

SUNOY 宋服務

臻 享 幸 福 +

# Sundy Service Group Co. Ltd 宋都服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 9608

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT

2021

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## ABOUT THE REPORT

### INTRODUCTION TO THE REPORT

Sundy Service Group Co. Ltd (the “**Company**” or “**Sundy Service**”) is a leading property service and urban management service provider in Yangtze River Delta region of China. We adhere to the service concept of “creating accessible livable living for property owners and their families”, actively expanding our service scope in the times of intelligent Internet of Things (IoT) while providing life services with intelligent technology, jointly exploring the management and operation mode of old residential areas with the government, and devoted to becoming one of the top property service and urban management service providers in the Yangtze River Delta region.

This report is the second environmental, social and governance (“**ESG**”) report (the “**Report**”) released by Sundy Service. Adhering to the principles of materiality, quantitative, balance and consistency, it comprehensively illustrates the Company’s environmental, social and governance policy and performance from 1 January 2021 to 31 December 2021 (the “**year**” or “**Reporting Period**”), and discusses the matters of concern by the stakeholders. Unless otherwise specified, the information shown in the Report pertains to the Company’s performance during the Reporting Period.

### SCOPE OF THE REPORT

The subject range of the Report includes the Company and its subsidiaries (collectively, the “**Group**” or “**we**”), covering all businesses of the Group. Unless otherwise specified, the scope of this Report is consistent with the 2021 annual report of the Group.

### BASIS OF THE REPORT

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

### INFORMATION SOURCE

All information and data are derived from the Group’s official documents, statistical reports and accounting reports, as well as environmental, social and governance information collected, summarized and reviewed by the Company. The board of directors of the Company is responsible for the truthfulness, accuracy and completeness of the content of the Report.

### PUBLICATION METHOD

The Chinese and English versions of the Report can be downloaded from the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Group’s website (<http://www.songduwuye.com>). For any comments and suggestions on the environmental, social and governance performance of the Group, please send email to [ir9608@songduwuye.com](mailto:ir9608@songduwuye.com).

# 1. ABOUT SUNDY SERVICE

Established in 1995, the Group has over two decades of experience in the property management service industry in the People's Republic of China (the "PRC"). On 18 January 2021, Sundy Service was successfully listed on the main board of the Hong Kong Stock Exchange (Stock abbreviation: Sundy Service; Stock code: 9608.HK). The Group is headquartered in Hangzhou, Zhejiang province with the National Level One Property Management Qualification. As a member of the China Property Management Institute, the Group ranked the 49<sup>th</sup> among the top 100 China's property enterprises in terms of comprehensive strength in 2021 and was among the top 10 city service projects of China's property enterprises, and the top 40 leading enterprises in the East China property service market.

Sundy Service maintained continuous development in the Yangtze River Delta region for over two decades. Currently, the business of the Group covers 19 cities, namely Hangzhou, Hefei, Zhoushan, Ningbo, Suzhou, Nanjing and Nanning, operating businesses including property management services, value-added services to non-property owners, community value-added services and other businesses, namely hotel business and long-term rental apartment business.

In the current era of "big property management (大物管)" strategy, the Group sets the positioning of its corporate development as "One Body with Two Wings and Two Products (一體兩翼兩產品)", namely that with corporate management as the backbone, the Group actively explores opportunities of merger and acquisition to further expand the business scale on one hand, and continues to develop community value-added services and other value-added services to enhance its comprehensive service capabilities on the other hand.



## 1. ABOUT SUNDY SERVICE

### 1.1 BUSINESS OVERVIEW ON FEATURED SERVICES

Sundy Service continues to pay attention to the national strategic initiatives of high-quality development to promote common prosperity and to build common prosperity demonstration zones in Zhejiang Province. The Group also actively implements the requirements of the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("MOHURD") to integrate the concept of residential property management into the grassroots social governance system and to improve property management services standards, while responding to the expectation of society and residents with the up-to-date service product systems.

#### ■ Community services

With quality as its core goal, the Group is committed to providing effective property management services to its customers. Meanwhile, the Group actively explores and develops external expansion and diversified business services such as landmark complexes, villas, residences, commercial office buildings, park areas, hotels and apartments. Sundy Service provides personalized community services for different types of businesses, covering four-housekeeping and one-service (四保一服) basic property services, community value-added services, value-added services to non-property owners and intelligent services.

#### ■ City services

The Group adheres to the leadership of the Party, and cooperates with the community government to build up a comprehensive urban service platform in accordance with the needs of community residents. On such basis, the Group gradually expanded to provide comprehensive operation services, comprehensive property management services, comprehensive consulting services and comprehensive public services. The Group's featured services include the Intelligent Internet of Things (AIoT) Platform jointly developed by Tuya Intelligence, 4S Service Station, Hexiang Club and Future Community Service.

## 1.2 DEVELOPMENT MILESTONES

Year	Events
1995	Hangzhou Sundry Property Management Co., Ltd. (“ <b>Sundy Property</b> ”) was established
2009	Sundy Property first received ISO9001 international quality management system certification
2011	Sundy Property received Property Management Service Enterprise Certificate Level One*(物業服務企業資質證書一級)
2017	The board of directors of Sundy Property was established; Sundy Property was awarded China’s Property Industry AAA Credit Enterprises*(中國物業行業AAA級信用企業)
2019	Hangzhou Herui Living Service Co., Ltd. (“ <b>Hangzhou Herui</b> ”), a wholly-owned subsidiary of Sundy Property, was established; and the “Golden Butler” social governance service project in Caihe was launched
2020	Sundy Property was awarded top five of China’s property enterprises in urban service projects; and The White Book of Old Communities on Urban Service《老舊社區城市服務白皮書》was issued
2021	The Company was successfully listed on the main board of the Hong Kong Stock Exchange (Stock Code: 9608.HK)

## 1.3 2021 KEY PERFORMANCE

Key Performance	For the year ended/ As at 31 December 2021
Annual Revenue (RMB'000)	316,237
Annual growth %	23.2%
Gross profit (RMB'000)	114,541
Annual growth rate of gross profit	47.1%
Gross profit rate	36.2%
Annual growth %	5.9%
Gross floor area (“ <b>GFA</b> ”) under management ('000 sq.m.)	9,168
Number of managed projects	58
Revenue from property management service (RMB'000)	172,415
Percentage (%)	54.5%
Revenue from value-added service to non-property owners (RMB'000)	90,437
Percentage (%)	28.6%
Revenue from community value-added service (RMB'000)	35,698
Percentage (%)	11.3%
Revenue from other businesses (RMB'000)	17,687
Percentage (%)	5.6%

## 1. ABOUT SUNDY SERVICE

### 1.4 HONORS AND AWARDS

<b>The awarded entity</b>	<b>Awards</b>	<b>Issued by</b>	
Sundy Service	Zhejiang Grade AAA Property Service Enterprise	Zhejiang Provincial Department of Housing and Urban-Rural Development	
	Grade AAA Demonstration Unit of Credit Management, Grade AAA Quality Service Integrity Unit, Grade AAA Credit Unit, and Grade AAA Unit Honoring Contract and Keeping Good Faith	Century Zhongqi (Beijing) Credit Rating Co., Ltd.	
	Top 49 in Top 100 Enterprises of 2021 Property Service Ability	China Index Academy	
	Top 40 of Leading Enterprises in East China Property Service Market in 2021	China Index Academy	
	Top 10 of 2021 Hangzhou Property Service Enterprises with Comprehensive Strength	China Index Academy	
	2021 China Property Service Brand Enterprise	China Index Academy	
	Top 10 of Enterprises in Urban Services in 2021	Shanghai E-House Real Estate Research Institute	
	Top 30 of Digital force of China's Property Enterprises in 2020-2021	Shanghai E-House Real Estate Research Institute	
	Caihe Street Project	Intellectual Property Benchmarking Project in 2020-2021	Shanghai E-House Real Estate Research Institute
		Top 36 Smart Scenarios with Commercial Value for 2021	36 Kr
Lijun Park & Dongjun Star Apartment	2021 Excellent Residential Property Management in Hangzhou	Hangzhou Property Management Association	

## 2. CHAIRMAN'S STATEMENT

To all stakeholders,

As an essential part of the public service field, the property service industry maintained sound and upward development under the promotion of positive policies support and market demand in 2021. Sundy Service was successfully listed on the Hong Kong Stock Exchange in 2021, and which reinstated our strategic positioning of developing “One Body with Two Wings and Two Products”. We continue to strengthen and improve risk management, grasping strategic opportunities, strengthening inner services, expanding service channels and move forward steadily.

Focusing on the concerns of stakeholders by maintaining regular communication and responding efficiently are the foundation for our sustainable development in several aspects.

In terms of service management, we implemented higher standards of service continuously so that property owners enjoy a harmonious life. In 2021, Sundy Service established a key customer center, including quality, engineering, operation and procurement lines, so as to provide residents and their families with more professional and sophisticated products and services. We improved basic services through listening to the feedback of residents, expanding community value-added services, and constantly improving our service quality.

To this end, we actively explored and practiced the “Gold Butler” large property management mode at the grassroots level to expand the greater social value of property service enterprises. We launched social governance products such as 4S service station, and community elder care, cooperating with technical companies such as Tuya Intelligence, and established “1+1+N” intelligent management platform to improve the quality of community service.

In terms of protecting our employees’ legal rights and interests, we strove to provide personal development and promotion channels for them, thereby enhancing their individual growth and value. Meanwhile, we actively implemented the Occupation Health Safety Management System covering from the management to the front-line employees, which provided safe and comfortable working environment. Furthermore, staff care activities were regularly held by the Labour Union to care for employees’ physical and mental health.

We actively implemented the concept of green and low-carbon development and bore the responsibility for environmental protection when the “carbon peaking and carbon neutrality goals” was promoted as a national strategy. In terms of resource use, we advocated green operation and green office, and took measures to save energy and water resource; in terms of environmental protection, we vigorously promoted waste sorting, and jointly built a harmonious green living home with residents.

In the future, we will continue to maintain the values of sustainable development, harmony with employees’ value, customer service of paramount important, win-win cooperation with the industry peers. We will actively give back to the society and to become a conscientious enterprise with a society sense of responsibility. Under the guidance of “One Body with Two Wings and Two Products” strategy, we will strive to become a leading provider of property service and urban management service in Yangtze River Delta region, and strive to become a respected and reputable hundred-year enterprise.

By order of the Board

**Sundy Service Group Co. Ltd**

**Yu Yun**

*Chairman*

Zhejiang, PRC  
31 May 2022



## 3. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 3.1 REPORTING PRINCIPLES

The Report followed the ESG Reporting Guide and applied the following principles:

**Materiality:** In order to identify and assess the material concerns of our stakeholders, we have conducted materiality assessment surveys through a number of stakeholders engagement activities to determine the factors that have material impacts on our sustainable growth.

**Quantitative:** The quantitative principle applies to all of the information in this Report. All performance indicators are provided with clear definition and unit measurement is clearly stated.

**Balance:** The information and cases in the Report are from the statistical reports, relevant documents and internal communication documents of the Group during the Reporting Period.

**Consistency:** We have followed the ESG Reporting Guide in reporting. If there are any changes to the comparison with previous reports in the future, the Group will add annotations to the corresponding contents of the Report.

The Board provides oversight on matters relating to ESG by evaluating, prioritising and managing ESG-related issues that are material to the Group, and monitors the progress made towards its goals and targets.

### 3.2 SUSTAINABLE DEVELOPMENT MANAGEMENT

Sustainable development is the goal of Sundry Service, which is the strategic principle covering all business sections of the Group. We are devoted to keeping a high level of sustainability in business operations, and promoting sustainable development in terms of company governance, environmental protection, labour rights and community development.

As the highest responsible body for ESG matters, the board (the “**Board**”) of directors (the “**Directors**”) supervises the progress in the implementation of ESG-related issues and goals and indexes through accessing, prioritizing and managing ESG related issues that are important to the Group.

As the supervisory and management level of the Company, the audit committee of the Company (the “**Audit Committee**”) is responsible for monitoring and reviewing the Group’s ESG issues, supervising and managing the formation of ESG objectives and achievement of key performance indexes, monitoring and supervising the Company’s communications with stakeholders, reviewing ESG report according to Listing Rules, and making recommendations to the Board.

3.3 COMMUNICATIONS WITH STAKEHOLDERS

The ESG stakeholders of the Group mainly include investors, customers, employees, governments, suppliers and communities. Improving communication with stakeholders is the intrinsic requirement on the Group to fulfill its responsibilities to its stakeholders and is an important step for the Group to become a company with extensive social influence, and a key measure to optimize the Group’s service system.

Stakeholders	Appeals and expectations	Communications and engagement mechanism	Corporate responses
Investors	<ul style="list-style-type: none"> <li>Boost the market value and profitability of the Company</li> <li>Improve the performance of environmental and social responsibility</li> <li>Exercise the effective risk control</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of stockholders, information disclosure, and the company’s website</li> </ul>	<ul style="list-style-type: none"> <li>Release periodic results and financial reports</li> <li>Regularly disclose operation and investment information, endeavour to improve results and generate profits</li> <li>Advance corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Provide high-quality products and services</li> <li>Safeguard customers’ legitimate rights and interests</li> <li>Meet customer demands</li> <li>Deal with customers’ complaints</li> </ul>	<ul style="list-style-type: none"> <li>Enter into contracts and agreements, customer satisfaction investigation, and customers’ service hotline</li> </ul>	<ul style="list-style-type: none"> <li>Surveys on customer satisfaction</li> <li>Customer relationship management</li> <li>Customer visits and communication</li> <li>National 400 service hotline</li> <li>Cultural community activities</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protect employee salary and benefits</li> <li>Care for safety and health of employees</li> <li>Offer fair promotion and development opportunities</li> <li>Improve communication mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Labour contracts and employee satisfaction investigation</li> </ul>	<ul style="list-style-type: none"> <li>Strictly abide by labour contract terms, and improve the remuneration and social benefit system</li> <li>Offer safe and healthy working environment</li> <li>Offer development paths for both position and function, and organise staff training</li> <li>Offer equal channels of communication and implement negotiation and communications mechanism</li> </ul>

### 3. SUSTAINABLE DEVELOPMENT GOVERNANCE

Stakeholders	Appeals and expectations	Communications and engagement mechanism	Corporate responses
Governments	<ul style="list-style-type: none"> <li>Observe the law, operate in compliance with the regulations, and in line with national policies</li> <li>Engage in public governance</li> </ul>	<ul style="list-style-type: none"> <li>Engage in government related meetings</li> </ul>	<ul style="list-style-type: none"> <li>Operate in accordance with the laws and regulations</li> <li>Tax return</li> <li>Report of policy implementation</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair and impartial cooperation with integrity, mutual benefits and win-win results to promote industry development</li> <li>Perform contracts in compliance with law</li> <li>Adhere to business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Sign contracts and agreements, and regularly hold tender and bidding and supplier meetings</li> </ul>	<ul style="list-style-type: none"> <li>Actively perform contracts and agreements by adhering to public and transparent business principles</li> <li>Implement a public and transparent procurement model</li> <li>Develop an accountable supply chain</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Support public welfare affairs</li> <li>Insist on green operation</li> <li>Support community and socio-economic development</li> </ul>	<ul style="list-style-type: none"> <li>Organise cultural community activities, advocate and carry out charitable activities</li> </ul>	<ul style="list-style-type: none"> <li>Carry out and devote to public welfare affairs</li> <li>Support and engage in protecting ecological environment</li> <li>Engage in poverty alleviation and students' aiding</li> </ul>

#### 3.4 IDENTIFICATION OF MATERIAL ISSUES

In order to evaluate the stakeholders' concerns and expectation of the Group on ESG issues, we evaluated the importance of ESG issues through the following steps:

##### 1) Identification of ESG issues

Based on the business features of the Group, national policies and the disclosure requirements of ESG Report Guide, we have identified 21 key ESG issues covering the environment, employment, products and services, communities, and corporate governance.

##### 2) Stakeholders investigation

Through questionnaires and surveys, we have collected comments and suggestions from the Group's stakeholders on the importance of the issues in order to further identify the key issues of the Group.

### 3. SUSTAINABLE DEVELOPMENT GOVERNANCE

#### 3) Management evaluation

Based on analysis on priority in the Group’s annual business, we have sought for comments and suggestions from the management and evaluated the importance of such issues to the Company.

#### 4) Identifying the priority of ESG issues

Based on two perspectives of “importance to the corporation” and “importance to stakeholders”, we have identified the priority of 21 issues, which were presented in the following matrix diagram. The assessment results were used as the focus of ESG report disclosure, and an important basis of the Group to formulate its ESG strategies in the future.

During the Reporting Period, the results of the ESG assessment of the Group were as follows:



Materiality Matrix of ESG Issues of the Group for 2021

### 3. SUSTAINABLE DEVELOPMENT GOVERNANCE

As shown in the matrix, we classified the 21 issues into three categories of low, moderate and high importance based on their importance, and ranked them in the matrix based on the degree of “importance to enterprises” (X-axis) and “importance to stakeholders” (Y-axis).

No.	ESG issues	Classification of issues	Level of importance
1	Service quality and customer satisfaction	Social issues	High importance
2	Customers health and safety	Social issues	High importance
3	Protection of employees’ rights and interests	Social issues	High importance
4	Green community	Environmental issues	High importance
5	Occupational health and safety of employees	Social issues	High importance
6	Construction of incorruptible culture	Governance issues	High importance
7	Cope with the risks of climate change	Environmental issues	High importance
8	Management of customers complaint	Social issues	Moderate importance
9	Staff development and training	Social issues	Moderate importance
10	Anti-child labor and forced labor	Social issues	Moderate importance
11	Customer information and privacy management	Social issues	Moderate importance
12	Social governance	Social issues	Moderate importance
13	Smart community	Social issues	Moderate importance
14	Supplier management	Governance issues	Moderate importance
15	Waste management	Environmental issues	Moderate importance
16	Water resource management	Environmental issues	Moderate importance
17	Community culture building	Social issues	Moderate importance
18	Social welfare activities	Social issues	Low importance
19	Respond to policy and promote industry communication	Governance issues	Low importance
20	Energy use	Environmental issues	Low importance
21	Exhaust gas and greenhouse gas emission	Environmental issues	Low importance

## 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

Sundy Service consistently implements the concept of operating in compliance with regulations, creating honest and fair corporate culture internally to ensure efficient operation of the Group; adhering to the value of “win-win” externally to keep good cooperation with suppliers and peers and co-construct a development community platform with outstanding enterprises in the industry.

### 4.1 BUILDING INTEGRITY CULTURE

Sundy Service strictly complies with the Criminal Law of the People’s Republic of China, Anti-unfair Competition Law of the People’s Republic of China, and other relevant laws, and establishes a supervisory committee of the Group to be responsible for discipline inspection and supervision to ensure honest and efficient operation of the Group.

The Group has consistently implemented the principle of “Zero Tolerance” for corruption from the headquarters to the managed projects frontline and from the executive level to the grassroots. We have formulated the Enterprise Culture Prohibition of Sundy Service Group as the employee’s redline management standard, and ensured that all employees understand the internal management standard by means of shared training meetings and bulletin boards. During the year, the Group arranged an anti-corruption training for directors and staff. The employees with embezzlement, corruption, bribe-taking and other negative behaviours shall be demoted, removed or dismissed. In addition, the employees involved in the abovementioned activities that caused material economic losses shall be investigated under law. The direct responsible person or direct supervisor having known the above activities of such employees but failed to report may receive verbal warning, demerit, notice of criticism, pay cuts or other penalties. All subsidiaries and branches of the Group arrange anti-corruption training every year.

The Group has established monitoring and reporting mailbox in the E-mail and DingTalk, which are supervised by dedicated personnel. The information of whistle-blowers is strictly confidential. Otherwise, administrative punishment shall be imposed on the related persons if the information of whistle-blowers is released in the process of reviewing. The Group has set up a mailbox [sdfw@songdu.com](mailto:sdfw@songdu.com) for whistle-blowers.

#### 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

During the Reporting Period, the Group was not involved in corruption cases or lawsuits, and there is no concluded legal case regarding corrupt practices brought against the Group or its employees.



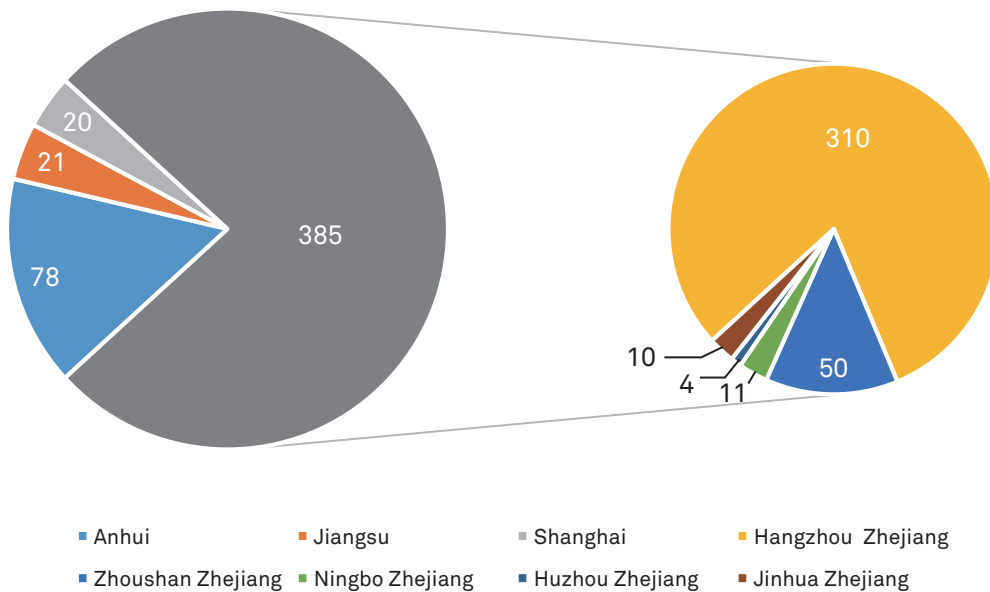
Management Methods for Sundry Service Honesty Culture Construction

#### 4.2 SUPPLIER MANAGEMENT

Sundry Service has continuously improved its supplier management system, which applies to all suppliers engaged. In 2021, the Group updated the Sundry Service Supplier Management Methods, covering development, appraisal, evaluation and dynamic management to strengthen the close cooperation with different types of suppliers and maintain the legitimate rights and interests of the Group and suppliers.

As the same time, we have classified our suppliers into tangible materials such as office materials, cleaning materials, greening materials, fire-fighting materials, engineering materials, Visual Identity (VI) logo and overalls, property outsourcing such as cleaning outsourcing, security outsourcing, and service outsourcing. As at 31 December 2021, Sundry Service has a total of 504 suppliers, all in mainland China. The geographic distribution of suppliers is as follows:

Number of Suppliers by Geographic Distribution



## 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

### Supplier management process

The Group strictly implements the regulations and requirements in the supplier management process based on Supplier Management Methods of Sundry Service.

#### ■ *Supplier development*

We collect market data based on the requirements of cost reduction, quality improvement, delivery time reduction, new product development, new business and service outsourcing to develop potential suppliers.

#### ■ *Supplier admission*

We have formulated the admission requirements for all suppliers, and specific requirements are as follows:

- (1) Having the independent ability to bear civil liability;
- (2) Registered operation time longer for more than one year;
- (3) Having a great business reputation;
- (4) Having the equipment, resources and professional skills required to perform the contract;
- (5) Having good records on paying taxes and social security funds under law;
- (6) No major illegal records in business activities in 3 years previous to the procurement;
- (7) No legal disputes or cases in progress of the Group's procurement; and
- (8) Suppliers whose qualifications have been eliminated by the Group are rejected within 2 years; suppliers in the blacklist are rejected for 3 years.

#### ■ *Appraisal of Supplier*

The Group conducts annual appraisal on all suppliers based on actual centralized procurement or outsourcing during the year.

Material suppliers are appraised based on the weight of 50%, 20%, 15% and 15% on quality, delivery, price and cooperation, respectively; while outsourcing suppliers are appraised based on a weight of 70% on quality and service and 30% on business, respectively. In addition, the Group strengthens the appraisal on suppliers' environmental and social factors based on ISO9001 quality management system and ISO14001 environmental management system.

According to appraisal results, we classify the suppliers into levels A, B, C and D, while the suppliers at each level obtains relevant qualifications. For example, Level A as excellent suppliers enjoy priority in obtaining procurement information, and obtaining the qualification of supplier under equal conditions.



## 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

### ■ *Dynamic management of suppliers*

Suppliers will be considered as having withdrawn when they are involved in one of the following circumstances:

- (1) Being assessed as a Level C supplier for two consecutive years;
- (2) Having quality issues in supply/service, rectification measures fail to improve repeatedly and fail to meet the requirements;
- (3) Being involved in breach of contracts or integrity and other behaviours with negative influence and failing to rectify;
- (4) Being involved in false representations, forgery of documents, substandard or shoddy goods, fraudulent pricing, breaching contracts, bribery and other violations of business ethics during qualification verification, bidding or quoting of fees, performance of contracts and subsequent services; and
- (5) Suppliers voluntarily asking for withdrawal with reasonable justifications.

We are committed to conveying our notions of environmental protection, safety and corporate social responsibility to suppliers. When we cooperate, we inform suppliers to strengthen our cooperation in environmental and occupational health and safety protection. We conduct irregular monitoring and inspection over the material suppliers to monitor their performance in environment, health and safety. For the suppliers who do not meet our requirements, we will propose rectification suggestions; for suppliers that still fail to meet our requirements after rectification, we will take corresponding measures such as reducing orders, changing suppliers, etc., so as to manage the environmental and social risks of the supply chains.

On this basis, we have established a supplier blacklist mechanism, placing suppliers on the integrity blacklist under any of the following circumstances, and making a public announcement in the Group's announcement system. Procurement departments at all levels shall not select such suppliers for purchasing, outsourcing or quotation. The suppliers in the blacklist are not allowed to apply for registration within 3 years.

- (1) Being involved in falsification or defrauding in obtaining the registration qualification;
- (2) Being involved in bidding collusion or bribery;
- (3) Failing to conduct construction, provide products or outsource services based on drawings or bidding documents, resulting in safety accidents or potential safety hazards and refusing to rectify or failing to pass acceptance after rectification;

## 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

- (4) Failing to pass annual performance appraisal and refusing to rectify or failing to pass acceptance after rectification;
- (5) Being involved in significant quality defects or safety accidents for the reasons of suppliers within 2 years after the delivery of projects;
- (6) In the process of providing products and services, the supply and services are terminated at will without our consent, and serious consequences are caused to us; and
- (7) Spreading rumors recklessly in the industry and seriously damaging the reputation of the Company.

In 2021, Sundy Service has upgraded its strategic cooperation with several suppliers including simultaneous optimization and upgrading of online and offline. The upgrade on online procurement is mainly aimed at sporadic procurement, that is, materials are purchased online from Jingdong Huicai and Jingdong Enterprise Shopping to achieve transparent and cost-saving procurement. The upgrade on offline procurement mainly includes centralized purchase of materials and services in large amounts, such as the Group's uniforms, security and order tools, cleaning tools, fire monitoring system, etc.

### Communications with suppliers

During daily communications and cooperation with suppliers, we have managed suppliers mainly through the visual systems, including Ebei system, OA system, Kingdee system and Maycur system. All daily procurements have been recorded and achieved 100% reconciliation accuracy to protect the legitimate rights and interests of both parties.

Focused on the "win-win" philosophy, the Group aimed at promoting industrial synergistic development and resource sharing, and holding supplier meetings twice a year. In 2021, the attendance of the supplier meeting reached more than 90%.

### 4.3 INDUSTRY COOPERATION AND COMMUNICATIONS

Under the context of the policies supporting property service enterprises to penetrate deeper into grassroots social governance, Sundy Service participated in the improvement of the old communities management and operation at the end of 2019, and exploring and implementing "Gold Butler" big property service with Caihe Street, Shangcheng District, Hangzhou.

Sundy Service actively promoted industry communications and cooperation based on the requirements of government and residents to improve the governance efficiency and service quality of old communities. We have set up Herui Intelligence Unit to provide professional solutions for the management and operation of old communities; set up Herui Technology Alliance to build a science and technology ecosystem and jointly built the smart community; set up the Herui Business Alliance, and built an integrated model of commercial services to enrich the life of urban neighborhoods.

#### 4. LEADING WITH RESPONSIBILITY, COOPERATING TO ACHIEVE WIN-WIN

With the support of all parties, the “Gold Butler” social grassroots governance model, which was explored by Hangzhou Herui and Caihe Street, achieved excellent results. In 2021, Hangzhou Herui received the delegations from Zhoushan Housing Security and Real Estate Management Center, Xinnan Street, Haizhou District, Lianyungang City, Greentown Service Group, and other government and enterprise delegations. Through visiting and studying, we discussed the management mode of old communities and the sustainable development path of enterprises together.

**Example: Greentown Service Group was organized to visit and communicated with Sundry Service.**

The Future Community Department of Sundry Service welcomed the chairman and others of Greentown Service Group to carry out sharing and exchange activities on 15 March 2021. The topic discussed included the operation and management of old communities, sustainable development of enterprises, and other issues. They also shared experience in Herui innovation mode, project development strategies and information construction.



Sundry Service & Greentown Service visit and exchange activities

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

Sundy Service adheres to its corporate mission of “Refreshing Life with Services”, and constantly improves the quality of community services with the customers as its focus, and with quality as its cornerstone. As such, Sundy Service is dedicated to provide property owners with a safe, tidy, beautiful, comfortable and intelligent living and working environment. Meanwhile, we further extended our service boundary, engaging in grassroots social management together with the government and residents to establish a grassroots community governance system of co-construction, co-governance and sharing, and achieving the transformation of “Gold Butler” from the function of large property management to the function of social grassroots governance, which ultimately improved the well-being of the people and the community.

### 5.1 IMPROVING SERVICE QUALITY

In 2021, ten ministries and commissions including MOHURD jointly issued the Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》), which put forward the requirements to improve the level and efficiency of residential property management from the aspects such as integrating into the grassroots community governance system, improving the standard of property management services and promoting the development in the living services.

Based on the principles of people-oriented and service-oriented, Sundy Service formulated the standardization documents of property service quality management, including Management Standards for Cleaning Service, Management Standards for Greening Service, Management Standards for Customer Service, Security Service Management, etc. The Group strengthened service characteristics and quality control through the standardization of documents. At the same time, Sundy Service established the key customer center, including quality, engineering, operation lines, to provide residents with higher standards of property services and value-added services.

In 2021, the Group was not involved in violation of regulations in terms of liability for relevant products and services with significant effects.

In terms of the protection of intellectual property rights, the Group attaches importance to the protection of the benefits of relevant owners of intellectual property rights. We are mainly involved in the protection of intellectual property rights on office software. We procure office software for our daily office through official channels and strictly abide by relevant laws and regulations for their use in compliance with relevant laws and regulations.

#### Dual butler service

In order to provide residents with more humanized and modernized property services, Sundy Service has established the “Dual Butler Service” system with the core of Butler, that is “exclusive butler service” and “smart butler service” with the two elements of service personnel and management platform as the starting point.

“Exclusive butler service” provides “living butler services” for 1V1 service, life consultant, community operation, “safety butler service” for travel safety, border safety, fire safety, and hardware safety, as well as “environmental butler service” for sanitary maintenance, green management and garbage classification.



## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

Relying on new technologies such as mobile Internet, Internet of Things, artificial intelligence, cloud computing and 5G technology, “smart butler service” creates the smart management mode of “1+1+N” through integrating multiple resources, which consists of 1 joint command platform, 1 comprehensive service terminal and N service scenarios to promote management efficiency and service standard.

### Value-added services

The guidelines issued by the MOHURD in 2021 suggests that the qualified property service enterprises shall expand to the fields such as elderly care, childcare, housekeeping, culture, health, housing brokerage, and express delivery, exploring the mode of “Property services + Life services” to meet the diversity and multi-level living requirements of residents. Under the context, Sundy Service sorted out its existing value-added services, and proposed community value-added services and value-added to non-property owners services depending upon service objects.

In terms of community value-added services, we set up a value-added service platform covering the full cycle of community life services centered on community development cycle, the property owner’s family growth cycle and property value cycle, and integrated the quality resources of society and community to provide residents with a series of quality services depending upon the needs of residents, including property repair and maintenance, waste cleaning, decoration and community space services and asset management services; value-added services to non-property owners include consultation services, sales assistance services and pre-delivery services.

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

In the future, Sundy Service expects to invest about 15 percent of its net proceeds from listing on exploring, extending and expanding community value-added services, including providing property owners and tenants with check-in and move-out services, home services, household cleaning and laundry services, child care, baby-sitter and elderly care.

### **Example: Door-to-door service**

To provide residents with intelligent and humanized services, we have expanded community value-added services. For instance, "SONG DUDU" (宋都嘟) door-to-door service: property owners can subscribe to property maintenance, equipment maintenance and other services on WeChat platform, allowing them to enjoy the convenience of not having to leave house. This function has been implemented in all regional managed projects in Hangzhou during the Reporting Period.

### 5.2 IMPROVING CUSTOMERS' SATISFACTION

The Group has set up the 400-0050033 national service hotline and arranged special employees to answer customers' calls. We require our employees keeping effective records on customers' appeals and reply within half an hour and revert the results to the 400 hotline and carry out special call-backs. The case will be closed when property owners are satisfied with the results and call-backs are required if they are dissatisfied until meeting their satisfaction. For complaints out of reasonable scopes, they will be submitted to superior levels for joint signing before closing. During the year, we received 62 complaints. The closing rate of the complaints of the year reached 100%.

In order to obtain customers' opinions and feedback on the services of Sundy Service, we conducted customer satisfaction surveys by the means of internal sampling surveys and external third party joint surveys to further improve customers' satisfaction through the constantly improvement of services in the future.

In the Reporting Period, the customers' satisfaction of Sundy Service reached more than 70%, and no major violations related to products and services with significant impact occurred.

Based on customers' satisfaction surveys and feedback, we responded to customer demands from the following aspects to improve customer satisfaction:

- Launching owner visits or seminars regularly, improving two-way communication, listening to owners' voices, and helping owners to solve problems;
- Further improving and expanding community cultural activities to enrich the lives of owners; and
- Optimising the front-line management of the managed projects, protecting the rights and interests of customers, and taking privacy protection and security precautions through technological means.



## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

### Diversified community activities

In order to create a harmonious community and further promote the happiness of owners, Sundry Service has set up the “Hetao Association” for community services, to match community group categories and to help the construction of community based on the personalized demands of residents.

At the same time, the Group carried out the diversified community cultural activities in 2021 and shaped them into community service standards. Our community cultural activities cover all festivals throughout the year such as Laba Festival, Arbor Day, Women’s Day, Dragon Boat Festival, etc, and cover all age groups of property owners. Through a series of participatory, interactive, immersive neighborhood activities, we convey the philosophy of charity, enhance neighborhood emotion, improve the sense of belonging and happiness of residents.



Community cultural activities of Sundry Service

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

### Customer security and safety

The Group strictly complies with Law of the People's Republic of China on Protection of Consumer Rights and Interests, Network Security Law of the People's Republic of China, and other relevant laws and regulations, and in its work, it further understands the actual demands of customers and formulates scientific management standards to protect customers' rights and interests in information safety, personal safety, etc.

In terms of customer privacy protection, the Group has established the Information Management System, which stipulates the following privacy and confidentiality requirements of property owners:

- A full-time personnel is designated to be responsible for the property owners' files. The property owners' archives are saved separately and have a separate archive room. Anyone who needs to check the property owners' information has to register before entering the archive room;
- The computers containing customer archives must be accessed by passwords, which are kept by the user; and
- Implementing an accountability mechanism. Copying and borrowing property owners' information must be reported to the general manager room, and must be approved before implementation. The property owners' information change shall be launched by the key personnel and approved by the general manager's office. Change is conducted by dedicated personnel, the front-line employees in managed projects are not allowed to change arbitrarily without authorization.

For community security, we are devoted to using the advanced technology to build safe and smart communities. We currently adopt a combination of technical and security precautions to ensure the safety of property owners. Technical precaution mainly consists of perimeter alarm system, park internal monitoring system, residential access control system, park barrier gate system, fire fighting system and facial recognition system. Based on system configuration, the relevant personnel are added to gate guard, patrol guard, monitoring guard and vehicle guard. Through facial recognition, the registration and verification of vehicle entry and exit, the technical precaution covers the shortage of hardware facilities to maximize community safety.

In addition, we supervise the personnel on duty through the park's intelligent software, conduct weekly audits of task execution for projects under management, handle the problems when needed and punish those responsible in accordance with the reward and punishment management systems in serious cases, and address the shortcomings in a targeted manner.

For customer health care, the Group strictly implements the Management Standards for Environmental Sanitary Work Rules, and enhanced its performance in garbage classification and transportation, river cleaning, green belt maintenance, and disease control and prevention, and providing property owners with a clean, healthy and hygienic living environment.



## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

During normal epidemic prevention and control, the Group has published epidemic notices to all residents based on the three-level control requirements of the government, streets and society, and contacted the communities to conduct door-to-door nucleic acid testing and procured supplies on behalf of the residents for individual home isolation cases, in order to protect the health and normal life of the residents.

Due to the nature of the business of the Group, which does not involve in manufacturing of products, there were no products which had to be recalled for safety and health reasons during the Reporting Period.

### 5.3 ENGAGING IN SOCIAL GOVERNANCE

We actively fulfill our corporate civil responsibility and encourage our staff to participate in voluntary service activities. As a cultural enterprise, the Group actively participates in provincial-level and municipal-level online and offline conferences, providing suggestions as a way of contributing to the rapid development of the community's cultural industry and fulfill our responsibilities to the community. During the outbreak of the coronavirus pandemic in particular, we gave full play to our responsibility and enthusiasm as a member of the community and organised various events at our various places of operations in conjunction with the local communities, and made suggestions to aid the development of the local communities. We strive to provide more resources for volunteer activities in making an active contribution to the community.

Under the context of building the common prosperity demonstration area in Zhejiang province, Sundy Service follows the policies, implements and adheres to the leadership of the Party, adheres to the people-centered principle, adheres to the working principles of joint construction and sharing, builds a grassroots social governance model with the government, property owners and property enterprises as the main bodies based on the working model of "Party building leadership and tripartite coordination" and a number of innovative scenario applications, and focuses on old community operation and future community construction in the field of urban service.

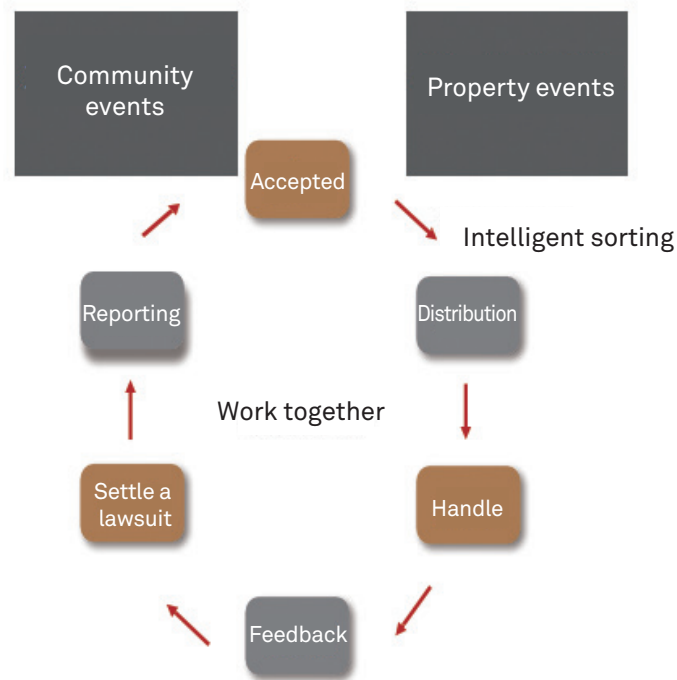
In order to effectively perform the function of grassroots social governance, Sundy Service has built a comprehensive urban service platform in old communities, based on the ten types of property management services provided in the old community including public cleaning, public order, public security, public greening, public maintenance, public services, ecological environment and emergency security as a foothold to improve standards, expand comprehensive operation services, comprehensive public services and comprehensive consulting services to achieve the service upgrade.

## 5. PRIORITISE PEOPLE’S WELL-BEING, GOVERN IN COLLABORATION

### Maintain collaboration and co-governance

The policies of achieving common prosperity and strengthening grassroots social governance systems have complemented the leadership of the Communist Party of China (the “Party”) and the construction of collaboration, co-government and sharing. Sundy Service always maintains and serves under the guidance of Party’s leadership, applies the Party’s new thoughts, concepts and viewpoints to guide our practice and operation.

In practice, Sundy Service unites the government, property owners and property enterprises to participate in the grassroots social governance and to establish a cooperation and supervision mechanism of mutual dependence and restriction among property, community and residents through the construction of property and community joint event processing mechanism.



Property and community joint event processing mechanism

### Implementation of innovation scenarios

Improving the ability of service and to deliberate and consult are specific requirements for strengthening the grassroots governance system and the basic strategy for Sundy Service to focus on residents’ demand as the core and enhance its sustainable operation.

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

In 2021, Sundy Service explored and implemented several innovative and replicable urban service products, including “Intelligent IOT Platform”, “4S Service Station”, “Hexiang Club” and “Future Community Service” through further surveys on old community residents, communicating with various departments of community government, and exchanging experience with business partners.

### ■ *“Intelligent IOT Platform”*

To improve service efficiency, Sundy Service has built the “Intelligent IOT Platform” jointly with the community government, which connects pedestrians, vehicles and equipment in the community with the platform, and realises intellectualized discovery, intellectualized sending orders, intellectualized disposal and intellectualized research and judgment through real-time monitoring analysis and early warning.

### ■ *“4S Service Station”*

With Service, Society, Sale and Sharing as the core, “4S Service Station” has provided butler service and community transfer station for residents to improve people’s livelihood, open convenience store, gym, yoga room, reception room and other shared living spaces to improve the life quality of residents.



“4S Service Station”

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

### ■ *"Hexiang Club"*

To meet the requirement of community elder security in old communities, Sundy Service has created the community elder security product of "Hexiang Club" jointly with government, business partners, such as medical professional institutions, and integrated it with "elderly service street" of various elderly services to provide the community and surrounding residents with four types of professional services: life care, medical care, cultural entertainment and public welfare services.

### ■ *"Future Community Service"*

While innovating urban renovation services, Sundy Service focuses on the future construction of urban communities, expanding "consultancy services" for government and operation, and is devoted to creating an open and flexible service platform of "future community".

We consider neighborhood, governance and service scenes as our core to provide operational support for education, health and entrepreneurship. Through the governance of ecology, Sundy Service provides digital, people-oriented comprehensive operation services for the principal part of building the future community. Sundy Service participates in the future community operation by means of full commission, consulting, cooperation, etc.

### **Example: "Gold Butler" social grassroots governance services in Caihe street**

Sundy Service officially settled in 36 old residential areas in 14 communities of Caihe Street, Shangcheng District, Hangzhou in January 2020 to provide property management services. For Caihe street project, "Gold Butler" maintained the guidance of Party leadership. Under the guidance of government, a comprehensive community party committee was established for 36 old communities; a property joint Party branch of "Gold Butler" was established for property; and a property committee of "Sunshine Red Lotus Club" was established for residents, which formed a pattern of social governance featuring joint construction, joint governance and sharing.

## 5. PRIORITISE PEOPLE'S WELL-BEING, GOVERN IN COLLABORATION

In response to a series of problems native to old communities, such as control of external population, high demand for elderly care services, and delayed feedback on problems, Sundy Service has launched three “4S Service Stations” in Hongling, Jingdong and Qinghe communities of Shangcheng District, set up the first happy elderly service street in Hangzhou and connected the residents, vehicles and equipment in the community to the platform through the intelligent IOT platform to achieve the community-wised management. Under the efforts of many parties, “Gold Butler” social grassroots governance services of Caihe street were highly praised and recognized by the pilot community and residents and as well as local government.



“Gold Butler” social grassroots governance services of Caihe street

## 6. GATHERING STRENGTH, VALUE CO-CREATION

Talent is the source of Sundry Service to maintain core competitiveness. With maintaining compliance hiring, we are devoted to building a cohesive spiritual home for employees based on protecting legal rights and interests of the employees. At the same time, we improve the talent promotion and training mechanism constantly, and create a development platform to help the employees to achieve personal and social values.

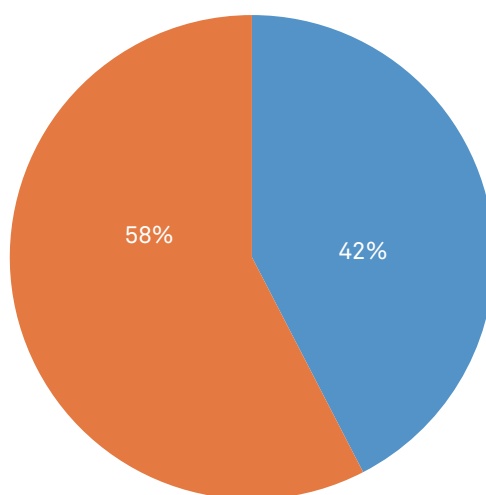
### 6.1 EMPLOYMENT COMPLIANCE

The Group strictly complies with the Civil Code of the People's Republic of China, Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Provisions on the Prohibition of Using Child Labour, and other laws and regulations. In terms of employees recruitment, the Group has established the relevant management systems, such as Management System of Staff Relations, Management System of Staff Changes, Management System of Staff Changes.

The Group has a total of 691 employees during the Reporting Period, including 293 male employees and 398 female employees. Meanwhile, among the full-time employees, 12 are ethnic minorities and 3 are physically challenged. During the year, the Group has 3 interns and all of them are retained. Male employee turnover rate of the Group is 35.21%, female employee turnover rate of the Group is 64.79%; the turnover rate of employees below 30 years old, 30-50 years old and above 50 years old is 45.07%, 45.60%, 9.33%, respectively. The composition of employees is shown in the figure below:

GENDER DISTRIBUTION OF EMPLOYEES (%)

■ Male ■ Female

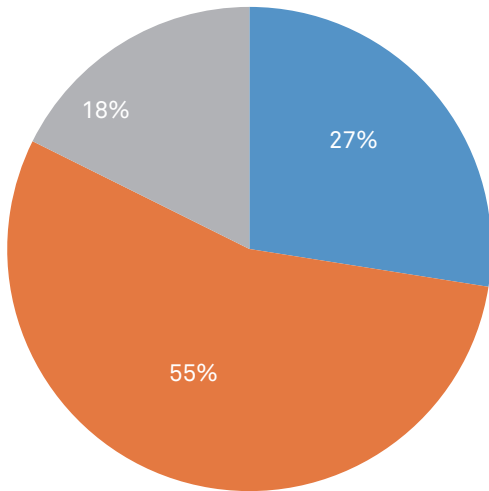




## 6. GATHERING STRENGTH, VALUE CO-CREATION

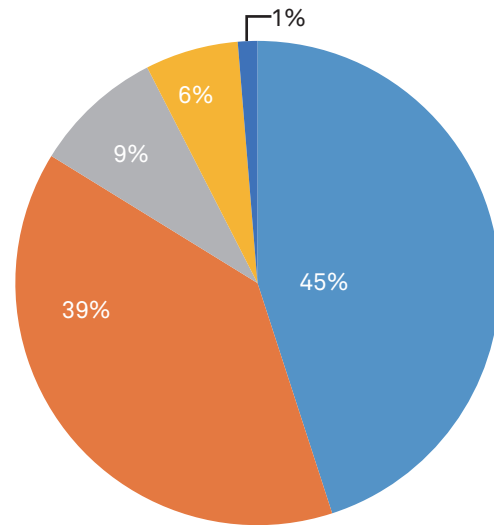
### AGE DISTRIBUTION OF EMPLOYEES (%)

- Below 30 years old
- 30-50 years old
- Above 50 years old



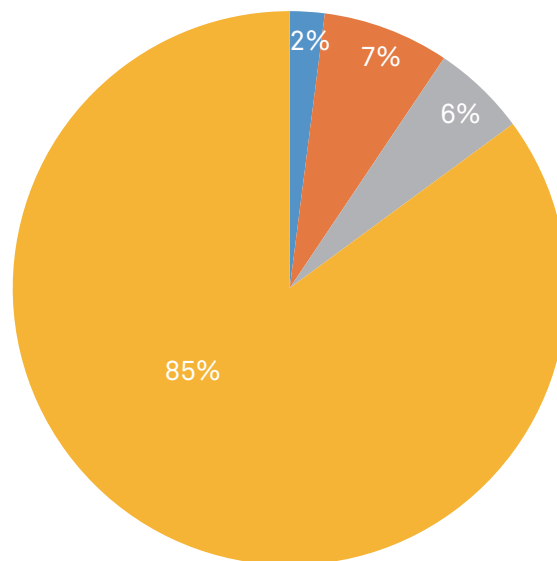
### EMPLOYMENT PERIOD OF EMPLOYEES (%)

- Within 1 year
- 1-3 years
- 3-5 years
- 5-10 years
- More than 10 years



### SENIORITY OF EMPLOYEES (%)

- Senior management
- Middle management
- Primary management
- Ordinary employees



## 6. GATHERING STRENGTH, VALUE CO-CREATION

### POSITION DISTRIBUTION OF EMPLOYEES (%)

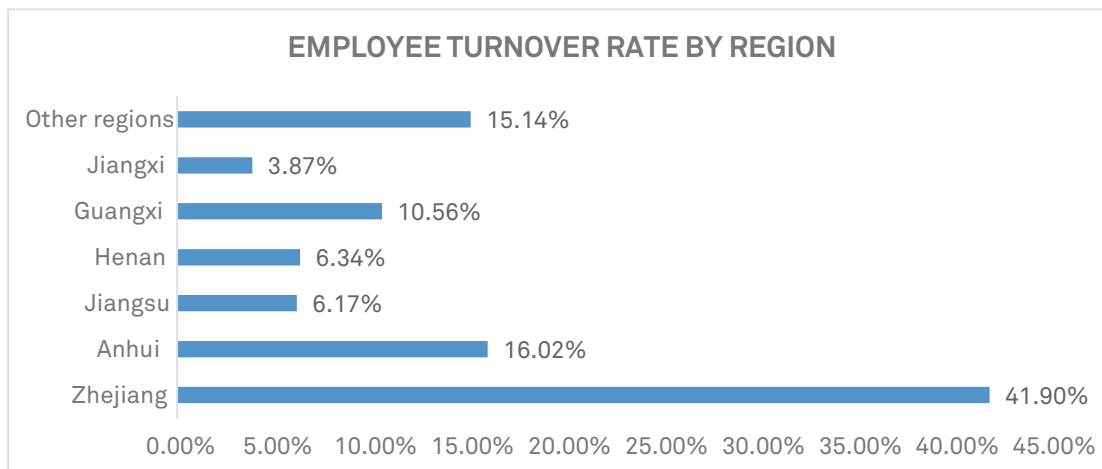


### GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES (%)





## 6. GATHERING STRENGTH, VALUE CO-CREATION



### Remuneration and welfare

Sundy Service has formulated specific standards for the salary, bonus and welfare of employees in accordance with relevant laws and regulations, and basic principles of “one precondition”, “two fairness” and “three matching”. In order to motivate and attract outstanding talents, to align the Group with the external talent market and to enhance the Group’s attractiveness to key talents, the Group has set up special salary areas outside the position salary and pay scale, so that the salary policy focuses on the scarce human resources who make great contribution to the Group. During the Reporting Period, the Group has established a new remuneration system to match the high value of salary in market, which can improve and optimize performance assessment and distribution system, strengthen the Group’s competitiveness in the talent market, and consolidate the construction of high-quality team.

The Group maintains the people-oriented principle, and provides the employees with effective care and protection. The Group endeavours to protect the employees’ remuneration, working hours, equal opportunities, diversity and anti-discrimination, adhere to equal remuneration for equal work and equality of male and female employees, prohibit the employment of child labours and eliminate forced labour. We also ensure equal employment opportunities and labour protection for employees with different nationalities, races, genders, religions and cultural background. In terms of the number of holidays and working hours, the Group complies with the national laws and regulations of the PRC and compensates employees with overtime pays or transfer of leaves in case of working overtime.

In the future, the Group will normalize the reporting review through 360 degree full dimension assessment mechanism. We shall carry out three-party (human resources, superiors, business) reporting review for promotion and regular staff quarterly, and adjust position in time for unqualified personnel.

### Anti-child Labor and forced Labor

In accordance with Civil Code of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Provisions on the Prohibition of Using Child Labor, and other laws and regulations, the Group prohibits the employment of minors below 18 years old. We follow strict review procedures in recruitment, including verifying the identity cards and relevant valid certificates of applicants and background investigation on applicants to avoid misuse or misapplication of information.

If child labour or forced labour is found, we will stop his work immediately and carry out an investigation to identify the loophole, then implement remedial measures to prevent such incident from happening again.

During the Reporting Period, the Group recorded no employment of child labour and other violations of laws and regulations.

During the Reporting Period, the Group recorded no labour disputes arising from the violation of laws and regulations or the employment of child labour or forced labour.

## 6.2 TRAINING ACROSS ALL DIMENSIONS

### Talent assessment and promotion

In accordance with the Administrative System on Job Changes of Employees and other relevant regulations, the promotion of employees shall meet the following conditions:

- Outstanding professional ethics, sense of responsibility and dedication as well as a strong desire of success;
- Strong learning ability and problem-solving ability;
- Outstanding team spirit, highly identify with corporate culture and values, and influence on others; and
- Outstanding individual working ability and work output.

The Group forms MPS (management, professional technology, service) position sequence by sorting out the position diagram to achieve horizontal and vertical promotion of talents. During the Reporting Period, 55 employees of the Group were promoted, including 33 ordinary (same class) promotions and 16, 4 and 2 promoted as junior, middle and senior management members, respectively.

In the future, the Group will normalize the reporting review through 360 degree full dimension assessment mechanism. We shall carry out three-party (human resources, superiors, business) reporting review for promotion and regular staff quarterly, and adjust position in time for unqualified personnel.

## 6. GATHERING STRENGTH, VALUE CO-CREATION

### Talent training plan

During the Reporting Period, the Group further improved the Training Management System, constantly developed the training development to form a training system structure and personnel career development plan with characteristics of Sundry Service, including training for new employees, “Sundry Students” for college students and on-job and reserve project managers training camp during the year to meet the requirements of diversified and hierarchical training and help employees and the Group to create value.

#### Employee training data in 2021

Training indexes		Data for 2021
Number of trained employees by gender	Total number of male employees trained (person)	293
	Total number of female employees trained (person)	383
	Percentage of male employees trained (%)	100.00%
	Percentage of female employees trained (%)	96.23%
Number of trained employees by functions	Total number of senior management members trained (person)	17
	Total number of primary and middle management members trained (person)	146
	Total number of grassroots employees trained (person)	528
	Percentage of senior management members trained (%)	52.67%
	Percentage of middle management members trained (%)	100.00%
	Percentage of grassroots employees trained (%)	87.46%
Average trained hours of employees by gender	Average trained hours of male employee (hour)	93.5
	Average trained hours of female employee (hour)	95.5
Average trained hours of employees by functions	Average trained hours of senior management members (hour)	24.0
	Average trained hours of primary and middle management members (hour)	88.5
	Average trained hours of grassroots employees (hour)	95.5

### Training camp of project managers

During the Reporting Period, the Pilot Star training plan was launched through the leadership of the president’s office of Sundry Service, promoted by general manager office, and with the participation of managers from all departments by innovative design, independent research and development, covering the core employees of the Group, including the training camp for managed projects managers, training system for reserve projects managers, and echelon training plan for project managers. The characteristics of the upgraded project managers training camp are as follows:

- Dream Team: The “Sundry Service Dream Team” led by president’s office and general manager office, and the professional operation managers was stationed in the process.

## 6. GATHERING STRENGTH, VALUE CO-CREATION

- Flipped class: With the subversive training design, an unprecedented classroom was built, and the curriculum was well arranged from macro to micro, from strategy to tactics, with distinct gradation.



Training camp of project manager

### Sundy Students

Sundy Students plan created by Sundy Service is aimed at recruiting a group of excellent fresh college graduates through strict reviewing and screening process, and is devoted to cultivating these college graduates, who represent the new force of future property management, into future management talents with high quality, high capacity and high acceptance, with the goal of “complete the promotion of supervisor within 1.5 years, and complete the promotion of manager within 3 years”, so as to promote organizational performance and achieve company strategic goals.



Social business practice of Sundy Students

## 6. GATHERING STRENGTH, VALUE CO-CREATION

### New employees training

To enhance new employees' understanding of the Group, strengthen employee integration and corporate acceptance, and better implement the company's instructions, we carry out new employee training regularly. At the new employee training session in June 2021, new employees of four business departments of Sundy Service gathered together. To help new employees better integrate into the team and work, the leaders of each department and line as the lecturers introduced the scope of responsibilities, business highlights and professional knowledge of the department or line to new employees.

## 6.3 PROTECTION OF RIGHTS AND INTERESTS

### Protection of employees' safety and health

The Group attaches great importance to the health and safety of the employees in the workplace. In accordance to Civil Law of the People's Republic of China, Fire Control Law of the People's Republic of China, Occupational Disease Prevention Law of the People's Republic of China, and other relevant laws and regulations, we have formulated a comprehensive administrative system and related systems in the aspects of employee health and safety, mainly including occupational safety education, entry examination, annual health examination, safety accident emergency management, etc. Meanwhile, in summer, we distribute allowances for high temperature to employees as an expression of gratitude under high temperature. We also distribute summer drinks, green bean soup and other cool drinks to the front-line staff. We provide employees with cotton overcoats, cotton gloves and heaters in winter.

## 6. GATHERING STRENGTH, VALUE CO-CREATION

Based on the nature of the Group's work, employees are involved in occupational safety-related knowledge to varying degrees in their daily work. We have established relevant systems on the prevention of work-related injuries of employees. We enhance the occupational safety skills of employees through safety education, trainings on standard working procedures of project employees and other means and set out strict requirements on holding the work permits for operations, with details set out below:

- Repairing and maintenance companies shall have business licenses and qualification certificates for construction and repairing. Working staff shall hold the work permits for operation and professional responsible persons shall be arranged on site;
- Operators of repairing service plans shall hold aerial work permits and wear safety helmets and belts in aerial operation;
- Special employees shall be arranged for operation with fire;
- Employees shall hold the work permits for welding operation;
- Elevator maintenance employees shall hold the work permits for operation;
- Service quality and standards meet regulations or industrial standards;
- Providing safety education for employees before taking positions and regularly organizing safety trainings on employees; and
- Conducting irregular safety inspections.

During the Reporting Period, the Group recorded no violation of regulations related to working environment and employee health and safety.

During the Reporting Period, the Group had no fatalities reported, but lost 60 working days due to work-related injuries.

### Enrich employees' life

To improve employees' happiness, the Group actively organised employees to participate in cultural and sports activities organized by local labour unions, and regularly carried out corporate culture activities in the enterprise. During the Reporting Period, we have carried out heart-warming activities covering various festivals, including traditional handmade activities for Dragon Boat Festival and Mid-Autumn Festival, Women's Day Care Activities, in order to care for employees' physical and mental health with practical actions.



## 6. GATHERING STRENGTH, VALUE CO-CREATION

### Example: The 4<sup>th</sup> Funny Games of Property Service Industry in Fuyang District

Fuyang Branch of Sundy Property participated in the 4th Funny Games of Property Service Industry in Fuyang District in late November 2021. The games were guided by the Fuyang District Federation of Trade Unions of Hangzhou, and the Fuyang District Housing and Urban-Rural Development Bureau of Hangzhou, and held jointly by Property Management Industry Association of Hangzhou, Joint Trade Union Committee, Fuyang District Property Management Industry Association of Hangzhou, Trade Union Committee. 30 property representatives with more than 300 people attended the games.

Through the competition, Sundy representatives won awards in the team events of “Cash Roll” and “Inspiring”, and won gold prize and silver prize in several individual events. The games fully demonstrated the excellent spirit of sincere solidarity and mutual help, effectively improved the interaction and communication between the team, relieving the work pressure, releasing the passion and vitality, and further strengthening the spirit of team cooperation and the sense of group honor.



The 4<sup>th</sup> Fun Games of Property Service Industry in Fuyang District

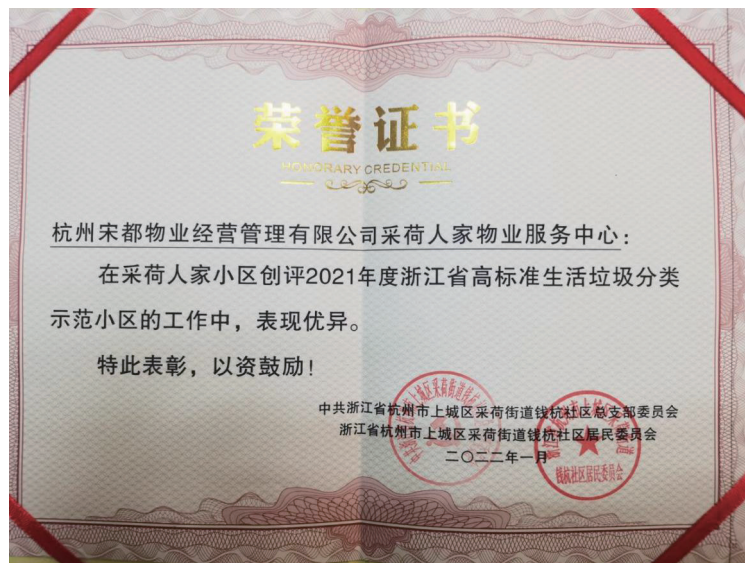
## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

Sundy Service has been adhering to the green and low-carbon development path, greatly advocating and promoting carbon reduction and environmental protection measures in communities and business sites, actively responding to climate change, making us a leading property service enterprise in the field of green and environmental protection.

### 7.1 GREEN COMMUNITY

The Group strictly complies with the Civil Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Atmosphere Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and relevant laws and regulations, fully implements the concept of green development, actively identifies the sources of waste generated during the construction and operation of the projects for compliance disposal, and builds a tidy and beautiful green community together with owners through sound management and effective community advocacy.

The Group follows the regulations on environmental protection, and actively responds to garbage sorting policies issued by national and local governments to set up community waste classification demonstration sites. In 2021, Hangzhou Sundy Yangguang International Community and Caiherenjia Community were honored as the high-standard demonstration community of household wastes in Zhejiang Province in 2021.



High-standard demonstration community of household wastes in Zhejiang Province in 2021  
(Caiherenjia Community)



## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

During the service process, we mainly classify waste into four categories to collect, including kitchen waste containers (green), recyclable waste containers (blue), toxic and hazardous waste containers (red) and other waste containers (grey) or waste containers (yellow) based on local requirements. After sorting garbage, we entrust a professional cleaning company to clean and transport garbage and send them to the local municipal departments for collection and disposal.

Meanwhile, we actively carry out environmental protection education activities for garbage classification in the community, such as learning activities and seminars, to cultivate residents' awareness of environmental protection, guide the owners to develop good living habits, as well as listen to the owners' suggestions and feedback during the activities in order to improve in the future services.



Garbage classification community activities of Lijun Garden in Hangzhou

Office waste from routine operation refers to unrecyclable waste from production and operation (including living). We classify the office waste into hazardous waste, recyclable waste and unrecyclable waste. For toxic and hazardous solid waste generated from the office of the Group, we require our employees to throw them into hazardous waste containers. The toxic and hazardous wastes generated during the Group's operation are waste toner cartridges and waste ink boxes in a small amount, which are recycled by qualified recyclers, with less impact on the environment. Therefore, total hazardous waste produced is not disclosed in the Report. For recyclable waste, they are regularly disposed by the waste disposal agent based on the quantity. Meanwhile, we encourage double-sided printing to save the use of paper. For unrecyclable waste, we place them into other waste containers or entrust the waste disposal agent to clear them based on the quantity.

To reduce office waste, we carry out publicity in office areas, tea rooms, bulletin boards and other notable locations to enhance the awareness of employees on garbage classification. We arrange tutors on garbage classification, establish the "container leader" system and determine the responsibilities of individuals to provide guidance to employees on waste classification and promote mutual supervision and promotion among employees.

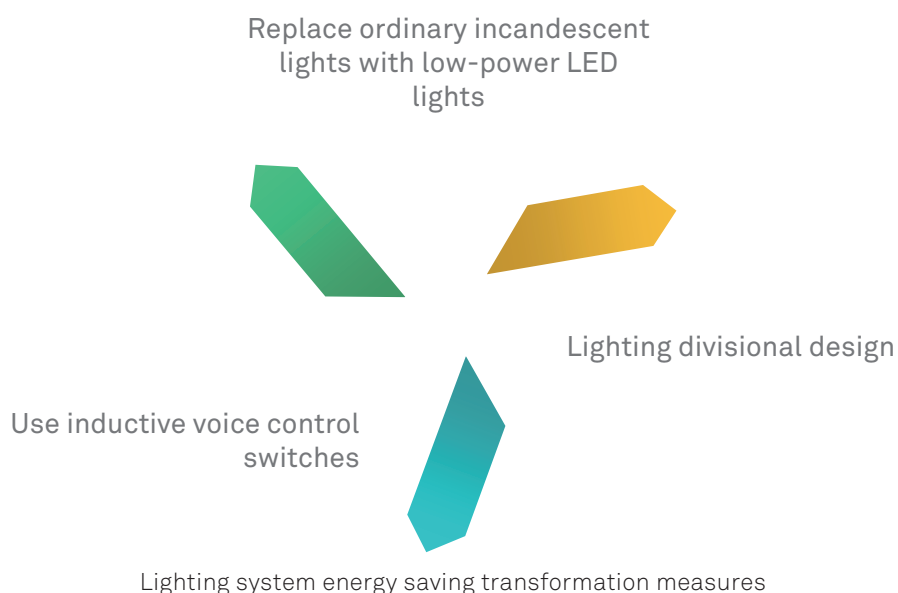
## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

Due to business characteristics, non-hazardous waste generated by the Group's operations and by customers/owners are collected and processed by the local municipal departments, and the Group is unable to separately measure the non-hazardous waste generated by the Group's operations. Therefore, total non-hazardous waste produced is not disclosed in the Report.

### 7.2 GREEN OPERATION

The Group strictly complies with Energy Conservation Law of the People's Republic of China, and other relevant laws and regulations, always keeps its system operation compliant, the management system up-to-date, its compliance obligations and legal and regulatory requirements normalized, constantly optimizes the energy management mechanism, implements the relevant technical reform means, reduces energy and resource consumption in the course of operation, and implements green and sustainable community operation model.

We inspect the use conditions of public resources and incorporate them in the range of daily management. During the Reporting Period, we conducted the energy saving reform of large-scale lighting system for the eligible projects. In addition, technical renovation measures were taken for underground garage, corridor and other places to reduce consumption and carbon emission.



During our service process, we attach great importance to water conservation and water resource utilization, and taking practical measures such as using recyclable natural water resources and introducing water-saving equipment in order to improve the utilization efficiency of water resources. We mainly publicize water saving in major places for water sourcing, such as having reminders on saving water in public washrooms. Toilets and urinals are installed with press switches or inductive switches to save water resources.

## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

### Example: Adopt automatic filter water floor scrubbers

In 2021, Sundy Service used intelligent water-saving floor scrubbers in many managed projects communities in Hangzhou to achieve automatic filtration of “dirty water” without frequent replacement of water, which greatly improved the use efficiency of water resources.

The water resources consumed by the Group are from municipal pipelines and it has no problem in sourcing water. Our total water consumption was 482,403.08 cubic meters during the year with a water consumption density of 0.22 cubic meters/square meter, which was mainly used in providing public services.

### 7.3 GREEN OFFICE

In order to implement the concept of green and low-carbon development, Sundy Service actively promotes green office in office and business places. We put forward energy saving and consumption reduction requirements for air conditioning and office consumables and establishes relevant management systems, further strengthening the employees’ green environmental awareness, and creating a good green office environment.

- Normalization of energy-saving office measures
  - √ Specifying the temperature of air conditioning to reduce inefficient energy consumption
  - √ Promoting non-necessary paperless office, and using recycled paper to print and copy
  - √ Replacing with energy-saving lamp in office areas
- Standardized green office management
  - √ Regularly checking office and business sites
  - √ Formulating reward and punishment mechanisms to conduct proper penalties for violations (public notification of criticism, etc.)
  - √ Written guidance on specific matters of green office

During the year, our consumption of electricity was 26,090,161.61 kWh with an electricity consumption density of 11.65 kWh/square meter, which was mainly used in offering public services for property owners.

We were not involved in the consumption of natural gas, petrol for business vehicles during the year. Our direct greenhouse gas (GHG) emissions was due to the consumption of electrical energy, and indirect GHG emissions were 15,917.61 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e)<sup>1</sup> with a total GHG emissions of 15,917.61 tCO<sub>2</sub>e and a GHG emission density of 7.11 kgCO<sub>2</sub>e/square meter. Electricity consumption is the main source of indirect GHG emission of the Group. In order to reduce and manage energy consumption efficiently, we encourage employees to reduce energy consumption by turning off office devices when they are not in use, making use of natural lighting in clear weather and turning off air conditioners when the temperature is appropriate.

<sup>1</sup> Calculation of GHG emissions: Indirect GHG emissions: The consumption of purchased electricity of the Group multiplies the corresponding emission factor, which refers to the Circular of the General Office of the National Development and Reform Commission on the Formulation of the 2016 and 2017 Carbon Emission Reports and Plans on Inspection and Emission Monitoring Plans; Total GHG emissions: sum of direct GHG emissions and indirect GHG emissions.

## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

The Group was not involved in violation of regulations with significant effects on the Group in terms of emissions during the year.

In the future, we will:

- consistently pay attention to the Law of the People’s Republic of China on Energy Conservation, the Environmental Protection Law of the People’s Republic of China and other relevant requirements and dynamics recently released by the MOHURD and local competent authorities; and
- enhance the publicity of green and environmental protection and energy saving, actively create a green and energy-saving environmental protection atmosphere and create a working and living environment advocating “glorious saving and disgraceful waste”.

Due to business characteristics, the use of packaging materials is not related to the operation of the Group. Therefore, total packaging material used for finished products is not applicable.

### 7.4 RESPONDING TO CLIMATE CHANGE

In order to minimize the adverse effect of extreme weather disasters on business operation and owners’ life, Sundy Service regularly carries out anti-typhoon, flood prevention and other disaster relief drills, and formulates the Emergency Preparedness and Response Control Procedure in order to improve the emergency response and handling capability of Sundy Service in the face of major natural disasters and to ensure the owners’ personal and property safety and the smooth operation of company.

For natural disasters caused by climate change, Sundy Service carries out the following work:

#### ■ Conventional prevention and control

We learn from previous experience on climate change, regularly carrying out material inventory and facility safety check, and taking emergency measures for materials procurement, anti-skid, anti-freeze and heat preservation in major areas and key points in advance;

#### ■ Dedicated personnel for early warning

A dedicated personnel of administrative department shall pay attention to climate change warning and issue tips and precautions to owners at the first opportunity;

## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

### ■ Unified deployment

When a natural disaster is imminent, regional companies shall conduct the unified deployment, issue emergency management notices, carry out risk response in an orderly manner according to the actual situation according to Emergency Preparedness and Response Control Procedure, and report the relevant situation to the Company in a timely manner.



Sundry inspection for flood defense of Dongjun Star community

### **Example: Anti – typhoon prevention mechanisms of Zhoushan, Zhejiang province**

Since Zhoushan is subject to seasonal typhoons all year round, the Company prepares the relevant procurement work to put the anti-sand belt and anti-flooding supplies in place two months before the typhoon season. At the same time, for the sewer tunnels and drainage pipes of the community corridor, the Company will clean and wash sundries, and set up the filter to prevent clogging. In addition, the Company strengthens the communication with local communities to address climate change together.



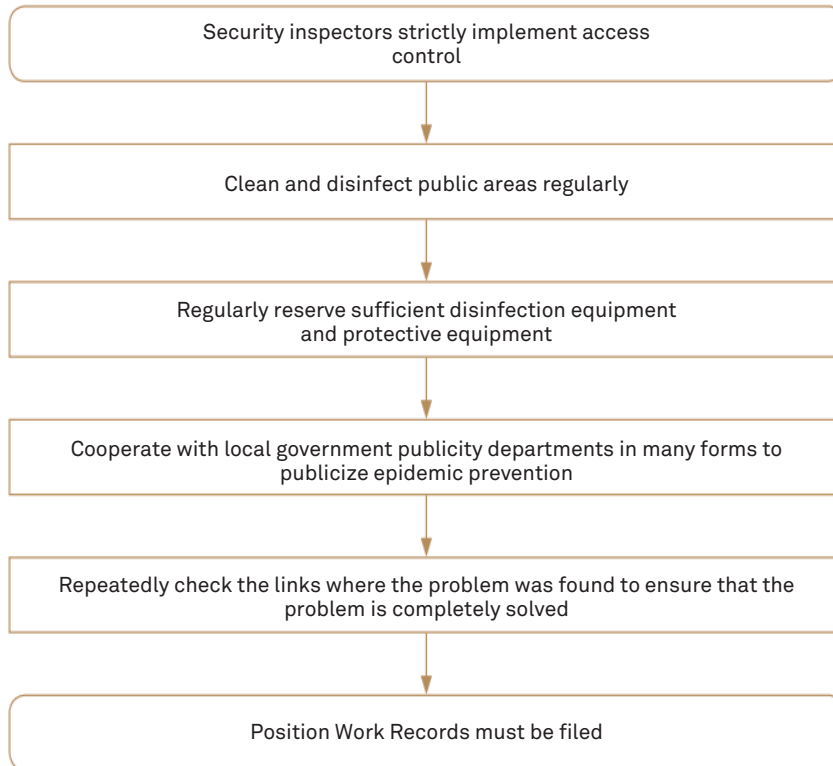
7.5 FIGHTING AGAINST COVID-19

Since the outbreak of COVID-19, the Central Committee of the Party has always put the people and life first, insisted on preventing external input and internal rebound, and adhered to the dynamic zero-COVID policy. At the front line of epidemic prevention, it is necessary to strengthen grassroots leadership and execution and set up a firm barrier of epidemic prevention and control. Facing the outbreak, property enterprises shall bear the responsibility of epidemic prevention in communities and other units, and assist the government and community in the battle to defend the city.

For the “peacetime” phase of regular epidemic prevention and control and the “wartime” phase of case emergence, Sundy Service has formulated and taken relevant scientific coping mechanism by the means of tripartite collaborative work model of social governance in order to protect the health of owners and the safety and stability of community.

“Peacetime” precautions

For the “peacetime” phase, we have incorporated epidemic precautions into social grassroots governance, maintained communication with the government, and informed all owners about the epidemic, while we have also formulated the management standards of epidemic prevention and control, implemented routine inspection, environmental cleaning, material storage, prevention propaganda, and ensured the regular epidemic prevention and control.



Management Standards for Environmental Sanitary Work, “disease control and prevention plan”: Epidemic prevention and control

## 7. GREEN ENVIRONMENTAL PROTECTION, LOW CARBON INTERGROWTH

### “Wartime” control

For the “wartime” phase, we have carried out epidemic control through the following two core tasks:

#### ■ *Access control*

In addition to the implementation of access personnel registration, we have developed facial recognition systems jointly with the government to follow up travel and nucleic acid test results of personnel, and timely reported to communities and other government units in case of any abnormal report.

#### ■ *Three-area control*

With the Internet of Things as the carrier, we have implemented the control mechanism of three areas, including containment area, control area and prevention area. Specific control measures are as follows:

- (1) With the Internet of Things as the carrier, owners may be informed through the internet access control system and indoor visual intercom screen, which can improve communication efficiency and reduce communication cost;
- (2) Cameras, electronic fences and other facilities were used to achieve the community management and personnel control, and reduce the secondary risk of property;
- (3) Mobilize grassroots service forces, and to be well prepared in material distribution, “last 100 meters” transportation and garbage disposal to protect the life of residents; and
- (4) Set up a three-level volunteer mechanism, play the leading role of Party members, participate in volunteer management, organise training for volunteers, and provide nucleic acid testing services in the community.



Grassroots services at the “wartime” control phase



## 8.1 LIST OF ESG POLICIES AND APPLICABLE LAWS AND REGULATIONS

ESG level	Laws, regulations and ordinances to be followed	Internal policies
Environment	<p>Civil Law of the People's Republic of China</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Atmosphere Pollution Prevention and Control Law of the People's Republic of China</p> <p>Water Pollution Prevention and Control Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</p> <p>Energy Conservation Law of the People's Republic of China</p>	<p>Management Standards for Environmental Health Work</p> <p>Emergency Preparedness and Response Control Procedure</p>
Employment	<p>Civil Law of the People's Republic of China</p> <p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Law on the Protection of Minors</p> <p>Provisions on the Prohibition of Using Child Labor</p> <p>Occupational Disease Prevention Law of the People's Republic of China</p>	<p>Management System of Staff Relations</p> <p>Management System of Staff Turnover</p> <p>Management Methods of Recommended Talents</p> <p>Management Methods of Asking for Leave or Vacation</p> <p>Training Management System</p>
Supply chain management	<p>Tendering and Bidding Law of the People's Republic of China</p>	<p>Supplier Management Methods</p>
Product liability	<p>Law of the People's Republic of China on Protection of Consumer Rights and Interests</p> <p>Property Management Regulations</p> <p>Network Security Law of the People's Republic of China</p>	<p>Management Standards for Cleaning Service</p> <p>Management Standards for Greening Service</p> <p>Management Standards for Customer Service</p> <p>Security Service Management</p> <p>Management Standards for Maintenance Service</p> <p>Information Management</p>
Anti-corruption	<p>Criminal Law of the People's Republic of China</p> <p>Anti-unfair Competition Law of the People's Republic of China</p>	<p>Prohibition on Enterprise Culture</p>

## 8. APPENDIX

### 8.2 INDEX TO ESG REPORTING GUIDE

Environmental, Social and Governance Reporting Guide		Content in the Report
<b>Subject Areas A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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. Green environmental protection, low carbon intergrowth
A1.1	The types of emissions and respective emissions information.	7.3 Green office
A1.2	Direct (Scope 1) and indirect (Scope 2) GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.3 Green office
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.1 Green community
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.1 Green community
A1.5	Description of targets on mitigating emissions and steps adopted to achieve such targets.	7.2 Green operation, 7.3 Green office
A1.6	Description of how hazardous and non-hazardous wastes are handled and description of targets on reducing waste and steps adopted to achieve such targets.	7.1 Green community

Environmental, Social and Governance Reporting Guide		Content in the Report
<b>Aspect A2: Use of Resources</b>		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Green operation, 7.3 Green office
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).	7.3 Green office
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.2 Green operation
A2.3	Description of energy use efficiency targets set and steps adopted to achieve such targets.	7.2 Green operation, 7.3 Green office
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose and water efficiency targets set and steps adopted to achieve such targets.	7.2 Green operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.3 Green office
<b>Aspect A3: The Environment and Natural Resources</b>		
A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	7. Green environmental protection, low carbon intergrowth
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Green environmental protection, low carbon intergrowth

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Environmental, Social and Governance Reporting Guide		Content in the Report
<b>Aspect A4: Climate Change</b>		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4 Responding to climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Responding to climate change
<b>Subject Areas B. Social</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 Employment compliance
B1.1	Total workforce by gender, employment type (such as full-time or part-time), age group and geographical region.	6.1 Employment compliance
B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Employment compliance
<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 Protection of of rights and interests

<b>Environmental, Social and Governance Reporting Guide</b>		<b>Content in the Report</b>
B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	6.3 Protection of of rights and interests
B2.2	Lost days due to work-related injuries.	6.3 Protection of of rights and interests
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Protection of of rights and interests
<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 Training across all dimensions
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2 Training across all dimensions
B3.2	The average training hours completed per employee by gender and employee category.	6.2 Training across all dimensions
<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 Employment compliance
B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Employment compliance
B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Employment compliance
<b>Aspect B5: Supply Chain Management</b>		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	4.2 Supplier management
B5.1	Number of suppliers by geographical region.	4.2 Supplier management

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Environmental, Social and Governance Reporting Guide		Content in the Report
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.2 Supplier management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Supplier management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2 Supplier management
<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 Improving service quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Improving service quality
B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Improving customers' satisfaction
B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Improving service quality
B6.4	Description of quality assurance process and recall procedures.	5.1 Improving service quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2 Improving customers' satisfaction

Environmental, Social and Governance Reporting Guide		Content in the Report
<b>Aspect B7: Anti-corruption</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.	4.1 Building integrity culture
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.	4.1 Building integrity culture
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.1 Building integrity culture
B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Building integrity culture
<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.	5.3 Engaging in social governance
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.3 Engaging in social governance
B8.2	Resources contributed (e.g. money or time) to the focus area.	5.3 Engaging in social governance



## 8. APPENDIX

### 8.3 ESG KEY PERFORMANCE TABLE

	ESG indexes	Data in 2021
Employee employment conditions	Number of employees (person)	691
	Part-time employee (person)	0
	Male employee (person)	293
	Female employee (person)	398
	Minority people (person)	12
	People with disabilities (person)	3
	Number of internships (person)	3
	Number of personnel retained (person)	3
Employee hierarchy distribution	Senior management layer	14
	Middle management layer	51
	Primary management personnel	38
	General employee	588
Age distribution of employees	Below 30 years old	190
	30-50 years old	379
	More than 50 years old	122
Regional distribution of employees	Zhejiang	288
	Anhui	143
	Jiangsu	40
	Henan	56
	Guangxi	46
	Jiangxi	15
	Other regions	103

ESG indexes		Data in 2021
Distribution of employee position categories	Maintenance personnel	151
	Customer service staff	286
	Personnel for keeping order	42
	Cleaning and greening personnel	23
	Management personnel	103
	Other	86
Distribution of employee's working years	Within 1 year	311
	1-3 years	268
	3-5 years	60
	5-10 years	43
	More than 10 years	9
Employee turnover	Number of employee turnover	568
	Turnover rate of male employees	35.21%
	Turnover rate of female employees	64.79%
	Turnover rate of employees below 30 years old	45.07%
	Turnover rate of employees between 30 and 50 years old	45.60%
	Turnover rate of employees above 50 years old	9.33%
Turnover rate of employees in each region	Zhe Jiang	41.90%
	Anhui	16.02%
	Jiangsu	6.17%
	Henan	6.34%
	Guangxi	10.56%
	Jiangxi	3.87%
	Other regions	15.14%

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ESG indexes		Data in 2021
Employee promotion	Promotion of employee (person)	55
	Promotion of general employee	33
	Promotion of primary management personnel (persons)	16
	Promotion of middle management personnel (persons)	4
	Promotion of senior management personnel (persons)	2
Employee training	Total number of male employees training (persons)	293
	Total number of female employees training (persons)	383
	Percentage of male employees training (%)	100.00%
	Percentage of female employees training (%)	96.23%
	Total number of senior management employee training (persons)	17
	Total number of primary and middle management employee training (persons)	146
	Total number of grassroots employee training (persons)	509
	Percentage of senior management employee training (%)	52.67%
	Percentage of middle management employee training (%)	100.00%
	Percentage of grassroots employee training (%)	87.46%
Per capita training duration for male employee (hours)	93.50	

ESG indexes		Data in 2021
	Per capita training duration for female employee (hours)	95.50
	Per capita training duration for senior management employee (hours)	24.00
	Per capita training duration for primary and middle management employee (hours)	88.50
	Per capita training duration for grassroots employee (hours)	95.50
Employee health and safety	Report of death on duty	0
	Number of working days of person injured on duty (days)	60
Conditions of suppliers	Number of suppliers (units)	504
	Number of withdrawn suppliers (units)	0
	Anhui	78
	Jiangsu	21
	Shanghai	20
	Hangzhou Zhejiang	310
	Zhoushan Zhejiang	50
	Ningbo Zhejiang	11
	Huzhou Zhejiang	4
	Jinhua Zhejiang	10