not aware of any violations of laws and regulations related to providing a safe working environment and protecting employees from occupational hazards that have a material impact on the Group.</p>
<p>Product Responsibility</p>	<ul style="list-style-type: none"> • Advertising Law of the People’s Republic of China • Copyright Law of the People’s Republic of China • Patent Law of the People’s Republic of China • Trademark Law of the People’s Republic of China 	<p>During the year, the Group did not identify any incidents of non-compliance with laws and regulations concerning the health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress that have a material impact on the Group.</p>
<p>Anti-corruption</p>	<ul style="list-style-type: none"> • Company Law of the People’s Republic of China • Anti-unfair Competition Law of the People’s Republic of China 	<p>During the year, the Group did not identify any incidents of bribery, extortion, fraud and money laundering that have a material impact on the Group.</p>





KEY PERFORMANCE INDICATORS-ENVIRONMENTAL ASPECTS

KPIs		Unit	2022	2023
Emission	Sulfur dioxide emissions	kg	0.50	0.28
	Nitrogen oxides emissions	kg	62.79	59.15
	Discharge of particulate matters	kg	3.22	2.93
Greenhouse gas emissions ¹²	Greenhouse gas emission (Scope 1)	Tonnes of CO ₂ e	77.76	63.41
	Greenhouse gas emissions (Scope 2)	Tonnes of CO ₂ e	10,326.50	14,253.87
	Total greenhouse gas emissions	Tonnes of CO ₂ e	10,404.26	14,317.28
	Greenhouse gas emission intensity	Tonnes of CO ₂ e/square metre of area under management	0.001	0.001
Hazardous waste	Total hazardous waste	kg	53.26	184.42
	Hazardous waste intensity	g/square metre of area under management	0.004	0.016
Non-Hazardous waste	Total non-hazardous waste	Tonnes	12,855.31	14,345.00
	Non-hazardous waste intensity	Tonnes/square metre of area under management	0.001	0.001
Energy consumption	Total energy consumption	MWh	18,365.95	25,206.30
	Direct energy consumption	MWh	258.81	212.66
	Indirect energy consumption	MWh	18,107.13	24993.64
	Energy consumption intensity	MWh/square metre of area under management	0.0013	0.0022
	Total electricity consumption	MWh	18,107.13	24993.64
	Total gasoline consumption	MWh	258.81	211.66
Water consumption	Total water consumption	m ³	1,184,300.43	401,338.50
	Water consumption intensity	m ³ /square metre of area under management	0.09	0.03

¹² For the greenhouse gas emission factor of purchased power, please refer to the Notice on the Management of Greenhouse Gas Emission Reporting of Enterprises in Power Generation Industry from 2023 to 2025 (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment in 2023. For other emission factors, please refer to the the Environmental KPIs Reporting Guide (《環境關鍵績效指標匯報指引》) issued by the Stock Exchange.





KEY PERFORMANCE INDICATORS -SOCIAL ASPECTS

KPIs		2022	2023
Employment			
Total workforce		7,254	7,083
Employee Distribution			
By gender	Male	3,952	3,909
	Female	3,302	3,174
By employment category	Full-time	6,155	6,071
	Outsourced employee	1,086	1,008
	Part-time	0	0
	Intern	13	4
By age group	30 and below	667	511
	31-40	1,005	937
	41-50	1,457	1,264
	Above 50	4,125	4,371
By employment position	General	6,636	6,704
	Intermediate	599	337
	Senior	19	42
By geographical region	Mainland China	7,253	7,083
	Overseas, Hong Kong, Taiwan and Macau	1	0





KPIs		2022	2023
Turnover rate			
By gender	Male	57.8%	40.01%
	Female	51.6%	40.89%
By age group	30 and below	127.89%	73.39%
	31-40	57.71%	41.52%
	41-50	52.64%	33.94%
	Above 50	43.39%	38.18%
By geographical region	Mainland China	55.01%	40.41%
	Overseas, Hong Kong, Taiwan, Macao	–	–
Percentage of trained employees and average training hours			
By gender	Male	100%	100%
	Female	100%	100%
By position	Senior	100%	100%
	Middle	100%	100%
	General	100%	100%
Supply Chain Management			
Number of suppliers	Mainland China	307	23
Product responsibility			
Number of complaints received from customers (cases)		568	49
Anti-corruption			
Number of concluded legal cases in relation to corruption practices (cases)		0	0
Community Investment			
Invested Amount (RMB)		144,991	128,333
Time Devotion (hours)		9,323	20,231





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspect	Requirements of the Environmental, Social and Governance Reporting Guide	Section /Remark
<p>Governance Structure</p>	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they related to the issuer’s businesses. 	<p>ABOUT THE REPORT</p>
<p>Reporting Principles</p>	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> (1) Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. (2) Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable). (3) Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. 	<p>Reporting Guideline and Principle</p>
<p>Reporting Boundary</p>	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>Reporting Boundary and Reporting Period</p>





Requirements of the Environmental, Social and Governance Reporting Guide		Section /Remark	
Aspect			
A. Environmental			
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL COMMITMENT	
	KPI A1.1	The types of emissions and respective emissions data.	Emission Management
	KPI A1.2	Direct (Scope 1) and energy direct (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Tackling Climate Change
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
	KPI A1.5	Description of emission target(s) set, and steps taken to achieve them.	Emission Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management





Requirements of the Environmental, Social and Governance Reporting Guide			Section /Remark
A. Environmental			
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Environmental Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Tackling Climate Change
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Conservation
	KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	Environmental Management, Tackling Climate Change, Green Office
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	Water Conservation
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable. Our main business doesn't involve packaging materials.
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Environmental Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Tackling Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change





Requirements of the Environmental, Social and Governance Reporting Guide		Section /Remark	
Aspect			
B. Social			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	VALUING TALENTS	
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Composition, APPENDIX
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Composition, APPENDIX
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety, APPENDIX
	KPI B2.2	Lost days due to work injury	Occupational Health and Safety, APPENDIX
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Development and Training	
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Development and Training, APPENDIX
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Development and Training





Requirements of the Environmental, Social and Governance Reporting Guide			Section /Remark
B. Social			
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Employment Recruitment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Recruitment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Recruitment
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain		Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management, APPENDIX
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management





Requirements of the Environmental, Social and Governance Reporting Guide		Section /Remark
B. Social		
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	QUALITY SERVICE, RESPONSIBLE BUSINESS
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. Our core business doesn't involve safety or health risks.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Complaint Mechanism and Customer Satisfaction, APPENDIX
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	QUALITY SERVICE
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Privacy Protection





Requirements of the Environmental, Social and Governance Reporting Guide		Section /Remark
B. Social		
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Anti-corruption
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.
	KPI B7.3	Description of anti-corruption training provided to directors and staff.
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	COMMUNITY INVESTMENT
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.



佳源服務控股有限公司

JIAYUAN SERVICES HOLDINGS LIMITED