

# First Service Holding Limited 第一服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2107

## Environmental, Social and Governance Report 2020



# ABOUT THIS REPORT

## INTRODUCTION TO THE REPORT

This Report is the first Environmental, Social and Governance (“ESG”) Report (the “Report”) published by First Service Holding Limited (the “Company”, “First Service” or “We”, together with its subsidiaries, collectively referred to as the “Group”), which provides an overview of the Group's ESG management policies and performance and discusses the issues of concern to stakeholders based on these reporting principles of materiality, quantitative, balance and consistency. The statistical methods, key performance indicators or other relevant factors used in this Report are sustainable methods that can ensure the consistency of this Report.

## SCOPE OF THIS REPORT

The Company's Environmental, Social and Governance Report is an annual report for the period from 1 January 2020 to 31 December 2020 (the “Year”). Unless otherwise indicated, the information presented in this Report is the performance data for the year 2020. This Report mainly covers First Service Holding Limited and its subsidiaries whose principal place of operation is in China and financial statements are consolidated into the Group's financial statement.

## BASIS FOR PREPARATION

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

## ACCESS TO AND RESPONSE TO THIS REPORT

You can download the Chinese and English versions of this Report from the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company. This Report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail. If you have any comments or suggestions on our environmental, social and governance performance, please send us an email to [diyifuwu@firstservice.hk](mailto:diyifuwu@firstservice.hk).

# CONTENTS

<b>About this Report</b>	<b>2</b>
<b>1. About First Service</b>	<b>4</b>
<b>2. Chairman's Statement</b>	<b>7</b>
<b>3. ESG Overview</b>	<b>8</b>
3.1 Green Strategy and Management Vision	8
3.2 Stakeholder Engagement	9
3.3 Identification of Material Issues	10
<b>4. Technological Living, Green Development</b>	<b>11</b>
4.1 Green Technology, Energy Operation	11
4.2 Technological Innovation, Healthy Living	18
4.3 Smart Community, Digital Connection	22
<b>5. Homelike Service, Harmony and Win-win</b>	<b>25</b>
5.1 Quality Concept, Homelike Service	25
5.2 Listening Attentively and Solving Problems	27
5.3 Uniting as One to Fight against the Epidemic	28
5.4 Green Procurement, Harmony and Win-win	31
<b>6. Attracting Talents and Moving forward with Them</b>	<b>33</b>
6.1 Equal Employment and Rights and Interests Protection	33
6.2 Development and Promotion for Employee Growth	36
6.3 Safeguarding the Health and Safety of Employees	38
<b>7. Green Operation, Low Carbon and Environmental Protection</b>	<b>39</b>
7.1 Controlling Emissions to Make Water Clear and Sky Blue	39
7.2 Energy Conservation and Consumption Reduction, Green and Low Carbon	42
7.3 Natural Resources, Impact Reduction	44
<b>8. Operational Compliance, Integrity</b>	<b>45</b>
<b>9. Caring for the Community and Giving back to Society</b>	<b>47</b>
<b>10. Appendix</b>	<b>49</b>
10.1 KPIs in Environmental, Social and Governance Reporting Guide of the Listing Rules	49

## 1. About First Service



**First Service Holding Limited focuses on providing property management services and green living solutions that cover the full property life cycle.**

### Company Philosophy

Technological Living, Homelike Service

### Company Mission

We position ourselves as a property management service provider that promotes comfortable living through technological innovation. While catering to all stages of the property life cycle, we strive to provide our customers with digitally connected, green and healthy living experiences in residential and non-residential properties.

### Company Business

#### 1. Property management services

We provide property developers, property owners and residents with a standard range of property management services, which primarily comprise cleaning, security, gardening and repair and maintenance. Our portfolio of properties under management includes residential and non-residential properties. Non-residential properties are properties not built for residential use and primarily include office buildings, government facilities, hotels and shopping centers.





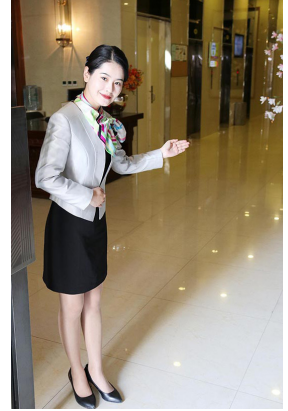
## 1. About First Service

### 2. Green living solutions

We provide green living solutions to property developers, property owners and residents, including: (i) energy operation services; (ii) green technology consulting services; (iii) systems installation services; and (iv) sales of our AIRDINO systems.

### 3. Value-added services

We provide value-added services to non-property owners and community value-added services to property owners and residents. Value-added services primarily comprise: (i) value-added services to non-property owners, including (a) sales assistance services and (b) preliminary planning and design consultancy services; (ii) community value-added services, including (a) parking space management services, (b) communal area leasing services and (c) home living services.







# Chairman's Statement



## 2. Chairman's Statement

### To all stakeholders:

As a service provider that creates comfortable living through technological innovation, First Service focuses on providing property management services and green living solutions that cover the full property life cycle. The Company practises the philosophy of "Technological Living, Homelike Service". We strive to provide customers with digitally connected, green and healthy living experiences in residential and non-residential properties. Meanwhile, the Company works closely with our stakeholders to make a positive impact on service quality, environmental protection, etc.

Listening to stakeholders and responding to their requests promptly is the foundation of our long-term development. We maintain communication with stakeholders to enhance their understanding of our development and operation policies, and provide timely and effective feedback to their demands, in a bid to ensure that both parties can enhance the cooperative relations and develop together.

First Service is devoted to offering green living solutions in order to improve living conditions and uphold our commitment to environmental sustainability. We provide services such as property management, green technology consulting, systems installation and energy operation throughout the full property life cycle. We have developed three generations of AIRDINO systems and built a green technology-based digital cloud platform, not only achieving economic benefits, but also creating good social and environmental benefits.

In terms of service quality control, we are committed to providing customers with quality guaranteed services and products, implementing an institutionalised quality control system, focusing on improving the quality of life of residential properties, and creating digitally connected, green and healthy living experiences. In the face of COVID-19 challenges, the Company constantly upgraded the property management service level, pushed forward with the establishment of a digital management platform and established a three-level epidemic prevention and control team in 2020 to fully guarantee the allocation and supply of personnel and materials.

Attention was paid to the rights and interests, development, and health and safety of employees. We strove to protect the legitimate rights and interests of employees and provide them with fair development and promotion channels. Efforts were made at the same time to reduce occupational safety risks, provide safe and comfortable working environment, and achieve finer team management.

We have emphasised the importance of environmental protection in daily operation and development. Efforts were made to reduce the impact on the environment in routine operations. We implemented a three-level control system to control pollutant discharge and ensure the effective management of exhaust gas, wastewater and waste. In the meantime, technological transformation for energy conservation was carried out to reduce energy consumption and improve energy use efficiency.

The Company cannot achieve sustainable development without the engagement and support of all stakeholders. We will maintain communication with stakeholders and exchange views on major issues. Finally, we believe that we will make great strides forward and make steady progress in sustainable development.

**Mr. Zhang Peng**  
Chairman

April 26, 2021



### 3. ESG Overview

#### 3.1 Green Strategy and Management Vision

First Service positions ourselves as a property management service provider that promotes comfortable living through technological innovation. While catering to all stages of the property life cycle, we strive to provide our customers with digitally connected, green and healthy living experiences in residential and non-residential properties to fulfill the commitment of environmental sustainability, fulfill corporate social responsibilities, and realise the common development of economy, society and environment.

We provide property management services, with the aim to conserving resources and protecting the environment. We believe that our commitment to environmental values sets us apart and sharpens our competitive edge. We also have the expertise and experience needed to manage "green buildings" (properties that have been certified under the "Green Building Label" by the Ministry of Housing and Urban-Rural Development and local administrative authorities) to help us promote eco-friendly and energy efficient development.

In addition to our property management services, we offer green living solutions that allow us to improve living conditions while upholding our commitment to environmental sustainability. They include energy operation services to provide central heating and central cooling as an alternative to government-operated centralised heating systems. We also provide green technology consulting and systems installation services, where we design and install energy systems to enhance indoor comfort. Meanwhile, We also sell our self-developed AIRDINO systems, which singly combine fresh air ventilation, air conditioning, purification and humidification control capabilities and offer an efficient alternative to the purchase and installation of multiple devices.



### 3. ESG Overview

#### 3.2 Stakeholder Engagement

First Service fully attaches importance to and effectively responds to the expectations and demands of stakeholders, promotes social development with stakeholders and shares the fruits of development.

Stakeholders	Demands and expectations	Communication and engagement mechanism	Corporate response
<b>Investor</b>	<ul style="list-style-type: none"> <li>To increase our market capitalisation and profitability</li> <li>To continuously improve our environmental and social responsibility performance</li> </ul>	Shareholders' general meetings, information disclosures, and the Company's website	<ul style="list-style-type: none"> <li>To publish reports regularly, disclose information truthfully and fully, and strive to improve performance and create profits</li> <li>To enhance corporate governance and risk management, hold general meetings of shareholders, strengthen the management of investor relations, and continuously improve environmental and social responsibility management</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>High quality products and services</li> <li>To safeguard the legitimate rights and interests of customers</li> </ul>	To sign contracts and agreements, and conduct customer satisfaction surveys	<ul style="list-style-type: none"> <li>To provide digitally connected, green and healthy living experiences</li> <li>To optimise the customer service system and customer feedback and complaint mechanism</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>To guarantee employees' compensation and benefits</li> <li>To care for their safety and health</li> <li>To provide fair opportunities for promotion and development</li> <li>To improve communication mechanism</li> </ul>	To sign labour contracts and conduct employee satisfaction surveys	<ul style="list-style-type: none"> <li>To abide by the terms of labour contracts and optimise the compensation and benefits system</li> <li>To provide a safe and healthy working environment</li> <li>To open up competition channels and organise trainings for employees</li> <li>To provide equal communication channels and implement the communication mechanism</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>To comply with laws and regulations to ensure operational compliance, and carry out national policies</li> </ul>	To attend government meetings	<ul style="list-style-type: none"> <li>To strictly abide by the relevant laws and regulations, continuously strengthen compliance management, and respond to the relevant national policies</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>To cooperate with suppliers on the principles of integrity, fairness and justice to achieve mutual benefit and win-win results, and promote the industry development</li> </ul>	To sign contracts and agreements, and hold regular tendering and bidding and supplier meetings	<ul style="list-style-type: none"> <li>To actively perform contracts and agreements based on the business principles of openness and transparency, adopt open and transparent procurement model, and create a responsible supply chain</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>To promote civilisation co-construction in communities</li> <li>To support public welfare undertakings and pay attention to social development</li> </ul>	To organise community cultural activities and publicise and hold public welfare activities	<ul style="list-style-type: none"> <li>To build harmonious and civilised communities</li> <li>To extensively develop and devote to public welfare undertakings</li> </ul>

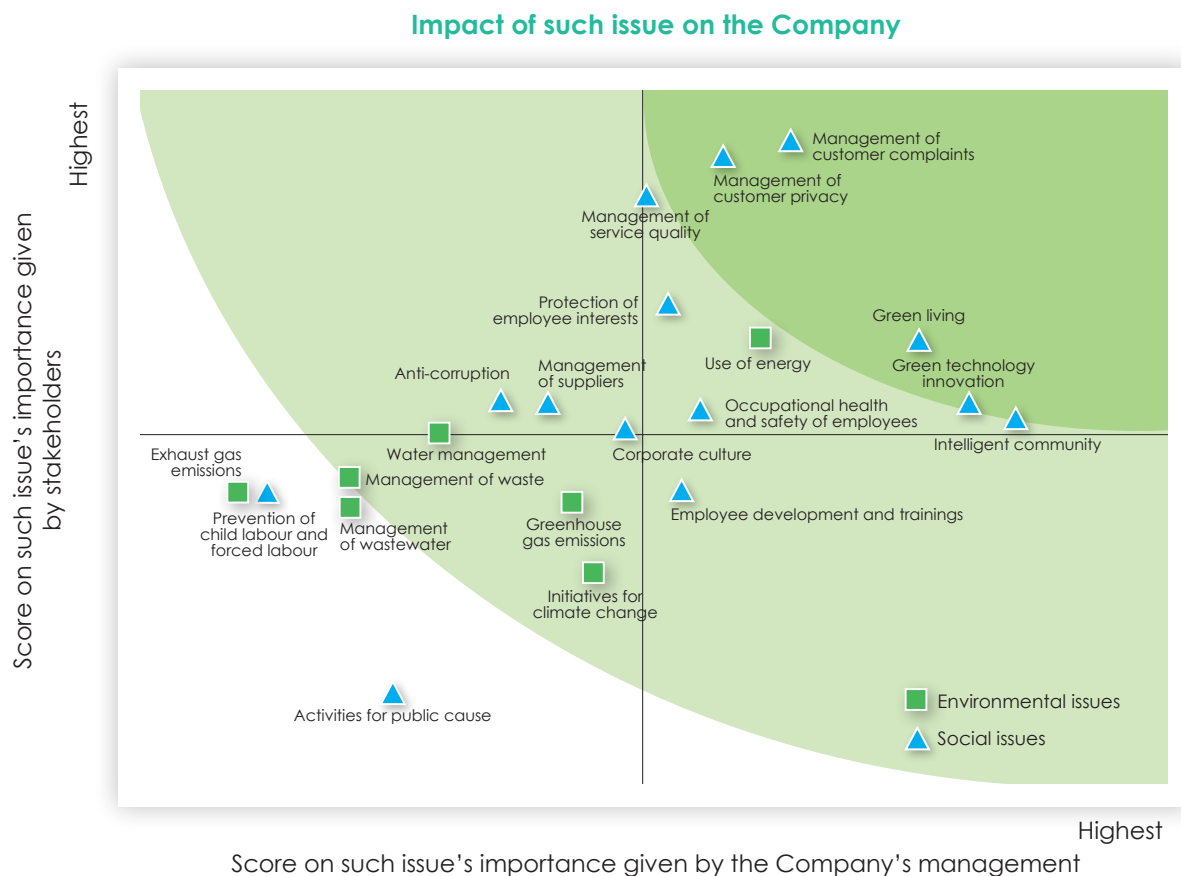
### 3. ESG Overview

#### 3.3 Identification of Material Issues

In accordance with the ESG Reporting Guide of the Hong Kong Stock Exchange and with reference to the Global Reporting Initiative's procedures for materiality analysis, the Company collected issues of concern to key stakeholders through questionnaires, interviews and other forms, prioritised them via materiality analysis, identified material ESG issues and disclosed them in the Report.

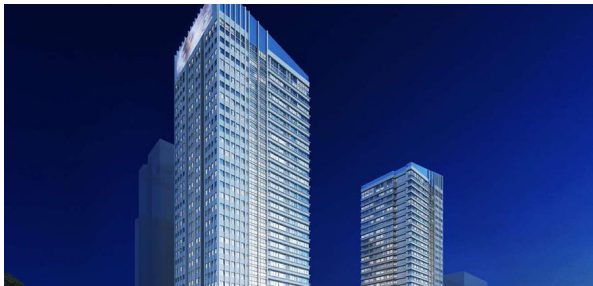
Based on the survey results and the situation of our peers, the materiality matrix of ESG issues for the Year was developed as follows, which is the basis for the content disclosure of this Report and the direction for future sustainability management.

After communication with our stakeholders, the Company identified and prioritised material issues as follows.





## 4. Technological Living, Green Development



### 4.1 Green Technology, Energy Operation

First Service is devoted to offering green living solutions, helping customers achieve the “Four Stabilizing Goals”, i.e. ideal temperatures (恆溫), ideal humidity levels (恆濕), ideal air circulation (恆氧) and ideal noise insulation (恆靜), so as to improve living conditions and uphold our commitment to environmental sustainability. Our green technology consulting services and systems installation services in relation to the design and installation of energy systems and energy stations are provided throughout various stages of the property life cycle. Multiple green living solutions have been integrated to save energy.



## 4. Technological Living, Green Development

- ❖ Energy operation services: Energy operation services are provided through energy stations supporting residential communities for coordinating delivery of utilities such as central heating, central cooling and fresh air ventilation with the goal of stabilising living conditions within properties:

- Accumulation of experience in energy services in multiple business formats  
We adopt a multi-energy complementary energy system based on clean energy to provide customers with high standard and comfortable heating, cooling, domestic hot water and other energy uses to focus on the comprehensive utilisation of urban energy.
- Coverage of energy data in China's four major climate zones  
We collect energy data in regions that are bitterly cold and cold, and have hot summers and cold winters, as well as hot summers and warm winters, which facilitates the use of clean heating by local governments and brings high quality living experience for consumers.
- Fine energy operation capability  
Full-process services are provided to customers via a systematic, normalised and standardised operation system. A 24-hour hotline is available to satisfy customer needs and ensure the quality of operation services.

We have a green cloud platform. With real-time remote monitoring and management, the advantages of Internet + smart energy have been brought into play. Big data analytics enable us to continuously optimise the energy supply scheme and improve the quality of operational hosting service.

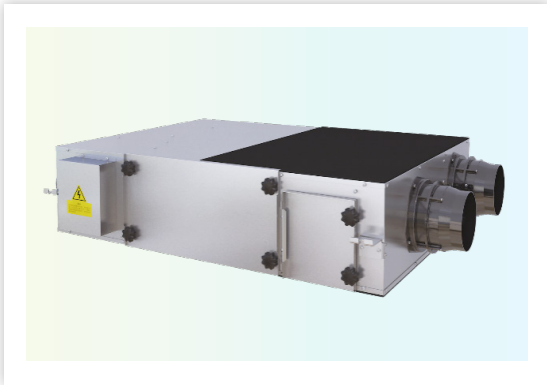
- ❖ Green technology consulting and systems installation services: The Company analyses the characteristics of each property and provides tailor-made solutions related to the design and consulting, tendering and procurement, installation or operation of energy systems and Green Building Label applications. We provide a variety of green technology consulting services, covering all stages of the design and installation process of energy systems:

- Based on years of practical experience in green technology systems, the Company analyses the natural resources of the project location according to customer needs and project positioning and provides scientific and reasonable systematic solutions starting from passive and active energy conservation.
- During the implementation of technology energy systems, we optimise the construction plan, give instructions on disclosure and training of key techniques, strictly control construction quality and fine-tunes systems.



## 4. Technological Living, Green Development

- ❖ AIRDINO systems: As a provider of integrated living solutions that cover the whole process, we have independently developed a number of building technology products based on our energy conservation technologies. We currently have three generations of AIRDINO systems:



AIRDINO No. 1 total heat recovery fresh air purifier

### AIRDINO No. 1

- fresh air filtration system, running on a clear principle and featuring simple operation, outstanding anti-haze effect and sufficient fresh air supply, can effectively reduce the impact of the indoor PM2.5 and other harmful substances on the indoor environment. The "Hanyang Man Ting Chun" project was honoured as a major demonstration project for topic headed "Research on Key Technologies to Control Indoor Particulate Matter and its Combined Pollutants in Buildings" during the 12th Five-Year Plan Period.

### AIRDINO No. 2

- temperature and humidity independent control system creates an indoor environment with ideal temperatures (恆溫), ideal humidity levels (恆濕), ideal air circulation (恆氧) and ideal noise insulation (恆靜). The highly integrated all-in-one machine overcomes the shortcomings of the combination of conventional air conditioners and fresh air fans, which can meet the demands for multiple functions and multiple application scenarios.



AIRDINO No. 2



AIRDINO No. 3

### AIRDINO No. 3

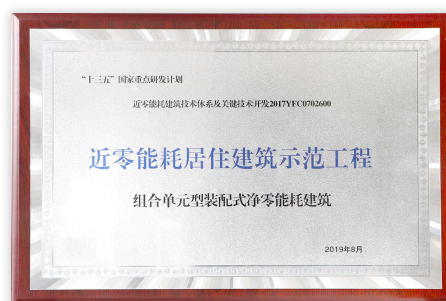
- prefabricated net-zero energy building system, as China's first prefabricated net-zero energy modular integrated house, pays attention to the interaction between buildings and nature, and emphasises the unity of comfort, environment and energy. Passive technologies are used to reduce energy use in buildings, and energy is generated through rooftop solar photovoltaic systems. We strive to achieve a "net zero" goal in energy conservation of buildings. Intelligent home systems are adopted to create a "healthy" indoor environment. Standardised design, factory prefabrication, dry construction and other methods are adopted to achieve the goal of easy expansion, eco-friendly materials, convenient and efficient installation, easy moving, reuse, as well as zero transfer of pollutants. We aim to provide a comfortable, energy-saving, healthy and convenient living environment for residents.



## 4. Technological Living, Green Development

### Some awards and honours won by AIRDINO No.3

- ACTIVE HOUSE technology innovation award
- Indoor design award of the Elite Science & Technology Awards
- One of 2019 Top 10 Green Building Models of China Real Estate Manager Alliance
- Demonstration project of nearly-zero energy residential buildings under the "Nearly-zero energy building technology system and key technology development project" in the National Key Research and Development Program for the 13th Five-Year Plan
- Sino-US clean energy demonstration project
- Support from an open-ended fund of the China Industry Technology Innovation Strategic Alliance for Healthy Building



### Case: Energy-saving design for the heating system of a project around Shaoquan Lake, Hefei

The project, covering a gross floor area of around 457,000 sq.m., uses ceiling heaters for winter and split air conditioners for summer. The project is an energy operation project for which we provide green technology consulting services. The heating system adopts the energy mix of ground source heat pumps + gas boilers. About 56% of the heat of the project comes from ground source heat pumps. And the heat from the ground source heat pumps is taken from residents' houses and stored underground through the free cooling function of the ceiling heating system in summer, which is renewable energy. We designed and installed energy systems and energy stations and offered energy operation services for the project. As the unit price of natural gas (RMB3.75/Nm<sup>3</sup>) is high and electricity price (RMB0.57/kWh) is relatively low, ground source heat pumps are used for heating, which not only saves energy, with 874.86 tonnes of standard coal saved per year, but also effectively reduces pollutant emissions, with reduction of carbon dioxide emissions of 2,155.63 tonnes/year, sulfur dioxide emissions of 17.45 tonnes/year, and the soot emissions of 8.73 tonnes/year. Besides, due to a decrease in natural gas consumption, the annual operation cost is saved by RMB2.17 million, showing good economic benefits.





## 4. Technological Living, Green Development

### Case: Energy-saving design project for Suzhou Modern Wan Guo Fu MOMA Project

Suzhou Modern Wan Guo Fu MOMA Project is located in Gusu District, the main district of Suzhou. In the project, soil source heat pumps and air source heat pumps provide heating and cooling for two 18-storey high-rise residential buildings sold at 28,000 sq.m. Radiant ceiling heating systems and displacement fresh air systems are used at the end. The designed energy-saving rate is more than 10% higher than the local standard (the standard energy-saving rate of buildings in Jiangsu is 65%). The project can save standard coal by 214.4 tonnes per year, and reduce carbon dioxide emissions by 529.6 tonnes/year, sulfur dioxide emissions by 4.3 tonnes/year, and soot emissions by 2.1 tonnes/year.



Suzhou Modern Wan Guo Fu MOMA Project

First Service set up the green cloud platform to centrally monitor the machinery and equipment in energy operation projects. When problems arise within our energy stations under operation, the green cloud platform allows us to detect and respond to problems raised by our customers. The cloud platform features quota management of energy consumption, which is a dimension for the platform to conduct quantitative management of project operation. Based on the horizontal and vertical comparison of energy consumption data of projects, a reasonable energy use benchmark is set to guide the energy use of projects. Data on the quota comes from the real-time energy consumption data collected by the cloud platform. The process to determine the quota is as follows:

- We will use energy consumption analog software to estimate the energy consumption of new projects, and this estimated value will be the quota in the first year;
- For projects that have been running for more than one year, we will calculate the energy consumption quota for the following year at the end or middle of each year based on the historical energy consumption data of the projects in previous years and the annual energy consumption of other similar projects in neighbouring areas, through our weighted algorithm for independent intellectual property rights;
- First Service's weighted algorithm is characterised by calculation with many indicators of projects, including average annual energy consumption, total repairs, energy bill collection rate, occupancy rate, outdoor climate fluctuations, effective repair rate, as well as changes in customer satisfaction rate. Therefore, the calculation results will be different according to the different weights set for energy consumption, energy bill collection rate and customer satisfaction;
- After the charging database and complaint database of the cloud platform and properties are connected, the artificial intelligence ("AI") algorithm can be used to automatically calculate the quota value every day. This work is currently being planned.

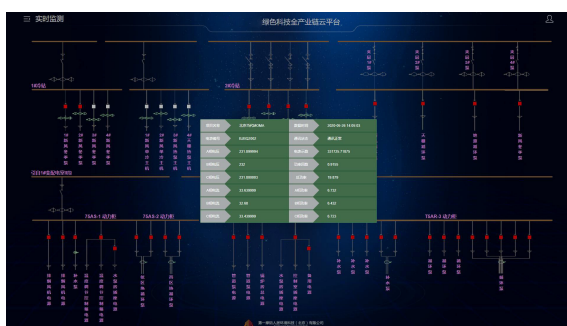
## 4. Technological Living, Green Development

In 2020, projects managed by the cloud platform not only achieved economic benefits, but also created good social and environmental benefits:

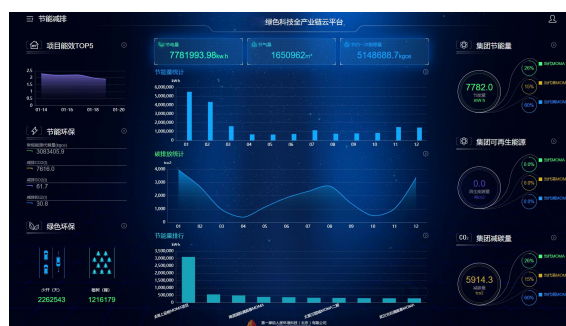
saving electricity by 7,781,993.98 kWh

saving natural gas by 1,650,962 cubic meters, equivalent to 5,148.69 tonnes of standard coal

reducing carbon dioxide emissions by 12,648.79 tonnes, soot emissions by 51.38 tonnes, and sulfur dioxide emissions by 102.75 tonnes



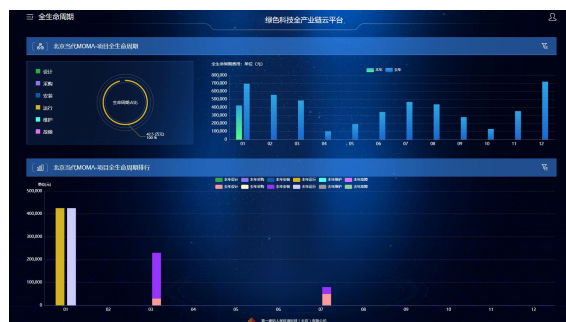
Power monitoring



Energy conservation and emission reduction



Technology and energy



Full life cycle

Statistics of energy conservation and emission reduction data on the cloud platform in 2020

First Service keeps a close eye on the national policies for green buildings and healthy buildings to seek development opportunities. At present, driven by the Ministry of Housing and Urban-Rural Development, the governments of many municipalities and provinces, including Beijing, Tianjin, Hebei, Henan and Shandong, have announced detailed financial subsidies to guide and encourage more constructors to participate in the construction of passive buildings. The construction and application of passive buildings in China's bitterly cold and cold climate zones will be the mainstream trend of future development of buildings. With the full popularisation of green buildings, we will continuously improve the system of basic-level green building technologies and study the implementation path of high-star green building technologies in the future. Moreover, relying on the technology research and development ("R&D") and product application of nearly-zero energy buildings, the Company will accumulate the results of technology research and development and the experience in application of the results in projects, expand the technological innovation and product application in the field of healthy buildings, and build healthy buildings and healthy communities in practice.



## 4. Technological Living, Green Development



In May 2020, at a conference for the 2020 Top 100 Property Management Companies in China cum the 13th Summit for Top 100 Entrepreneurs in Property Management Industry hosted by China Index Academy, we have been ranked among the 2020 Top 100 Property Management Companies in China, awarded the certificate of 2020 China Property Services Top 100 Enterprises and honoured as an innovative company in green property management under 2020 China Leading Property Management Companies in terms of Characteristic Service.

## 4. Technological Living, Green Development

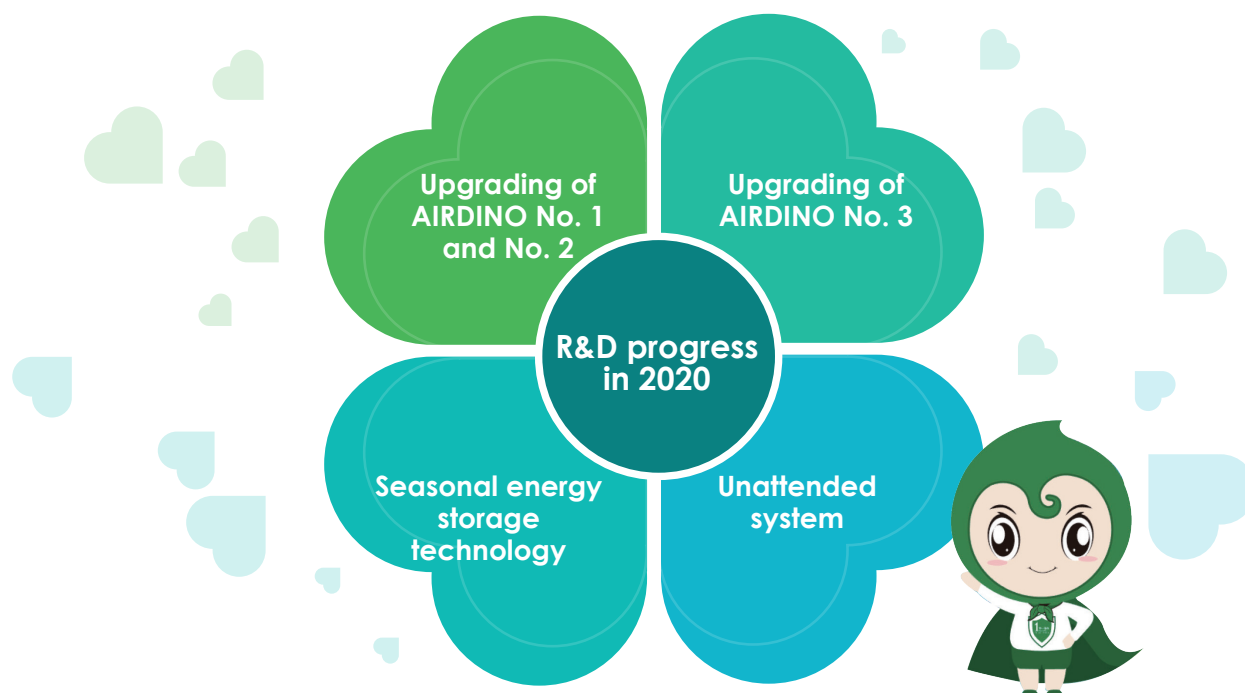
### 4.2 Technological Innovation, Healthy Living

First Service values technology R&D and innovation. We strive to find ways to conserve energy and concretize our innovation results through patent and copyright registration. We have formulated a green development plan by creating low-energy, healthy and comfortable living conditions, and improving the service capability of efficient, energy-saving, low-emission and professional operations:

#### Green development plan

- Relying on rich experience in energy operation management and mature management team, we will continuously expand the operation services with regard to green building technology systems. Through the green cloud platform, we will strengthen the cross-regional and multi-project efficient management and improve the ability to use unattended equipment rooms, so as to achieve efficient green operation at low costs and contribute to energy conservation and emission reduction in China.
- By learning from BREEAM IN USE green building certification system, we continuously improve the basic conditions of projects under management and the energy efficiency of units, strengthen the communication and cooperation with the property system, and enhance the brand value and management system of property.
- The advanced Standard of Building Biology (SBM) system was introduced to explore the key indicators affecting the healthy living conditions that have received little or no attention in the country. The Company will further enhance its R&D capability and product transformation through technology R&D and product application.

During the Year, First Service concentrated on the R&D of green technologies and made progress in multiple projects, including:



## 4. Technological Living, Green Development

### 1. Upgrading of AIRDINO No. 1 and No. 2

The Company developed two new low-noise models for AIRDINO No. 1. With few changes in dimensions, the noise of AIRDINO No. 1 unit is reduced by nearly 10dBA, reaching the advanced level in the industry.

The Company completed the R&D of the air conditioning system for passive houses and of the compact ceiling AIRDINO No. 2 unit in 2020. The air conditioning system for passive houses stood the test of tough working conditions in summer and winter, which shows a good operation effect and a high customer satisfaction. In 2020, the structure of the compact ceiling AIRDINO No. 2 unit was redesigned and functional modules were optimised, leading to a significant decline in its size and more convenient and flexible installation. It can meet the requirements of more customers for space dimensions.

### 2. Upgrading of AIRDINO No. 3

AIRDINO No. 3 has been upgraded from the following two aspects:

- 1) Smart home: A smart screen has been developed, which integrates multiple functions, such as visual intercom, central control, voice control, security and background music, and realises the interconnection of everything of common home appliances and controls. It can be used flexibly in many scenarios. The one-key control is available, which can create relaxed and free-living experience and make home appliances easily accessible.
- 2) Packaged radiant air-conditioning system: The R&D is to solve the problems like many construction procedures, time consuming and difficult in guaranteeing quality control for the radiant air-conditioning system. Supporting packaged spare parts and packaged brackets have been developed, and standardised design method and construction process system have been worked out.

### 3. Seasonal energy storage technology

A computational analog model was set up for the seasonal energy storage technology in 2020. In addition, we analysed and summarised the potential of energy conservation and cost reduction of the seasonal energy storage technology and operation strategy of energy systems in various climate zones.

### 4. Unattended system

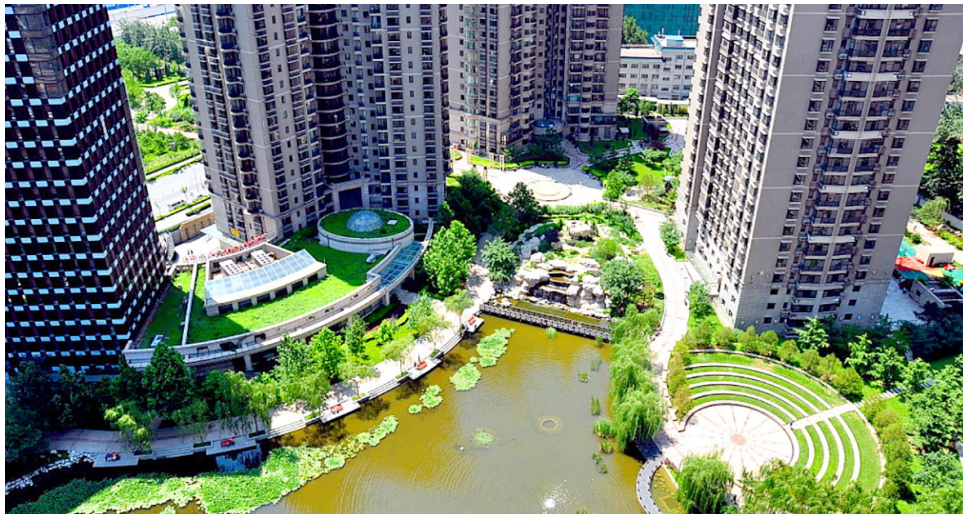
As for the unattended system based on big data and AI algorithm, we studied and tested the AI algorithm in the energy system of a typical project in 2020. After months of debugging and testing, the algorithm is stable and works well on the project, which can automatically analyse and score the performance of all major equipment in the typical project's energy system, calculate parameters for the optimal system operation, and coordinate the system operation to reach the optimal state. Continuous efforts will be made to develop the unattended system on the basis of the current algorithm, so as to reduce the operation cost and improve the operation level.



## 4. Technological Living, Green Development

### Case: Modification project of Beijing Modern Wan Guo Cheng MOMA's energy control center

The modification project of Beijing Modern Wan Guo Cheng MOMA's energy control center is an energy efficiency technological upgrade project established by the Group in 2019 and implemented in 2020. The professional engineer team analysed the energy consumption structure, energy consumption and performance of main equipment of the project before establishment. Combined with the analysis results, the engineer team designed a highly suitable energy efficiency technological upgrade scheme, where advanced, high-performance units and equipment were equipped to improve the overall hardware level. Feedforward regulation was embedded into the intelligent guarding. Meanwhile, weather compensation, automatic temperature adjustment and other methods were adopted to improve the accuracy of system control. When the project was put into use for the first time in 2020 after upgrading, the energy consumption level fell 53.2% compared with that before upgrading, equivalent to a saving of 175.87 tonnes of standard coal.



## 4. Technological Living, Green Development

First Service actively promotes the establishment of industry standard systems and boosts the sustainable development of green and healthy buildings. In 2020, the Company participated in the compilation and revision of some industry standards, including the Assessment Standard for Active House, the Requirements for Certification of Green Building Operation Monitoring Service, the Assessment Standard for Ultra-Low-Energy Buildings and the Assessment Standard for Healthy Buildings. The Company will also revise our internal standards, which include the "Standard for Application and Management of Green Residential Areas", the "Standard for Application and Management of Green Buildings" and the "Standard for Application and Management of Healthy Buildings". We plan to compile the "Standard for Application and Management of WELL Certification".

We believe that intellectual property is essential to continued success. So, importance has been attached to intellectual property protection when innovation and R&D are prioritised. An effective intellectual property management system was established to protect technology innovations. We strictly comply with the relevant laws and regulations, including the Tort Liability Law, the Patent Law, the Trademark Law and the Copyright Law of the People's Republic of China. The Standard for Intellectual Property Management was laid down, which provides detailed provisions on the exploration, application, management and maintenance of intellectual property. The aim is to create a standardised management system and improve the efficiency of the management, use and maintenance of intellectual property. The legal affairs center is responsible for the management, maintenance, development guidance and use of intellectual property involved in the Company's business to avoid the risk of infringement. A person is responsible for the pre-application evaluation and application entrusting. The center will uniformly deal with intellectual property infringement. We strengthen the routine management of intellectual property certificates and ledgers and updated them regularly based on new additions.

During the Year, First Service obtained 16 patents, all of which were utility model patents. As of 31 December 2020, the Company obtained a total of 51 patents, including 2 design patents and 49 utility model patents.

In September 2020, the China Property Management Research Institute and China Real Estate Evaluation Center of E-house China R&D Institute jointly held a press conference on the appraisal of property management companies in terms of comprehensive strength and brand value for 2020. We were selected as one of the 2020 Top 100 Property Management Companies and a 2020 Featured Brand of Property Management Service for green property management.

In December 2020, we were honoured as one of the top 10 companies in terms of competitiveness in green building design consulting at 2020 China Real Estate General Rating Conference held by Fangcai China and CRED Design Alliance.





## 4. Technological Living, Green Development



### 4.3 Smart Community, Digital Connection

First Service is committed to enhancing information technology systems and developing intelligent communities to provide customers with digitally connected smart services. We firmly believe that the advancement of intelligent communities will help us continuously improve the quality of our services to better cater to the preferences and needs of our customers, and offer customised and fine services for customers to provide them with a better quality of life.

First Service intends to combine software platform and hardware upgrade to jointly facilitate the realisation of intelligent communities. On one hand, we will integrate functions, such as public notification, group purchase coordination, online shopping, repair and maintenance requests, payment of property management fees and intelligent control of incomings and outgoings, into a multi-functional online platform. On the other hand, we will centrally coordinate the collection of security and energy data in residential communities, and build an Internet of Things platform with the help of access control and monitoring facilities, and hardware upgrade support of energy data collection equipment. We also map out a plan for similar software and hardware upgrades to build an automated parking management system, an intelligent access control system, an intelligent security system and a remote equipment monitoring system to reduce our reliance on human labour and reduce the potential risk of human errors.



## 4. Technological Living, Green Development

First Service has currently set up an information system for employees and owners, including green housekeeper app for employees and green housekeeper app for owners.

- ❖ The green housekeeper app for employees is mainly designed for internal use. It has featured various functions, including charging, monthly settlement, equipment and facilities inspection plan, work order processing and early warning, and order patrol inspection. With the analysis results from a decision analysis platform, it provides the management with an information-based tool to control the basic businesses. It allows managers to grasp the business situation via the decision analysis platform while improving the working efficiency of frontline employees.
- ❖ As an entry carrier, the green housekeeper app for owners supports online payment, online reporting, door opening via a cell phone, remote video monitoring and other functions, so as to allow owners to report problems through the online platform and have their problems handled and solved in time:
  - In terms of online reporting, the green housekeeper app for owners can be used together with the app for employees based on standards for report management. For online reports submitted by owners, the app for employees can receive a reminder of the work order and give a response to owners immediately, which improves owners' satisfaction with the property management services.
  - As for online payment, owners can immediately pay the property management fee and parking management fee during 24 hours, which provides a solution for the owners who have no time to pay the fees due to work, and increases the collection rate of property management fee.



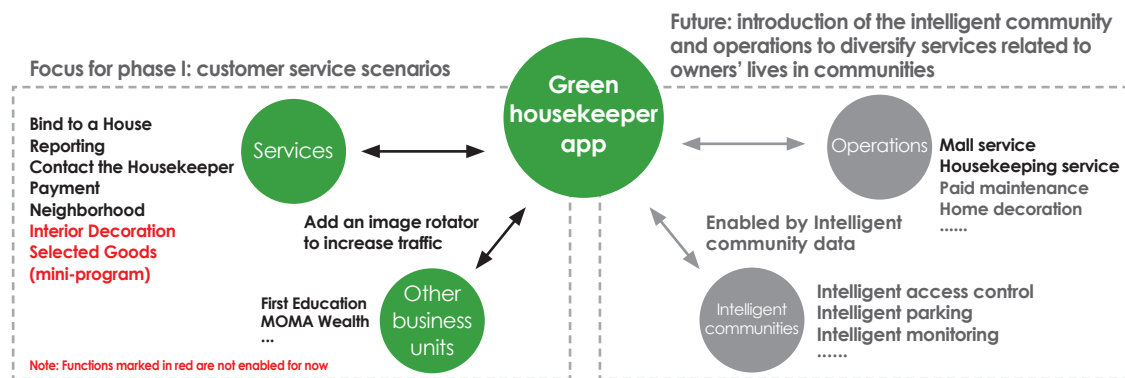
Green housekeeper app's features



## 4. Technological Living, Green Development

Besides the basic app, we will add an intelligent community app to increase convenience for owners, providing customers with an intelligent and convenient tool via people scenarios (opening a door via cell phone, inviting a visitor, etc.), vehicle scenarios (intelligent parking, unattended service, etc.) and security monitoring (watching meta-videos in key points). We are building an intelligent access control system, an intelligent security system and a remote equipment monitoring system.

- Intelligent access control system: It will make it more convenient for owners to come in and go out of communities, improve the security level of the communities, and facilitate the intelligent, collaborative and unified property management.
- Intelligent security system: It will increase the efficiency of quality inspection, ensure the quality of property management, and improve the security management system.
- Remote equipment monitoring system: It will reduce the cost of equipment inspection, improve the efficiency of equipment management, find hidden defects in time, reduce incidents of emergencies, and ensure the safety of owners.



Green housekeeper app's features



## 5. Homelike Service, Harmony and Win-win

### 5.1 Quality Concept, Homelike Service

First Service is committed to providing customers with quality guaranteed services and products, implementing an institutionalised quality management system, focusing on improving the quality of life of residential properties, and creating digitally connected, green and healthy living experiences.

First Service has standardised our operations based on the requirements of the GB/T19001-2016/ISO9001:2015 certification for quality management, GB/T24001-2016/ISO14001:2015 certification for environmental management and ISO 45001:2018 certification for occupational health and safety that the Company passed. Moreover, we set satisfaction targets to monitor the on-site property management services in various regions and projects, and conducted satisfaction surveys to understand the needs of customers. According to the preliminary property management service contracts, we make a table of the property management service plan of the project every January to clarify the service standards and management standards of each department. One and a half years after new customers move to a new project, the Company will select at least one project in a city we enter and fill in the "Specialised workflow and standardised worksheet for selection of a quality project" to start creating a demonstration project. The Company will develop a model project to work out a service plan according to our business types and product lines in 2021.

As First Service recognises that community safety is the foundation of property management services, a range of measures are taken to ensure that safety issues are effectively managed. We strictly complied with Urban Real Estate Administration Law of the People's Republic of China and Provisions on Property Management, and we formulated more than 30 work guidance documents, including the "Standard for Risk Control", the "Standard for Typhoon, Public Security Incident, Fire Safety, Water Outage and Fire Drill", the "Standard for Post Management", the "Standard for Management of the Monitoring Center" and the "Standard for Inspection of Communities and Buildings". The documents involve all aspects of community safety, which makes safety management more institutionalised and systematic. Meanwhile, closed management is conducted for communities, and a 24-hour guard and access control system is set up for entrances and the central control room. Communities are inspected at least once every four hours. Fire drills are launched every June and November, so as to enhance the fire safety awareness of the service centers' employees and improve their ability to deal with emergencies. We identify risk sources in all communities. A risk control form should be completed within two months after the launch of new projects and in every February and September for other projects, and control measures will be taken accordingly.

In 2020, in the face of COVID-19 challenges, First Service constantly upgraded the property management service level, pushed forward with a digital management platform project, and moved safety managers' patrol inspection online to create zero-touch experience from the gate, parking lot to unit door and house door. A three-level epidemic prevention and control team was established to fully guarantee the allocation and supply of personnel and materials. Details are as follows:

- Entrance control: In a community, 1-2 main entrances and exits were open, while others were closed. We screened residents via temperature measurement, registration, verification, etc. The entrances for residents and vehicles were equipped with carpets and sprays for disinfection to prevent pollution sources from entering communities. Delivery racks were set up, and deliverymen and delivery drivers were prohibited from entering communities. Owners needed to pick up their parcels or takeaways by themselves or ask employees to receive and deliver them to their door.
- Disinfected and cleaned key areas: Disinfecting wipes or sprays were used in entrance doors, unit doors, handrails, elevators, trash cans, fire stairways and handrails, public facilities, drainage ditches, etc. In addition to disinfection signs, disposable tissues were placed in the elevators to avoid direct skin contact with the elevator keys and other frequent cross contact parts.



## 5. Homelike Service, Harmony and Win-win

- Waste management and daily waste clearance: Waste was classified and disinfected before being cleared. Cleaners wore masks, gloves, goggles, coats or protective clothing, masks, etc., and disinfected the whole body after clearing the waste. In terms of clearance and transportation of used anti-epidemic materials (masks, gloves, etc.), special buckets were placed at an eye-catching location for recycling of used masks. Specially-assigned persons will disinfect, recycle and dispose of them at regular time every day (burn them or cooperate with designated manufacturers for recycling).
- Communication and cooperation: The Company strengthened the cooperation with local governments, sub-districts and other relevant departments, and took measures including investigation, control, temperature measurement, isolation and reporting. In addition to increasing disinfection frequency as required by governments, we made reports and communicated with the residents quarantined at home. It frequently disinfected the residence areas where confirmed cases live and informed customers of the cases as required by government departments, so as to eliminate their fears.

First Service has been widely recognised by the community because of our quality services and won many honours and awards, including Elite Science Award — Excellence in Innovative Epidemic Prevention Practice, one of the most beautiful heroes in fighting against the epidemic in Beijing, one of the top 10 healthy communities in Xiantao City, an excellent demonstration community in Wuhan, a four-star property management service project in Xiantao, an epidemic-free community in Wuhan, a garden-like community in Wuhan, an excellent residential community in Yingkou City, a garden-like residential community in Taiyuan, a medal for outstanding property management service provider in Xi'an, and an outstanding contributor against COVID-19 in Changsha.



During the Year, the Company did not report any irregularities concerning our products and services that have a significant impact on ourselves. Our business does not involve advertising, labelling and other matters.

## 5. Homelike Service, Harmony and Win-win

### 5.2 Listening Attentively and Solving Problems

First Service focuses on building a good customer relationship. We carefully listen to customers' opinions and suggestions to optimise our services.

First Service has established a perfect customer service management mechanism, and the headquarters and each project are responsible for providing customer services at different stages. The headquarters of the Company is responsible for the establishment, revision, training and introduction of systems. Customer satisfaction surveys are conducted, with data analysed and measures for the next stage developed to improve customer satisfaction. Customer service management systems at all levels have been established, and actions are taken to evaluate and continuously improve the customer service ability. We maintain the relationship with key customers, including making a maintenance plan, supervising the maintenance plan and supervising the handling of complaints from key customers. We are responsible for coordinating the management of community relations, including the arrangement of annual community cultural activities and the theme planning of dynamic and static community cultural activities. We optimise operation plan, track and analyse customer service data, and improve service strategy based on the analysis results of operation data. We conduct service innovation and R&D with regional firms and projects, and promote the achievements within the Company. Projects are responsible for customer relationship maintenance, customer information collection, customer complaint handling, property management fee collection, customer satisfaction improvement, community cultural activities organization, etc.

First Service sets up a variety of channels to receive complaints, and opens up the path for communication with customers. A national service hotline 400 is available. The Company conducts management via the "Standard for Quality Management at 400 Call Center" and the "Standard for 12-level Performance Management at 400 Call Center". We give a reply on the working system platform by answering phone calls and receiving customer requests on site. According to the customer complaint management standard, we receive, record, deal with, follow up, close, pay a return visit to, give feedback and conduct analysis and evaluation on customer requests. For problems that can be dealt with immediately, we will make a response within 15 minutes and give a reply on the handling progress in the system within 24 hours. If problems are complicated or the responsibilities cannot be clarified for the time being, the complaint handler will respond within 15 minutes, record the handling progress in the system on the same day, agree with the customer for the next reply time, which shall not exceed 48 hours, and give feedback to the customer on the progress (result) of complaint handling within the agreed time. A form of relevant complaints will be established on the working system platform, and the complaints will be reported to the relevant person in charge for follow-up and return visits. In 2020, the Company received a total of 1,862 complaints, of which 1,708 have been closed, with the closing rate of 91.73%.



## 5. Homelike Service, Harmony and Win-win

First Service, which attaches great importance to customer satisfaction, obtains real feedback from customers through various surveys. The Company conducts customer satisfaction surveys via preliminary preparation, investigation, data evaluation, report publication, rectification and return visits and so forth in a variety of forms, including phone calls, WeChat and visits, in order to understand customer requests at all stages (run-in period, stable period, old owners) and obtain the information about customer satisfaction on our products and services. An objective and authentic evaluation on the overall quality of products and services will be provided, and a comprehensive evaluation report will be generated. On this basis, we use the results as an assessment basis for evaluating the quality of products and services and the implementation of various professional standards, so as to improve product design and service and implementation of standards, and achieve a win-win situation in customer satisfaction and service improvement. In 2020, the Company conducted surveys on customer satisfaction via questionnaires. We received a total of 4,984 questionnaires, with an overall satisfaction of 88.7%.

First Service is aware of the importance of customer privacy and information security, and has established a complete system to effectively protect customer privacy and security. The Company strictly complied with Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Cybersecurity Law of the People's Republic of China and other relevant laws and regulations, and we formulated the "Server Management Standard", the "Standard for Information-based Equipment Room Management" and the "Standard for Emergencies Relating to Information-based Infrastructure". We defined the control process and registration form of personnel entering and leaving the computer room, the process and form of server inspection, the process of system emergencies, as well as the operation and maintenance reports. We also clarified the management standard and process of the classification, establishment, storage, management, update and maintenance of the owners' data. In the information system, there is a separate permission for the control of the viewing of customer information, and customer privacy is protected through the permission system. For confidential customer information we collected while providing property management services, we require employees to request prior approval from the relevant customer service manager before reviewing or destroying files. We sign confidentiality agreements with all employees to prevent disclosure of customer information. In the meantime, we have installed anti-virus and firewall software in our office system to prevent data attacks, leakages and tampering, and we upgrade such software from time to time and carry out regular inspections to detect viruses.

### 5.3 Uniting as One to Fight against the Epidemic

First Service strives to build a harmonious community culture and improve the quality of life and happiness of owners through various cultural activities. A complete management system for cultural activities has been set up. The "Standard for Community Cultural Activities under the 'Love My Home' Campaign" was released and revised. The headquarters established the operation management center, regional companies set up the operation management department, and the customer service division of each service center assigned a person in charge of community cultural activities. The organs at all levels cooperate with each other to hold static and dynamic community cultural activities every year to enhance the positive interaction with customers and enhance customer satisfaction. Several kinds of community cultural activities, including bamboo forest and bamboo sea, are organised. At the beginning of each year, the headquarters releases the annual to-do list of community cultural activities, and each service center holds such activities listed. Projects can carry out their own community cultural activities according to actual situation. An internal evaluation will be made after community cultural activities are held, so as to continuously improve the quality and requirements of activities, with a view to better catering to the needs and expectations of customers and creating a harmonious community culture atmosphere.





## 5. Homelike Service, Harmony and Win-win

First Service actively promotes Party building activities in communities and keeps close contact with community members. Currently, regional companies have established four service centers, namely the service centers of Hefei Modern MOMA, Wan Guo Cheng MOMA, Xiantao Man Ting Chun MOMA and Wuhan Hanyang Wan Guo Cheng MOMA. The companies mainly hold Party building activities in communities and some set up their Party branch, hold Party member meetings, exchange views on advanced knowledge and direction, and absorb employees that meet the requirements for Party membership and are Party activists.

In 2020, First Service attached great importance to the prevention and control of COVID-19 epidemic, was at the front line to offer property management services, which provided a reliable guarantee for the health and safety of owners. Measures taken to control the spread of the epidemic are as follows:

1. Daily disinfection: First Service disinfected frequently-contacted points in communities several times a day. Our scientific and technological innovation capacity was brought into full play to upgrade the mist forest system to atomise disinfectants. Our self-made ultrasonic disinfecting atomiser disinfected pedestrian passageways, roads, people in and out, vehicles and trash cans, greatly improving the disinfection efficiency.
2. Strict community control: Closed management was carried out for each community, and several of the entrances and exits were closed according to the size of the community. Vehicles and visitors must be registered, and visitors were discouraged from entering the community. In addition, a temperature measuring point was set up at each entrance and exit to monitor the body temperature of people. If there is anything unusual, it must be reported immediately.
3. Epidemic prevention publicity: The Company publicised epidemic prevention knowledge online and offline through owners' group chats, WeChat Moments, elevators and other platforms.
4. Heart-warming tips: Paper towels were added to the elevator cars, and elevator keys, door handles and other tiny places were disinfected repeatedly, in order to reduce the chance of cross infections. As it was inconvenient for owners to go out, it helped them purchase daily supplies to solve the problems in the "last 100 meters".

With active and responsible anti-epidemic work and community management, First Service was awarded the title of "Advanced collective against COVID-19 pandemic in Beijing" in 2020.



## 5. Homelike Service, Harmony and Win-win



### Case: We cooperated with temporary Party branches on the front lines in the fight against the epidemic to build a strong prevention and control network in communities

In the face of the epidemic, Yue Jun Jia Yuan community gathered together non-public companies and Party members and established a temporary Party branch based on the joint prevention and control mechanism. According to the work deployment of the temporary party branch, First Service stood in the front and actively participated in the epidemic prevention and control work, pulled up the community epidemic prevention line as soon as possible, and contributed to the construction of the community epidemic prevention and control network.



### Case: Remaining at our post in Wuhan to ensure the health of owners

In January 2020, at the beginning of the outbreak of the epidemic, roads in Wuhan were closed and many employees were unable to return to their posts. Employees from the environmental management division of the service center of Wuhan Man Ting Chun MOMA in Optics Valley of China were at the front line and undertook the works of disinfecting the community, with the top priority given to owners' life safety and physical health. The employees actively

Disinfection works during the epidemic

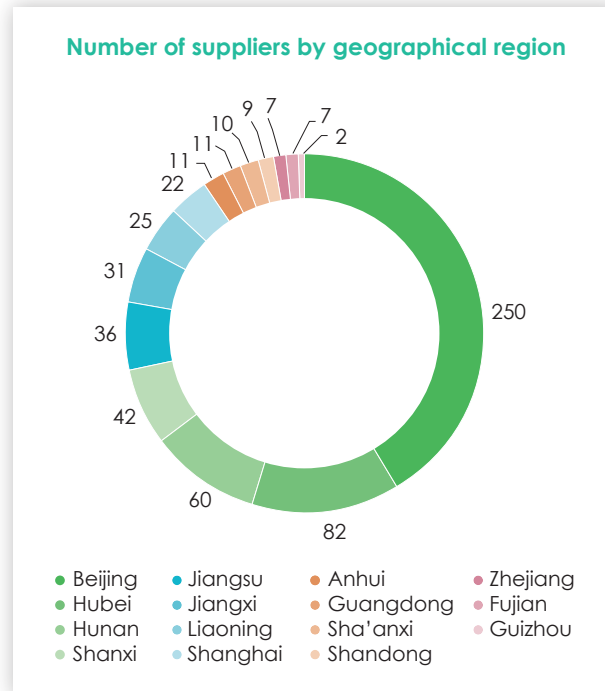
communicated with the community's workers and made reports to the government department in time. They popularised knowledge every day and gave answers to owners to alleviate their anxiety. Property management personnel remained at their posts, which made owners feel at ease, ensured their safety, and enabled them to win their trust and praise.

## 5. Homelike Service, Harmony and Win-win

### 5.4 Green Procurement, Harmony and Win-win

First Service strives to forge long-term partnerships with suppliers to provide customers with quality services and create a mutually beneficial and win-win future.

Our suppliers can be divided into two categories, purchasing suppliers and service outsourcers. Purchasing suppliers are suppliers providing engineering materials, office supplies, fire-fighting supplies, uniforms, signs, greening and maintenance materials, equipment and facilities, equipment auxiliary materials, etc., while service outsourcers are those offering order service/cleaning service/septic tank cleaning/greening and maintenance service, services relating to household/construction waste cleaning and transportation, repair and maintenance of elevators/fire-fighting system/power supply and distribution/water pumps/boilers, as well as comprehensive repair and maintenance services. The total number of suppliers included by First Service in the list of suppliers reached 604 in 2020, all of which come from China. The specific number of suppliers by geographical region is shown in the table below:



## 5. Homelike Service, Harmony and Win-win

First Service laid down the "Material Procurement Standard" and determined the effective supplier selection and bidding process. Importance has been attached to the environmental and social responsibility performance of suppliers. We verified the organisational structure, honours and certificates, and qualification documents of suppliers, such as ISO quality system and management system certification. Field investigations into the projects were made to check whether they have professional construction ability and construction site management ability, construction technology, civilized construction ability and so forth. The use of eco-friendly and green materials is a plus. Currently, 9 of the suppliers included in the list have obtained ISO quality management system certificates, environmental management system certificates or occupational health and safety management system certificates.

First Service strictly evaluates the service quality of suppliers and actively identifies possible environmental and social risks. Service centers evaluate service outsourcers on a monthly basis and in an all-round manner from "five threes", while purchasing suppliers are assessed in terms of their single service and quality and in an all-round manner from "five threes". Service centers evaluate suppliers' performance on a monthly basis and send a reminder to suppliers in the form of a warning notice and a correction letter in case of any potential risk. The Company's headquarters conducts patrol inspections every six months, and the audit department carries out audits from time to time. Moreover, the Company organises semi-annual/annual supplier rating activities, convenes an annual supplier conference, and awards honorary certificates to outstanding suppliers at the conference to encourage them to actively perform their contracts.

Continuous efforts will be made to build a green supply chain in the future. We will optimise supply chain management and achieve the sustainable development according to the "Standard for Management of Suppliers" that was revised in 2021.



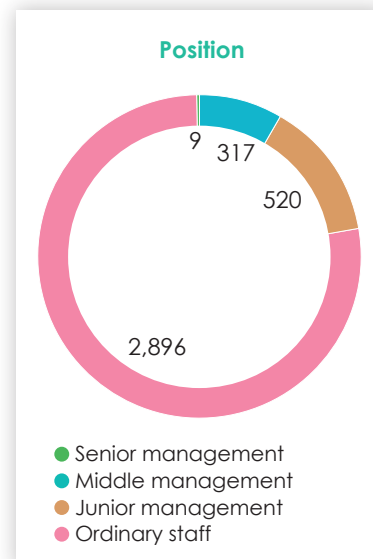
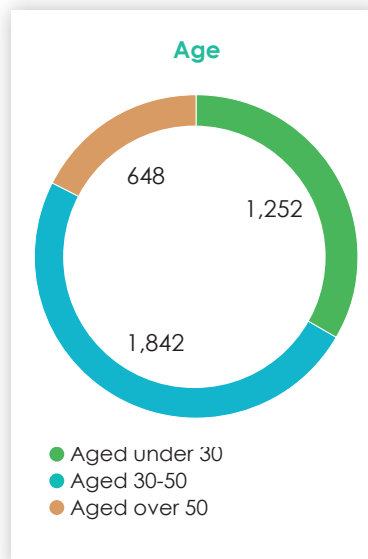
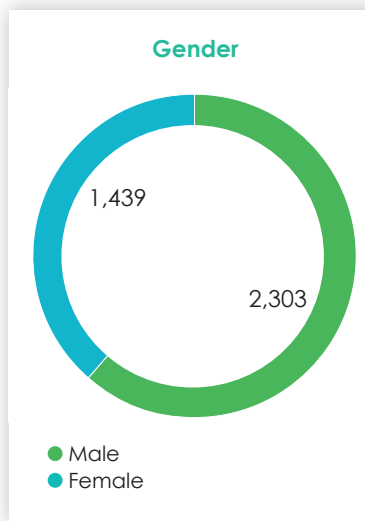
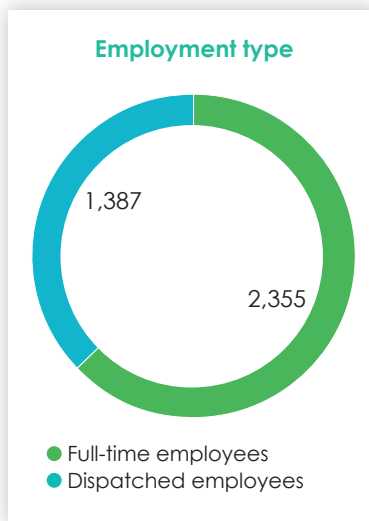
## 6. Attracting Talents and Moving forward with Them

### 6.1 Equal Employment and Rights and Interests Protection

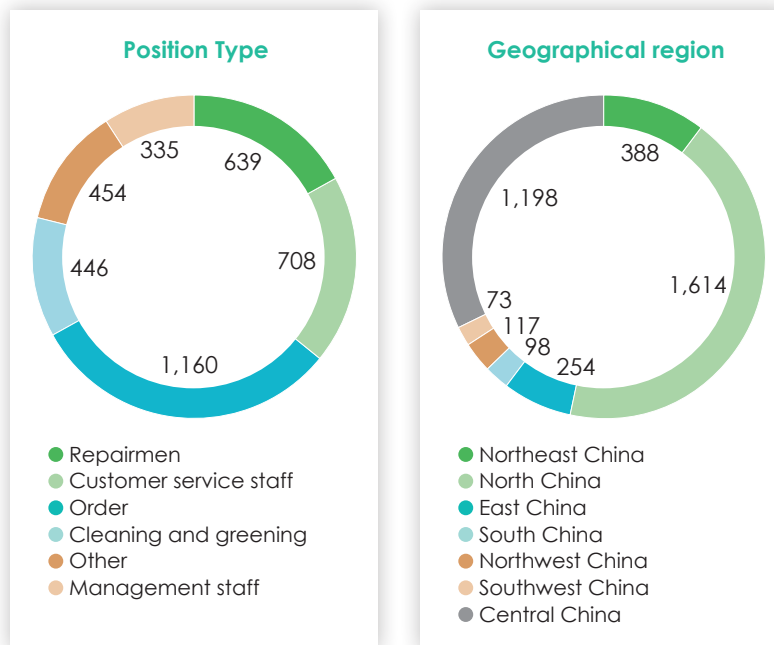
First Service strives to guarantee the rights and duties of employees, and continuously improves the human resources management system and process.

The Company strictly complies with the national laws and regulations, including the Labour Law, the Labour Contract Law, the Social Security Law and Regulations on the Administration of Housing Fund, based on which we laid down about 20 relevant standards, including the "Standard on Management of Employee Relationships", the "Standard on Management of Trainings", the "Standard on Management of Job Competitions", the "Standard on Management of Jobs", the "Standard on Management of Attendance", the "Standard on Management of Employment" and the "Standard on Management of Rewards and Punishments", as a move to actively promote the sound development of the human resources management system. Some standards were revised during the Year, so as to better make up for business differences in regions and projects, and achieve finer team management.

The Company had a total of 3,742 employees as at 31 December 2020. The number of employees by type is as follows:



## 6. Attracting Talents and Moving forward with Them



We manage employment and dismissal in accordance with the "Standard on Management of Employment", the "Standard on Management of Employee Relationships" and other standards. Our internal management standards have been optimised with reference to the standards of our peers. For employees who have left, we regularly find out what they are doing. Employees who resigned can re-join the Company via normal channels three months after leaving (with reference to employment of new workers), while fired employees will not be re-employed if they violated rules and regulations.





## 6. Attracting Talents and Moving forward with Them

Property management service industry is a labour-intensive industry. In order to better cope with the difficulties of large temporary demands and difficult recruitment, we will continuously expand recruitment channels and attach importance to the training of graduates from schools. Our phased and seasonal employment was mainly reflected in the employment of interns and farmers in slack season in 2020. We also launched a talented apprentice nurturing scheme for employees hired from schools.

In the future, attention will be paid to the building of a talent echelon. We will conduct management via job competition and evaluation, and strengthen the executive capability of the backbone and the leadership of the management. A campus training base will be set up to attract talents of high calibre to our team and motivate the team.

First Service actively unblocks communication channels to listen to employees. The Company has established and improved the mechanism of protecting employees' rights and interests and receiving their suggestions and opinions by setting up a suggestion box, a hotline, an email and other internal communication channels. The activities we organized include meetings with representative employees, communication meetings, collection of reasonable proposals and employee satisfaction surveys. In addition, the Company clearly stipulates that communication meetings should be held at least once every six months to receive the suggestions of employees and establish a good communication channel between employees and ourselves.

First Service adheres to a people-oriented approach and provides effective care and protection to ourselves employees. We strive to protect employees' benefits and welfare, including compensation, working hours, equal opportunity, diversity and anti-discrimination. We give equal pay for equal work to ensure the equality between men and women. Child labour and forced labour are strictly prohibited. We ensure that employees of different nationalities, races, genders, religious beliefs and cultural backgrounds enjoy equal employment opportunities and labour security. The Company entitles employees to take a personal leave, sick leave, work-related injury leave, annual leave, marriage leave, maternity leave, prenatal check-up leave, breastfeeding leave, funeral leave, seniority leave and other welfare and non-welfare leaves in accordance with the Labour Law and the attendance management standard. Employees can apply for a leave according to their own situation and take a leave after getting the approval. Besides salaries, the Company provides high-temperature subsidies, birthday benefits, anniversary benefits and other additional welfare for employees. We purchase and send gifts to employees on New Year's Day, Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and other holidays. Activities held in winter include offering warm clothes, shortening the work time for frontline workers and making ginger soup.

As far as its fight against child labour and forced labour concerned, child labour is not allowed in the Company, which will verify the identity and age of applicants and check the database on a monthly basis to see if an employee is a minor. The Company has not found any child labour or forced labour. If found, we will stop it immediately and punish the persons responsible.

During the Year, the Company was found with no incidents of child labour or forced labour, and there was no labour dispute caused by violations of laws and regulations.



## 6. Attracting Talents and Moving forward with Them

### 6.2 Development and Promotion for Employee Growth

First Service is committed to providing employees with clear channels for promotion and development. The Company launches a series of training programs for employees, with the aim to achieving the common development with employees and enhancing our core competitiveness.

In terms of promotion, employees can be promoted to a higher position via competition. The Company laid down the "Standard on Management of Jobs", in which we define 12 levels of positions, provide dual channel development path and position promotion criteria, clarify the frequency of job competitions, applicants' necessary qualifications, evaluation criteria, the panel of judges and the competition process, and define four main responsibilities for employees at different positions in the headquarters, regional companies and service centers. Service centers, regional companies and the headquarters all held job competitions according to the relevant standard and actual needs in 2020. Two competitions on project managers were held in 2020. A total of 31 candidates participated in the competitions.

#### Employment and promotion of middle management

Type	Number
Internally promoted middle managers	66
Hired middle managers	51
Total number of new middle managers in 2020	117

We will continuously improve onsite evaluation, necessary qualifications, evaluation criteria and other dimensions in the future. We plan to revise the "Standard on Management of Job Competitions" and redefine four main responsibilities, the frequency of job competitions, applicants' necessary qualifications, evaluation criteria, the panel of judges and the competition process. The development path will be added.

In terms of talent training, First Service insists on the 'five talents' strategy. A scientific talent training mechanism was established to train professionals according to the Company's development strategy and business, which will enhance our core competitiveness. Our talent training programs in 2020 include the Talented Apprentice Scheme, the Elite Program of project managers, the Elite Lieutenants Program of order maintenance managers and the TTT training.



## 6. Attracting Talents and Moving forward with Them

- **Talented Apprentice Scheme (匠才生計劃):** In the Talented Apprentice Scheme, the Company trains hired fresh graduates via special training, job rotation, deep learning, self-organized activities, reading club, sincere talks, reporting, etc., in a bid to improve their professional competence. This will allow the students to grow into office workers quickly. The training program aims to train the graduates to be project managers via three to five years of targeted training. Nine talented apprentices were hired in 2020, and the selection of the first batch of talented apprentices in 2021 was completed. In the future, we will optimize and upgrade the talented apprentice nurturing system, and create a two-way nurturing model from the specialty and management dimensions, so as to provide better growth opportunities for them.
- **Elite Program (精銳營) of project managers:** The Elite Program of project managers is a training program designed for project managers nationwide based on training research and project manager competence model. The Elite Program provides training from three dimensions of "operation, management and professionalism". It adopts a variety of training methods, including professional training, workshop, action learning, sand table learning and outdoor development. This provides practical operation experience for project managers, and training projects are carried out effectively.



## 6. Attracting Talents and Moving forward with Them

- Elite Lieutenants Program (精兵營) of order maintenance managers: The Elite Lieutenants Program of order maintenance managers is designed for order maintenance managers nationwide and provides 10-day training. We build a team of order maintenance managers with excellent comprehensive quality through systematic knowledge training, militarized physical training, visits to benchmark projects and so forth. The Elite Program is expanded to regional projects to train order maintenance professionals.
- TTT training: The TTT training is designed for employees at the management level and above nationwide, aiming to improve the professional competence of internal trainers and enrich the Company's curriculum resources. The training program consists of two intensive internal training sessions (mainly for course development ability and lecturers' teaching ability), a preliminary contest of course development, and the final of ten gold-medal lecturers. Ten gold-medal lecturers and ten high-quality professional courses will be selected. It has greatly enhanced the enthusiasm and professionalism of internal trainers in developing and teaching courses.

During the Year, First Service launched a total of 214 internal training projects, with 11,222 participants and 385 hours of training.

In the future, the Company's training will focus more on core talents. We will provide outstanding talents via selection and training. The Talented Apprentice Scheme will continue in 2021, and the Elite Lieutenants Program for project managers, financial managers, order maintenance managers and other executives will be held. The priority will be given to the drawing of a learning map for customer service managers, engineering managers and information operations managers, so as to provide more standardised, customised and systematic talent training, make it closer to businesses and meet the Company's development needs.

### 6.3 Safeguarding the Health and Safety of Employees

First Service attaches great importance to the health and safety of employees. We strictly comply with the relevant laws and regulations, including the Fire Protection Law of the People's Republic of China and the Law on Prevention and Treatment of Occupational Diseases of the PRC, based on which we take a series of measures to ensure the health and safety of employees. The Company partners with well-known physical examination centers to organise physical examinations for employees from September to December every year, and arranges in-depth re-examination for employees with abnormal health conditions, so as to eliminate health risks and ensure physical and mental health. The Company has developed perfect standards for all positions, covering every part of each position. Implementation of the standards are checked regularly. Protective clothing is available for new recruits. New employees can start their work only after receiving and passing pre-employment training and safety training. In case of a work-related injury, the employee should be immediately sent to the hospital for treatment to ensure his/her safety. The Company will apply for the identification of the work-related injury and other related procedures. Many measures were taken by the Company during the COVID-19 epidemic to ensure the safety of employees: organised nucleic acid tests for employees, recorded their health status on a daily basis, set up anti-epidemic material warehouses, arranged online anti-epidemic training, developed an anti-epidemic manual, etc. First Service's spending on protective materials for employees amounted to RMB1.25 million in 2020. The Company organised 80 safety education and training sessions and 160 safety emergency drills, with 5,784 participants and a total duration of 552 hours. The coverage of safety education reached 99%. The number of working days lost due to work injuries was 198 days in 2020.





## 7. Green Operation, Low Carbon and Environmental Protection

### 7.1 Controlling Emissions to Make Water Clear and Sky Blue

Controlling pollutant emissions is a priority of First Service. The Company strictly complies with the relevant laws and regulations, including the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China, based on which we laid down a range of standards, including the "Standard for Energy Management", the "Standard for Management of Hazardous Substances and Non-hazardous Substances", the "Standard for Water Cleaning and Maintenance", and the "Standard for Professional Environmental Management Process and Standardisation", in order to establish a sound emission management mechanism and ensure the effective management of exhaust gas, wastewater and waste.

The Company implemented a three-level control system for environmental management:

- Headquarters: Setting up an environmental management system, organising regional companies' operation management department, providing training for persons in charge of environmental management in regional companies' service centers, conducting product innovation and R&D of green technologies, and reviewing the inspections in regions;
- Regions: Organising the training and publicity of standardised system documents according to the Company's procedures, regularly supervising the implementation of the standards, and providing professional support for each service center;
- Projects: Responsible for formulating professional environmental management service plans for service centers (cleaning and greening), evaluating the performance of the contracts of subcontractors in environmental management, formulating project environmental contingency plans and organising training.

### Management of Greenhouse Gas Emissions and Air Emissions

The air emissions generated during the operation of the Company mainly come from natural gas combustion, building heating and hot water heating. In addition, the air emissions are the exhaust gas emitted by company cars and employees' cars. A series of measures were taken to reduce air emissions and greenhouse gas emissions: Gas-fired boilers have been upgraded for energy conservation to increase the utilisation rate of resources and reduce air emissions. Employees are encouraged to take buses, subways and other green means to go on a business trip and commute between their homes and places of work. As a process to collect data about air emissions and greenhouse gas emissions has yet been established in the Year, the Company will gradually improve the relevant statistical process and disclose the data in the future.

We will lay down internal control standards that will be stricter than national and local standards in the future according to our own situation. We will monitor pollutants by ourselves or entrust a qualified third party to monitor the pollutants. Pollutants will be effectively monitored through online monitoring, internal monitoring, external monitoring and other methods, with the aim to preventing excessive discharge of pollutants.



## 7. Green Operation, Low Carbon and Environmental Protection

### Wastewater Management

The wastewater produced by the Company mainly includes household wastewater, septic tank effluent and wastewater generated during equipment operation in equipment rooms. Our wastewater management measures are mainly design schemes about the recycling of reclaimed water and rainwater. In terms of wastewater treatment, the Company's headquarters has conducted research on the treatment of wastewater in MBR grease traps. The technology can effectively degrade the wastewater in grease traps to make it colourless, tasteless and odourless. It can purify the wastewater, reduce the cleaning of the grease traps, cut operating costs and reduce wastewater pollution. As a process to collect data about wastewater discharge has yet been established in 2020, the Company will gradually improve the relevant statistical process and disclose the data in the future.

In the future, we will continuously pay attention to wastewater discharge, improve wastewater utilisation technology, and realise efficient recycling of wastewater.

### Waste Management

With great importance attached to waste management, we compiled the "Standard for Management of Hazardous Substances and Non-Hazardous Substances" to define the responsibilities during collection and disposal, and guide projects under management to establish and improve criteria for the disposal of hazardous substances. The hazardous substances generated by employees in offices and owners in daily life will be disposed of collectively, in order to reduce the negative environmental impact of waste as much as possible.

The hazardous waste generated by owners during property management includes used batteries, waste toner cartridges and ink cartridges, used oil, used coolant, waste ink and paint, waste cleaning agent (including packaging containers), waste oil resistant gloves (finger cots), waste oil rag, waste fluorescent lamp tubes, waste pen refills, waste hazardous chemical containers, and waste drugs. The non-hazardous waste generated by owners during property management includes waste plastics, waste paper, waste wires, scrap metal and other substances suitable for recycling and resource utilization, as well as construction waste, slag, vegetable and fruit waste (vegetable roots, leaves, pericarp and seeds, etc.) and other non-recyclable wastes that need to be transported and disposed of by qualified environmental sanitation departments. As a property management company, we mainly provide services for customers. The solid waste generated during operations includes hazardous solid waste (waste ink cartridge, mercury-containing fluorescent lamps or energy-efficient light bulbs, batteries, etc.) and non-hazardous solid waste (harmless decoration waste, waste paper, etc.). As a process to collect data about waste discharge has yet been established in the Year, the Company did not make relevant statistics. We will gradually improve the relevant process and disclose the data in the coming years.



## 7. Green Operation, Low Carbon and Environmental Protection

Collection		<ul style="list-style-type: none"><li>➤ Designated collection points: All departments strictly classify and store waste in designated points according to the types of the substances produced. The waste should be transported to the waste transfer station in time and stored in separate areas. All departments are responsible for the classification of the transported substances.</li><li>➤ Classification containers: Eye-catching distinguishing signs and usage instructions should be posted. Each collection point must place at least three containers for different substances and ensure that substances are handed over during the time when they are being received.</li><li>➤ Substance recovery efficiency: The environmental management department disposes of waste substances regularly every day, and all departments and cleaners jointly check whether waste is classified. The department that generates the waste will be responsible for sorting if the waste is not classified as required, otherwise it will not be received. The engineering department is responsible for the classification and collection of waste lamp tubes and construction materials in service centers, and hands them over to the environmental management department for disposal every day.</li></ul>
Disposal	Hazardous	<ul style="list-style-type: none"><li>➤ All departments shall collect and store substances according to their properties. Incompatible substances that have not been safely disposed of shall not be collected and stored together. The points where hazardous substances are placed shall have functions, such as sun protection, rain protection and loss prevention.</li><li>➤ All departments shall not dump or spill hazardous substances when transporting them. Barbarous loading and unloading is strictly prohibited.</li><li>➤ The environmental management department shall, in accordance with the relevant laws and regulations, entrust a unit with a "hazardous waste permit" to dispose of hazardous substances. The information operations department signs a contract with the entrusted unit to clarify the requirements and responsibilities of waste disposal. Each handover of hazardous substances should be recorded.</li></ul>
	Non-hazardous	<ul style="list-style-type: none"><li>➤ Recyclable: After making sure there are no hazardous substances, the Company will contact a qualified recycling unit for recycling and make a record.</li><li>➤ Unrecyclable: As the waste is generated by different departments, it should be disposed of by a qualified recycling unit.</li></ul>
Recycling		<ul style="list-style-type: none"><li>➤ Goods, materials, equipment, tools and other substances that are replaced with new ones or scrapped by each department shall be recycled and controlled by the environmental management department. Each department should make statistical records of classification and recycling, and hand them over to cleaners of environmental management department at any time.</li><li>➤ The special substances in the warehouse shall be classified and recorded, and shall be handed over to the environmental management department for cleaning at any time.</li><li>➤ Other departments are responsible for the control and management of waste generated in their respective areas. When cleaning buildings, the environmental management department's cleaners shall collect the classified substances of each department and record the classification.</li></ul>



## 7. Green Operation, Low Carbon and Environmental Protection

Thanks to effective waste management measures, Changsha Riverside Man Ting Chun MOMA's service center was honoured as a demonstration unit of household waste classification by Changsha municipal leading group of household waste classification that held a selection for demonstration communities of household waste classification. It was given an incentive bonus of RMB5,000 by the Changsha Municipal Housing and Urban-Rural Development Bureau. This has enhanced the brand awareness and influence of First Service.

In the future, we will pay more attention to the emission management standards of hazardous waste, give more careful guidance to project workers in understanding and management of hazardous waste, and strengthen the training on workers, aiming to raise the public awareness in understanding and management of such waste.

During the Year, the Company did not report any violations of the relevant laws and regulations on environmental protection that have a significant impact on ourselves.

### 7.2 Energy Conservation and Consumption Reduction, Green and Low Carbon

First Service actively promotes energy conservation and emission reduction, and follows the concept of green development and green and low carbon. An effective energy management system has been established. At the same time, we make technological transformation for energy conservation to reduce energy consumption and improve energy utilisation efficiency. The Company has formulated the "Standard for Energy Management", the "Standard for Operation and Maintenance of Power Supply and Distribution System", the "Standard for Operation and Maintenance of heating, Ventilation and Air conditioning Systems", the "Standard for Operation and Maintenance of Water Supply and Drainage System" and the "Standard for Lighting Management in Communal Areas" to institutionalise energy management and improve employees' awareness of energy conservation and consumption reduction.

The main energy and resources consumed during the operation of First Service include electricity, gasoline, natural gas and water. Gasoline is mainly consumed by company cars, natural gas is mainly used for a project's heating and office restaurants, and electricity is used in the Company's office work, equipment operation and so on. The water consumed by the Company are all from the municipal water supply network, with no water withdrawal problems involved. No packaging materials are involved in the operation of the Company. As a process to collect data about usage of energy and resources has yet been established in the Year, the Company will gradually improve the relevant statistical process and disclose the data in the future.





## 7. Green Operation, Low Carbon and Environmental Protection

First Service seeks to achieve a more efficient energy use and green and low-carbon development that saves energy and reduces emissions. We set a target of more than 90% energy efficiency for electricity and natural gas in the Year. We required projects to prioritise the use of energy-saving construction equipment and tools, reasonably use the natural conditions in the construction site for lighting and ventilation, and prioritise the use of natural resources, in a bid to achieve the target. In the office areas, we adjusted the temperature of air conditioners depending on the weather, turned off air conditioners in time when no one was present, and closed the doors and windows when air conditioners were working. In non-working hours, on weekends and during holidays, security guards patrolled the office areas every hour to ensure that lights and air conditioners were turned off in unmanned areas. Only one elevator worked in non-working hours. In the meantime, we set a target of saving energy by 2% year on year. Dynamic management was conducted on electricity and gas consumption on a monthly basis, and monthly energy consumption data were evaluated. Energy consumption data were compared month on month and year on year and were analysed to find out the reason for changes in data. We effectively controlled the growth in energy consumption and conducted in-depth analysis of a decline in energy consumption to gain experience. For projects equipped with equipment to meet cooling and heating needs, the headquarters will test the operating state of the system equipment in the cooling season and heating season, troubleshoot the operating problems in time, and improve the operating efficiency to reduce unnecessary energy consumption.

First Service values water resources management and adopts corresponding measures to save water, such as:

- Irrigation water: Seedlings were watered reasonably based on the precipitation situation in different regions, different seedling growth habits in different locations, replanting and split planting arrangement, and soil moisture.
- Cleaning water: Water facilities and/or stone-paved roads are cleaned with high-pressure water guns and single disc floor cleaners/big scrubbing brushes. Direct flushing with water pipes is strictly prohibited.
- Under the condition that residential environment is not affected, the cleaning frequency of water facilities can be appropriately reduced and water from such facilities can be used as irrigation water.
- Scientific metrology and water-saving devices: Water meters should be installed in communal areas as soon as possible to make effective measurement. Sprinklers must be installed in water outlets. Direct watering with water pipes is strictly prohibited. According to the terrain and the distribution of green plots, mobile brackets with impact-drive sprinklers, ground-inserted micro-sprayers and micro-spraying hoses should be reasonably installed to ensure that the coverage of effective energy-efficient sprinkler irrigation is not less than 60% of the green area.

As a process to collect data about water consumption is still being improved, the Company will disclose information related to water consumption in the coming years.

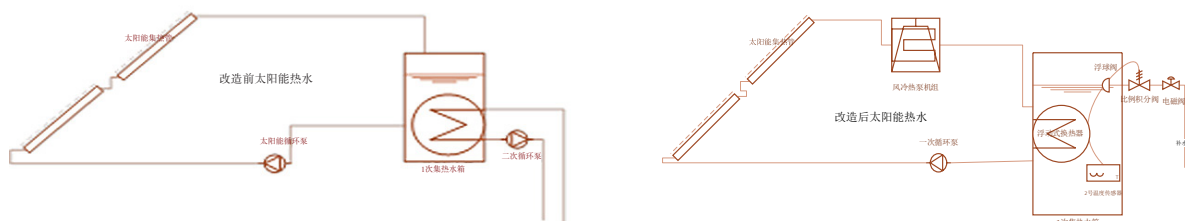
Technological transformation for energy conservation is conducted in First Service's projects. In response to the call for accelerating the promotion of green and low-carbon development proposed in the 14th Five-Year Plan, the Company plans to carry out transformation on photovoltaic power generation in the projects under management on a trial basis in 2021. We aim to enable the majority of electricity in communal areas to be generated from solar power, and guide employees and customers to use clean energy, so as to achieve green and sustainable development.



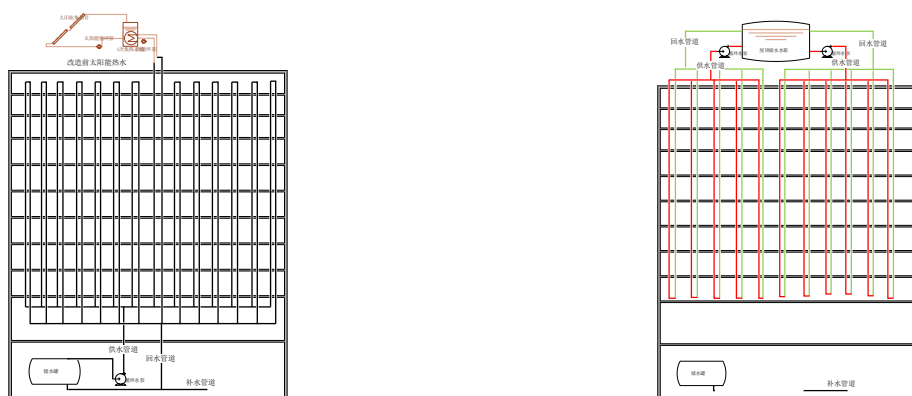
## 7. Green Operation, Low Carbon and Environmental Protection

### Case: Transformation of solar water heating system for Shang Di MOMA Phase 3 Building

First Service upgraded the solar water heating system for Shang Di MOMA Phase 3 Building by solving the problems, including low operating efficiency of the electric auxiliary heating rod, deficiency in system composition, long secondary water circulation and high heat loss. An air-cooled heat pump unit, a volumetric heat exchanger and a variety of control valves were added to the primary water system, which adds an auxiliary heat source to the original primary solar water system, accurately controls the amount of water, and makes full use of solar thermal storage in the daytime to effectively meet the night needs. In the secondary water system, the hot-water supply and return pipes were connected on the second floor and extended from the ninth floor to the roof of the building. The hot-water supply and return pipes were connected with hot water tanks respectively. A loop pump was installed on each water supply pipe respectively, which is responsible for the circulation of a single hot-water pipe and pressurizes the water supply pipe network at the same time. On 4 November 2020, the new system was officially put into operation. The electricity consumption fell 57% compared with the same period of the previous year, showing significant energy conservation effect.



Upgrading of the secondary water system (left: before upgrading; right: after upgrading)



Upgrading of the secondary water system (left: before upgrading; right: after upgrading)

### 7.3 Natural Resources, Impact Reduction

As the nature of First Service's business is property management, our business activities do not involve high consumption of natural resources or have significant impact on the environment. The Company is well aware of the possible impact of our day-to-day business operations on the environment. We will step up efforts to improve our environmental management system. We will comply with all applicable environmental laws and regulations, and contribute to the common environmental protection cause of mankind.

## 8. Operational Compliance, Integrity

First Service resolutely cracks down on all forms of corruption and actively fosters a culture of integrity.

First Service strictly complies with the relevant laws and regulations, including the Criminal Law of the People's Republic of China and the Anti-unfair Competition Law of the People's Republic of China, and constantly improves our anticorruption management mechanisms and systems. In terms of management, the Company clarifies "four stages" and "five don'ts" principle in our manual of intelligent business's culture. We make clear internal work and responsibilities related to anticorruption and anti-money laundering, and enhance employees' awareness of anticorruption. At the supplier management level, the Company signs integrity pledges before initiating tenders, clarifying the red lines that are forbidden to touch and investigating legal liabilities.

Four stages	Five don'ts principle
<ul style="list-style-type: none"> <li>• Preventing problems: Publicise the culture of integrity, establish anti-fraud standards (audit process and accountability measures), and carry out reporting policies (whistleblower protection and incentive measures)</li> <li>• Finding problems: Maintain complaint channels and receive reports; collect clues during routine audits and proactively detect fraud incidents</li> <li>• Solving problems: Conduct anti-fraud audits according to corporate culture and standards and cooperate with judicial organs</li> <li>• Preventing problems: Auditors will update the training system with cases that arise, integrity training</li> </ul>	<ul style="list-style-type: none"> <li>• Do not abuse positions: Do not be self-seeking, and do not encroach on the interests of the state, the Company or the customer</li> <li>• Do not go to wrong parties: Do not go to parties held by suppliers</li> <li>• Do not be greedy for illegal money: Do not embezzle money, and do not extort or accept bribes</li> <li>• Do not receive gifts presented with purposes: No gifts, treats, kickbacks, etc.</li> <li>• Do not be crazy to seek selfish desires: Do not allow or drop a hint to a designated partner to pay or reimburse any expenses for yourself or your relatives</li> </ul>



## 8. Operational Compliance, Integrity

First Service has set up multiple channels for receiving anticorruption reports and strictly protects the privacy of whistleblowers. Whistleblowers can report suspected corruption incidents through a hotline, emails, letters, official WeChat accounts and other channels. After receiving a report, the Company will start the processing, including establishing a case, collecting evidence, determining results, punishing and transferring the responsible person to judicial organs according to standards, circulating a notice of criticism and conducting an investigation within itself, etc. The Company has clear confidentiality criteria for auditors and no-fault reporting criteria for whistleblowers, so as to strictly protect the privacy of whistleblowers. According to the confidentiality criteria for auditors, any external unit or individual is strictly prohibited from accessing the personal information of the whistleblower and the person being reported, report content and other sensitive information. In principle, the acceptor shall maintain one-to-one communication with the whistleblower. The report content shall only be informed to the superior. The investigation plan shall be designed to protect the whistleblower to the maximum extent. The investigation will be terminated automatically if the information of the whistleblower may be leaked. As stipulated in the no-fault reporting criteria for whistleblowers, regardless of whether the findings of the investigation are true or not, the whistleblower shall not be given administrative sanctions or financial penalties, nor shall the whistleblower be deprived of the rights for purchasing, cooperation, award evaluation, promotion, incentives, etc., nor shall he/she be retaliated against.

First Service will advance the fight against corruption in the future. The Company will strengthen the publicity of corporate culture of integrity, update fraud cases and courseware to set up a case library and a perfect training system, and carry out anti-fraud training in each project. Actions will be taken to increase audit methods for anti-fraud and exchange experience and cooperate with other listed companies in the Enterprise Anti-Fraud Alliance. An audit monitoring system will be established on the basis of the setup of an information-based financial system, in a bid to prevent risks. This is a move to set up an information-based audit system.

During the Year, there were no violations that had a significant impact on the Company, and no corruption or embezzlement incidents occurred.





## 9. Caring for the Community and Giving back to Society

Since our establishment in 1999, First Service has been committed to giving back to the society and fulfilling our social responsibilities. Upholding the philosophy of "Technological Living, Homelike Service", we spare no effort to integrate our quality services into the community and hope to promote more advanced service concepts to public welfare. In 2020, we strove to improve the property management service level and enrich the service content. Moreover, we actively participated in social welfare projects. We recognize that there is a long way to go on the road to public welfare. We will make unswerving efforts to light up hope with public welfare and hold public welfare activities annually. Efforts will be stepped up to explore new forms and new goals.

First Service launched "Love My Home Campaign — Sprout Initiative" to promote clean water. The Sprout Initiative was carried out via accumulation of "love points". The families from the community accumulated "love points" by participating in the Sprout Initiative, and in turn, First Service donated money to Water Fund of the China Social Welfare Foundation to buy water purifiers to address the shortage of clean drinking water for children in regions where water are severely contaminated.

First Service took part in the "MOMA box" campaign to care for left-behind children in poverty-stricken regions. Since 2014, we have been reaching out to the regions every year to bring children there love and hope. We warmed thousands of children in 10 mountainous areas and 35 primary schools over the past six years. First Service visited Wujiashou Primary School in Shihua Town, Xiangyang City, Hubei Province in September 2020. The school has 238 pupils who come from single-parent families or are left-behind children. They face difficulties on all sides. We visited the students and donated money and clothes, new school bags, books, pencils, coloured pens and other school supplies and life materials to solve practical problems for the students and help them better complete their studies.



## 9. Caring for the Community and Giving back to Society

In addition, various public welfare events were organised, such as online charity clinics, poverty alleviation aids. In 2020, First Service held 13 public welfare activities, benefiting 9,679 persons. It took 96 hours to hold the activities. Donations of money and supplies totalled approximately RMB35,000.

In 2020, First Service devoted ourselves to public welfare undertakings, achieving positive social responses and winning an honorary certificate from the China Charity Federation's Little Colourful Elephant Dream Fund.



In the future, we will keep holding activities under the "Sprout Initiative" and "MOMA box" to devote ourselves to public welfare undertakings, pay attention to social needs and fulfill social responsibilities.

## 10. Appendix

### 10.1 KPIs in Environmental, Social and Governance Reporting Guide of the Listing Rules

Environment, Society and Governance Report Guide		Report Content
Subject Area A. Environmental		
Aspect A1: Emissions		
A1	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.	7.1 Controlling Emissions to Make Water Clear and Sky Blue
A1.1	The types of emissions and respective emissions data.	As a process to collect data about emissions has yet been established in the Year, the Company will gradually improve the relevant statistical process and disclose the data in the future.
A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
A1.5	Description of measures to mitigate emissions and results achieved.	7.1 Controlling Emissions to Make Water Clear and Sky Blue
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	7.1 Controlling Emissions to Make Water Clear and Sky Blue
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials	7.2 Energy Conservation and Consumption Reduction, Green and Low Carbon
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).	As a process to collect data about usage of energy and resources has yet been established in the Year, the Company will gradually improve the relevant statistical process and disclose the data in the future.
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	



## 10. Appendix

Environment, Society and Governance Report Guide		Report Content
A2.3	Description of energy use efficiency initiatives and results achieved.	7.2 Energy Conservation and Consumption Reduction, Green and Low Carbon
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	7.2 Energy Conservation and Consumption Reduction, Green and Low Carbon
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	7.3 Natural Resources, Impact Reduction
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.3 Natural Resources, Impact Reduction
<b>Subject Area B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
B1	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.	6.1 Equal Employment and Rights and Interests Protection
B1.1	Total workforce by gender, employment type, age group and geographical region.	6.1 Equal Employment and Rights and Interests Protection
<b>Aspect B2: Health and Safety</b>		
B2	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.	6.3 Safeguarding the Health and Safety of Employees
B2.2	Lost days due to work injury.	6.3 Safeguarding the Health and Safety of Employees



## 10. Appendix

Environment, Society and Governance Report Guide		Report Content
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	6.3 Safeguarding the Health and Safety of Employees
<b>Aspect B3: Development and Training</b>		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2 Development and Promotion for Employee Growth
<b>Aspect B4: Labour Standards</b>		
B4	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.	6.1 Equal Employment and Rights and Interests Protection
B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Equal Employment and Rights and Interests Protection
B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Equal Employment and Rights and Interests Protection
<b>OPERATING PRACTICES</b>		
<b>Aspect B5: Supply Chain Management</b>		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	5.4 Green Procurement, Harmony and Win-win
B5.1	Number of suppliers by geographical region	5.4 Green Procurement, Harmony and Win-win
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.4 Green Procurement, Harmony and Win-win
<b>Aspect B6: Product Responsibility</b>		
B6	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.	5.1 Quality Concept, Homelike Service





## 10. Appendix

Environment, Society and Governance Report Guide		Report Content
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Listening Attentively and Solving Problems
B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2 Technological Innovation, Healthy Living
B6.4	Description of quality assurance process and recall procedures.	Not Applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.2 Listening Attentively and Solving Problems
<b>Aspect B7: Anticorruption</b>		
B7	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.	8. Operational Compliance, Integrity
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.	8. Operational Compliance, Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	8. Operational Compliance, Integrity
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
B8	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.	9. Caring for the Community and Giving back to Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9. Caring for the Community and Giving back to Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	9. Caring for the Community and Giving back to Society





First Service Holding Limited  
第一服务控股有限公司