

# ZHENRO 正榮服務

ZHENRO SERVICES GROUP LIMITED  
正榮服務集團有限公司

(於開曼群島註冊成立的有限公司)  
(incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 6958

## 2022

環境、社會及管治報告  
Environmental, Social and  
Governance Report



# About the Report

## ○ REPORT SPECIFICATION

The 2022 Environmental, Social and Governance Report of Zhenro Services Group Limited is the third ESG report published after the listing of the Company, which systematically describes the Company's strategies, policies, measures and achievements in terms of ESG in 2022, and focuses on disclosing ESG-related information of the Company.

## ○ PERIOD COVERED BY THE REPORT

The ESG Report covers the period from 1 January 2022 to 31 December 2022 (the "Reporting Period"). Certain contents were related to the performance in prior years.

## ○ EXPRESSION OF THE COMPANY NAME

To facilitate expression, this report also uses "Zhenro Services", "we", the "Group", the "Company" or other terms to refer to Zhenro Services Group Limited.

## ○ REPORTING STANDARDS

The Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and Guidelines for Corporate Social Responsibility Report in China (CASS-ESG 5.0) issued by Chinese Academy of Social Sciences. Based on the key stakeholders and material ESG-related issues identified and prioritized, relevant materials and information are collected and reviewed to ensure the completeness, materiality, authenticity and balance of the ESG Report.

## ○ SOURCE OF INFORMATION AND RELIABILITY WARRANTY

Information and data disclosed in the Report are derived from the Company's statistical reports and formal documents and have been verified by relevant departments. The Company undertakes that the ESG Report does not contain any false or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

## ○ LANGUAGE AND FORMAT OF THE ESG REPORT

The Report is available in electronic version, in Chinese language and English language. In case of any discrepancy between the two versions, the Chinese version shall prevail. For more information regarding the background, business development and philosophy of sustainable development of Zhenro Services, please refer to the official website of Zhenro Services (<http://www.zhenrowy.com/>).

## ○ CONFIRMATION AND APPROVAL

The Report was approved by the board of directors of the Company (the "Board") on 31 March 2023 after confirmation by the management.

# Contents

Chairman's Statement	02
About Zhenro Services	04
Corporate Culture	04
Principal Activities	05
Organizational Structure	05
Highlights of Performance in 2022	06



## Upholding Integrity to Consolidate the Foundation of Governance / 08

Legitimate and Compliant Operation	10
Strengthening ESG Governance	14
Implementing Integrity Construction	16



## Providing Craftsmanship Services with Superior Quality / 18

Ensuring Service Quality	20
Improving Service Quality	21
Smart Innovation Services	26



## Safeguarding Ecology and Practicing Green Development / 30

Focusing on Environmental Management	32
Implementing Energy Conservation and Emission Reduction	33
Coping with Climate Change	39

Future Outlook	57
Appendixes	58
KPIs Table	58
List of Laws, Regulations and Internal Policies	62
Index of Indicators	63



## Creating a Better Life with Happiness and Prosperity / 40

Protecting Employee Rights and Benefits	42
Growing Together with Partners	50
Creating a Warm Community	53

# Chairman's Statement

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Looking back at 2022, Zhenro Services has always maintained a steady pace of development in the complex and changing market environment. Over the past year, Zhenro Services has always adhered to the core value of "attaining prosperity with integrity", integrated ESG governance into all aspects of its business management and continuously enhanced the construction level of its ESG governance system. We have fulfilled our corporate social responsibility in fully preventing and controlling the COVID-19 pandemic, supporting macroeconomic growth and promoting social equity and justice. Meanwhile, I would also like to express my gratitude to the governments at various levels and all sectors of society for their strong support and concern for Zhenro Services.

Based on the service philosophy of "providing heartfelt and personalized services for your well-being", we were committed to providing higher-quality, more efficient, safer and greener services to the society in 2022. We have deeply cultivated regional resources, integrated our advantages, promoted diversified business innovations, and stabilized both business scale and performance growth. In the meantime, we have always pursued high-standard and high-level service quality, committed ourselves to improving service level, and focused on humanistic care and customer experience.

In 2022, we have made great strides in ESG. Zhenro Services Group has always been committed to promoting sustainable development, and persisted in integrating ESG concepts into the Company's business operation and management. We

have established a comprehensive ESG management structure, defined ESG working organization, communicated with stakeholders to identify ESG-related material issues, and consolidated the construction of the Company's ESG capabilities. We attach great importance to legality and compliance, implement integrity construction, strengthen anti-corruption construction, and maintain the normal business order of the Company. In addition, we always uphold the concept of environmental protection, focus on environmental management, promote energy conservation and emission reduction, actively respond to climate change, and strive to promote a green environment and achieved sustainable and healthy development.

In consideration of the arrival of the human capital era and the Company's strategic requirements in 2022, we have developed the talent standard of "integrity and five strengths", and established a sound all-round talent training and development system in terms of integration of new employees, enhancement of basic skills for job positions, capability training for key positions and team construction by the combination of the "introduction of talents from external benchmarking enterprises" and the "internal talent training of Zhenro". We consolidated the construction of our talent team by launching the training systems of Ro's Star, Ro's Manager, Ro's General, Ro's Marshal, etc., and strengthened new employee training and business line empowerment training. We have achieved the improvement of our management level and per capita effectiveness from the three aspects of organizational upgrade, system upgrade and talent upgrade.

In 2022, we have always prioritized customer needs and aimed to satisfy people's demand for a better life. We have gained insight into customer needs, provided all-round, high-quality and diversified services according to market demand, and presented a faster, more convenient and more considerate service experience. We have always put customer service in the first place, provided better services to our customers, and continuously optimized our service processes to enhance our service quality and efficiency.

In 2022, we worked together with our partners to achieve a win-win situation. We have been adhering to the development concept of open cooperation and multi-win sharing, establishing solid long-term cooperative relationships with our partners, and carrying out in-depth cooperation in supply chain, talent training and technological innovation to jointly promote business development and common progress.

In the new era and new development period, with the continuous launch and implementation of national policies, Zhenro Services will be more pragmatic and responsive to lead the Company's operation and management with the ESG concept, and implement the Company's green and low-carbon development strategy. We will deeply perform accounting ethics and corporate social responsibility, comprehensively improve the corporate governance level and social influence, achieve mutual benefits and win-win results with shareholders, investors, partners, employees and customers, and create a better future together!

# About Zhenro Services

Zhenro Services Group (06958.HK) is a nationwide and fast-growing comprehensive property management service provider. Under the service philosophy of "Providing Heartfelt and Personalized Services for Your Well-being", we are committed to building a high-quality and high-value comprehensive service group in China, with a focus on three major segments, namely property services, commercial operation and asset management, so as to provide customers with full-cycle and full-scenario services. Based on services for residences, commercial office buildings, business enterprises, commercial complexes and commercial streets as the cornerstone, we take the initiative to explore the arrangement for urban services, long-term rental apartments and other asset management services.

In 2022, Zhenro Services comprehensively upgraded its service system and launched the "Happiness Spectrum System", which introduces an exclusive service system for five scenarios, namely residential scenario, business enterprise scenario, urban scenario, commercial scenario and innovation scenario, and refines and upgrades multiple services to cover all aspects of life with considerate services. Meanwhile, we continued to make efforts to expand commercial light assets, upgraded our strategy to the "1+N" model, and actively promoted the "two-way linkage" between commerce and property in high-value cities. We made full use of our experience in handling multiple types of projects, our rich brand commercial resources and our experience in full-cycle commercial management to explore and promote the cooperation with stock assets, and strive to become an excellent operating company in the transformation and upgrading of stock assets. We continuously strengthened our professional and independent commercial light asset outreach capabilities, constantly improved our commercial asset management and commercial management operations, and enhanced our quality property service capabilities, so as to become the leading integrated service group for a better life in China with practical actions.

## Corporate Culture

Corporate culture is the faith and value that employees of Zhenro Services uphold. Through the continuing accumulation and development for 22 years, it has been condensed into the value target pursued by every Zhenro Services person. We attach great importance to the construction of our corporate culture system. We are committed to integrating a healthy and positive corporate culture into the whole process of business operation, enhancing the business operation ability, continuously creating value for customers, partners, teams, industries and society, and sharing prosperity with employees, customers and partners. We updated and released our new corporate culture in 2022. Under the core values of "Attaining Prosperity with Integrity" and the service philosophy of "Providing Heartfelt and Personalized Services for Your Well-being", Zhenro Services strives to build a cultural spectrum based on cultural ethos and behavioral advocacy, provides cultural guidance for employees in their work and life, and is committed to becoming a happy enterprise with a strong sense of social responsibility.

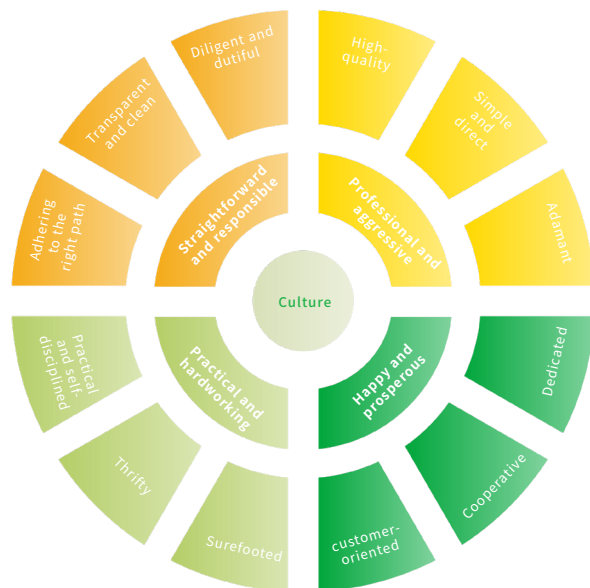
- Core Values**

Attaining prosperity with integrity
- Service Philosophy**

Providing Heartfelt and Personalized Services for Your Well-being
- Cultural Ethos**

Honest and responsible, professional and enterprising, practical and hardworking, happy and promising
- Behavioral Advocacy**

Adhering to the right path, being transparent and honest, performing our duties, refining high quality, acting simply and directly, facing up to difficulties, being pragmatic and self-disciplined, being thrifty and frugal, sticking to down-to-earth principle, having customer thinking, joining hands with all parties, and contributing wholeheartedly



Cultural Spectrum of Zhenro Services

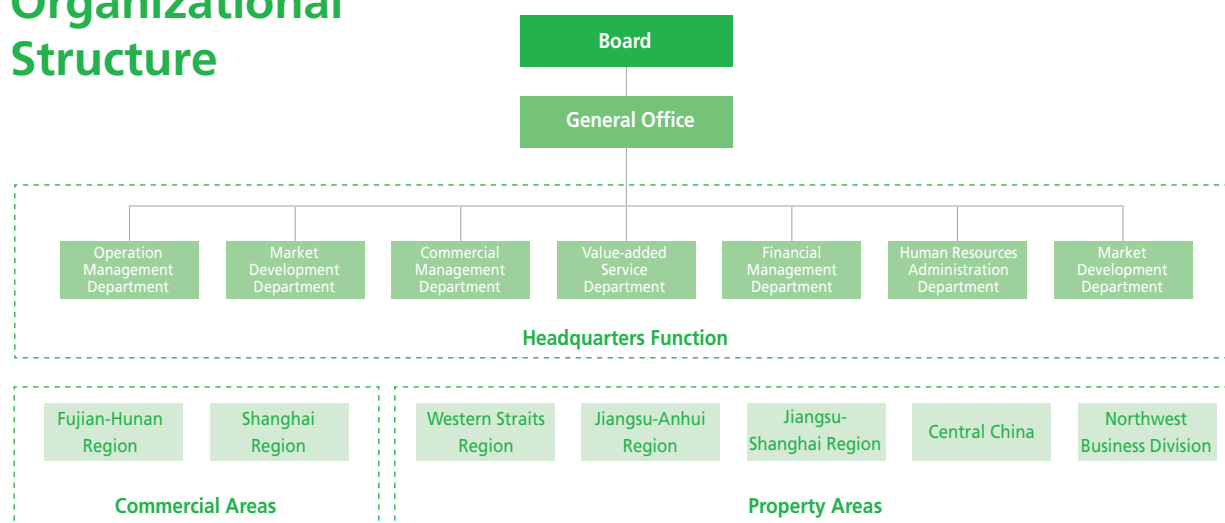


## Principal Activities

The principal activities of Zhenro Services cover property management services, value-added services to non-property owners, community value-added services and commercial operational management services. To meet the constantly growing and changing needs of the public for a better life, we've actively developed a broad range of comprehensive services and products for customers, and committed ourselves to improving the entire value chain of property management and enhancing the diversified development of Zhenro Services. In 2022, we continued to deepen and expand our national layout and explore our property services in four regions: the Yangtze River Delta Region, the Western Straits Region, the Midwest Region, and the Bohai Rim Region. Currently, we have established dozens of branches/subsidiaries in Shanghai, Fujian, Tianjin, Jiangsu, Zhejiang, Jiangxi, Hubei, Hunan, Henan, Anhui, Shaanxi, Shandong, Sichuan and Guangdong. We continued to explore into core regions, have operated our business in 55 cities, and managed 372 projects, covering a contracted area of 109 million square meters. The Group is deeply engaged in commercial management operations in the Yangtze River Delta Region and has laid out businesses in Shanghai, Jiangsu, Sichuan and Chongqing, Fujian, Hunan and Shaanxi, with project types covering commercial complexes, theme shopping streets, community businesses, etc. The scale of commercial assets under our management exceeds RMB10 billion, with 28 projects under our operation and a total area of 1.7 million square meters under our management.

Service Segment	Main Content
Property Management Services	Provision of a wide range of property management services to property developers, property owners, residents and commercial property tenants such as cleaning services, security services, landscaping services and repair and maintenance services at residential, non-residential properties and commercial properties.
Value-added Services to Non-property Owners	Provision of comprehensive property-related solutions to non-property owners, such as sales assistance businesses, additional customized services, house maintenance services, preliminary planning and design consultancy services, and pre-delivery inspection services.
Community Value-added Services	Provision of community value-added services to property owners and residents, such as home-living services, car park management, community retail, beauty house decoration, space innovation, leasing assistance and other services, and common area value-added services.
Commercial operational management services	Provision of commercial operational management services to the tenants and the customers, primarily including brand and management output services and sublease services.

## Organizational Structure



## Highlights of Performance in 2022

### Financial Performance



Revenue

**1,140** million



Gross profit

**250** million



Total taxes

**90** million

### Governance Performance



Number of employees participating in anti-corruption related training

**1,039** persons



Number of anti-corruption training for employees

**3** times



Number of directors participating in anti-corruption related training

**7** persons



Number of anti-corruption training for directors and senior management

**3** times



Coverage rate of directors participating in anti-corruption related training

**100%**



Per capita hours of anti-corruption related training for directors

**1** hour



## Environmental Performance



Scope 1 GHG emissions

**10**

tonne CO<sub>2</sub> equivalent



Scope 2 GHG emissions

**846**

tonne CO<sub>2</sub> equivalent



Total GHG emissions

**856**

tonne CO<sub>2</sub> equivalent



Total GHG emissions per unit revenue

**0.01**

tonne CO<sub>2</sub> equivalent/revenue  
in RMB0'000

## Social Performance



Complaint handling rate

**100%**



Customer satisfaction

**92** point



Employee satisfaction

**84** point



Employee training coverage rate

**96.7%**



Total investment  
in employee training

**41** RMB0'000



Total training hours  
of employees

**19,934** hours



Percentage of suppliers  
signing integrity agreements

**100%**



# Upholding Integrity to Consolidate the Foundation of Governance



Zhenro Services always upholds the core values of “attaining prosperity with integrity” and continues to improve its corporate governance level and business operation capabilities. We establish and improve the internal control system, strengthen anti-corruption and integrity building, actively carry out ESG governance work, and integrate sustainable development into all aspects of the Company's operation and management, so as to promote the Company's sustainable, sound, standardized and efficient development.

Legitimate and Compliant Operation /10

Strengthening ESG Governance /14

Implementing Integrity Construction /16



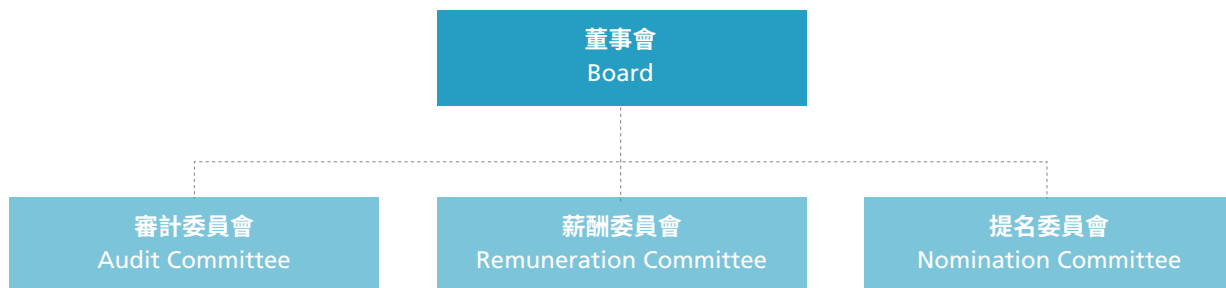
## Legitimate and Compliant Operation

Zhenro Services has always adhered to the high-standard and high-level of corporate governance concept, and continuously improved its corporate governance structure and risk prevention and control system. We enhance the quality and transparency of information disclosure, strengthen the standardized management and operation, and continue to improve our corporate governance level.

### Standardizing Corporate Governance

We adhere to the principles of integrity, accountability, transparency, independence, responsibility and fairness, and exert a positive influence on stakeholders and society through high-quality corporate governance. In strict compliance with the Company Law of the People's Republic of China and other laws and regulations of the places where we operate, the Corporate Governance Code of The Stock Exchange of Hong Kong Limited and Articles of Association of the Company, we have established a corporate governance structure with clear ranks and checks and balances, and weighed the duties and privileges among the directors while ensuring the independence of the Board. For us, the Board is the top governing body and has an audit committee, a remuneration committee and a nomination committee. The audit committee is responsible for reviewing and supervising the Group's financial reporting procedures, internal control systems, risk management and internal audit-related matters; the remuneration committee is responsible for formulating and reviewing the Group's policies and structure in relation to the remuneration of directors and senior management, establishing formal and transparent procedures for developing such remuneration policies and making recommendations to the Board; the nomination committee is responsible for reviewing the structure, the number of members and composition of the Board annually and making recommendations on changes to the Board.

#### Corporate Governance Structure of Zhenro Services

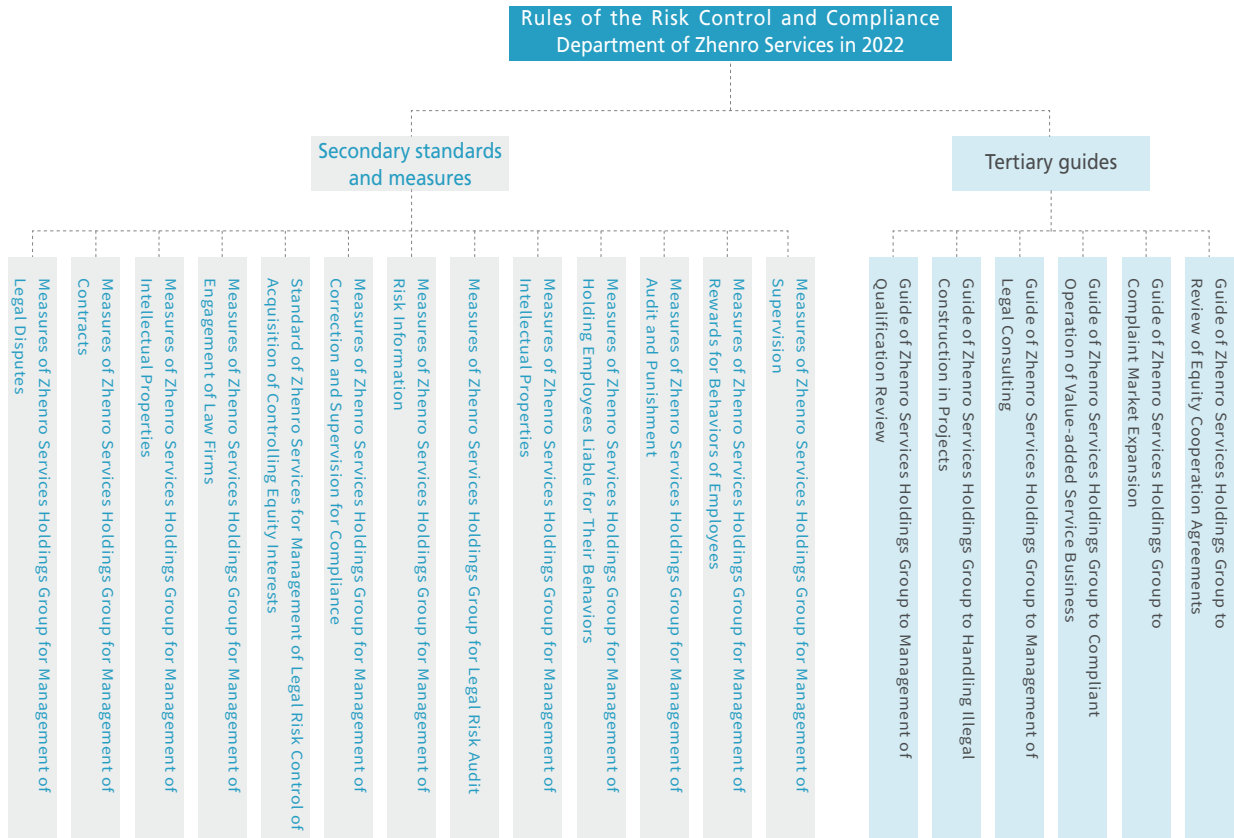


### Strengthening Risk Control

We attach great importance to internal risk control. Based on the existing internal risk control mechanism, we continuously identify, assess and manage potential risks in terms of finance, operation, compliance, etc., and strengthen risk control to ensure the effective and stable operation of the Company. We strictly comply with relevant laws and regulations of the place where we operate, including the Audit Law of the People's Republic of China, and continuously optimize the Group's internal control and risk management systems. In 2022, we updated and added the "Management Measures for Audit Penalties of Zhenro Services Holdings Group", "Management Measures for Accountability of Employee Misconducts of Zhenro Services Holdings Group", "Management Measures for Rewards of Employee Conducts of Zhenro Services Holdings Group", "Management Measures for Supervision and Inspection of Zhenro Services Holdings Group" and other second-level management measures. A total of 13 second-level management measures or regulations, and 6 third-level guidelines or rules have been formulated, and 10 notices are issued on an ad hoc basis according to the daily risk management situation. We integrated and revised these management measures and rules on a yearly basis to standardize and improve the Company's internal control and risk management systems.

- Development of **13** secondary management measures or rules
- **6** tertiary guides or detailed rules
- **10** notices provisionally issued according to daily risk management

## Internal Control and Risk Management System of Zhenro Services



## Risk Control Organizational Structure

We have established a sound organizational structure of internal control and risk management. The Board is responsible for maintaining sound and effective internal control and risk management systems, preparing risk management reports annually, and regularly examining, reviewing and monitoring the effectiveness of the risk management and internal control systems. Each department is required to carry out its business within the scope of authorization and strictly implement the strategies and policies developed by the Company. In addition, we have engaged independent internal control consultants to review the internal control of the Company and make recommendations to the Board, and carry out rectification or improvement measures according to the results of the recommendations.

## Systematic Construction for Risk Control


We are committed to accelerating the systematic construction for risk control and supporting the improvement in risk control standards through system construction, information system support, standardized operation and risk control awareness training, constantly improving our litigation management system, material contract supervision and management system and supplier compliance system.

System Category	Main Content
Litigation management system	We realized the control of the whole process from case reporting to closure; improved the systematic reporting of litigation or arbitration risks in the risk reporting mechanism.
Material contract supervision and management system	We ensured the management and control of material contracts and businesses, and implemented a systematic, standardized full-cycle contract risk control system which was implemented strictly.
Supplier compliance system	We achieved the functions of supplier search, supplier admission review, supplier risk monitoring, performance evaluation, removal and other functions; established an intelligent, automated and information-based system for integrated, full-cycle and digital management of customers and merchants.

## Risk Control Quality Assurance and Supervision Mechanism


We have established a perfect risk management system assurance and supervision mechanism, including the overall risk management system, the internal control self-assessment system and the internal audit business system, to realize the interaction of the three systems and maximize the operation efficiency and effectiveness of the risk control quality assurance and supervision mechanism.

**Assurance and Supervision Mechanism for Three Risk Management Systems**




**Overall risk management system**

The internal management and internal & external risk control experts regularly identify significant risks at the company level, and continuously track and review the implementation and effectiveness of risk response plans and control measures.



**Internal control self-assessment system**

The management at all levels regularly conducts self-assessment on the internal control quality of key business processes, prompting business managers to continuously improve their awareness of risk prevention, enhance their ability to identify internal control deficiencies, implement responsibility for rectifying internal control deficiencies, and develop a good internal control culture.



**Internal audit business system**

The risk control audit department carries out a full range of internal audit services, including special audits and routine audits, to identify risk control deficiencies at the group level and promote timely rectification of systemic control issues.

## Carrying out Risk Control Training

In order to effectively enhance the employees' awareness of risk control, enhance the compliance and risk management level of the business of the Company, and realize the joint development of employees and the Company, we regularly organized training activities in relation to systems, workflow specifications, properties and guidance on legal affairs handling, and promoted the drafting of the law training system to establish a training system. We strengthened regular training and special theme training to further improve employees' awareness of risk management. In addition, we shared industry information and business risk prevention points in the form of weekly industry reports to implement risk prevention promotion. In 2022, we held a number of special training activities on topics such as property fee collection, common legal disputes and responses of property service enterprises, etc.



Training Activity on "Communication Skills and Common Problems in Settlement of Property Fees"



Training Activity on "Smart Fee Collection for Property Service Enterprises"

### Case "Training Activity on "Common Legal Disputes and Responses of Property Service Enterprises"

On 11 November 2022, the Company invited Liu Xinxing, a lawyer from Beijing Zhong Yin (Fuzhou) Law Firm, to conduct training for the participants by means of "online + offline" training, who introduced the common legal problems in the daily management process of the projects from the aspects of property management fee dispute, illegal building/construction dispute, upstairs/downstairs water leakage dispute, etc. and provided response solutions for property service companies. Through the training activities, the staff's awareness of risk management, risk resolution and dispute resolution capabilities have been improved.



## Strengthening ESG Governance

Zhenro Services attaches great importance to ESG governance and persists in incorporating ESG philosophy into the top plans of the Company. We have established ESG governance structure, defined ESG working organization, attached importance to communication with stakeholders, carried out identification of major ESG issues, and solidified ESG capacity building of the Company.

### ESG Governance Structure

We have established a sustainable development governance structure comprising the Board, the ESG working group, various functional departments and subsidiaries to ensure a scientific and standardized ESG governance system. The Board has working groups as the top governing body to assist in the development and review ESG-related responsibilities, visions, strategies, frameworks, principles and policies, and to monitor key ESG trends and relevant risks and opportunities to ensure the effective implementation of ESG policies adopted by the Board.

Board	ESG working group	Relevant functional departments
<ul style="list-style-type: none"> <li>○ Reviewing the risks in relation to and significance of ESG matters of the Company</li> <li>○ Reviewing and approving the strategies and objectives of the Company</li> <li>○ Supervising and reviewing the ESG-related policies, management, performance and progress towards relevant objectives of the Company</li> </ul>	<ul style="list-style-type: none"> <li>○ Developing the Company's sustainable development strategies and targets and making recommendations to the Board on relevant sustainable development work</li> <li>○ Identifying and determining risks and opportunities in relation to ESG matters of the Company and reporting the assessment results to the Board on a regular basis</li> <li>○ Assessing and inspecting the Company's policies, management, performance and progress towards relevant targets in relation to ESG matters</li> <li>○ Supervising and guiding each functional department to fully implement the Company's sustainable development strategies and relevant actions, and coordinating and promoting the implementation of ESG-related matters</li> <li>○ Checking and reviewing the public disclosure of the Company's performance on ESG-related matters, and taking charge of the overall planning and preparation of the ESG reports</li> <li>○ Regularly reporting to the Board on work progress and other matters authorized by the Board</li> </ul>	<ul style="list-style-type: none"> <li>○ Implementing the Company's ESG related strategies and management measures</li> <li>○ Assisting the ESG working group in data collection and providing feedback</li> </ul>

### Directors' Statement

The Board is ultimately responsible for ESG-related work, target setting and review, and ESG disclosure-related matters. The Board is responsible for developing ESG visions, policies, strategies and targets, assessing and reviewing material ESG risk issues, and ensuring a robust and efficient ESG governance system of the Company.

The Board participates in the assessment, prioritization and final confirmation of significant issues annually, examines and reviews ESG-related risks on a regular basis, and performs a materiality analysis of the identified risks in consideration of their significance to stakeholders. The Board is responsible for regularly reviewing and tracking the progress towards ESG targets and determining the future development direction based on the achievements of the targets.


During the Reporting Period, the ESG working group communicates and reports to the Board on the ESG work results including climate change risk identification and environmental targets. Subject to amendments and guiding opinions proposed and approval by the Board, under the supervision of the Board and the coordination by the ESG working group, each functional department is responsible for the implementation of relevant plans.



## Materiality Analysis of Key ESG Issues

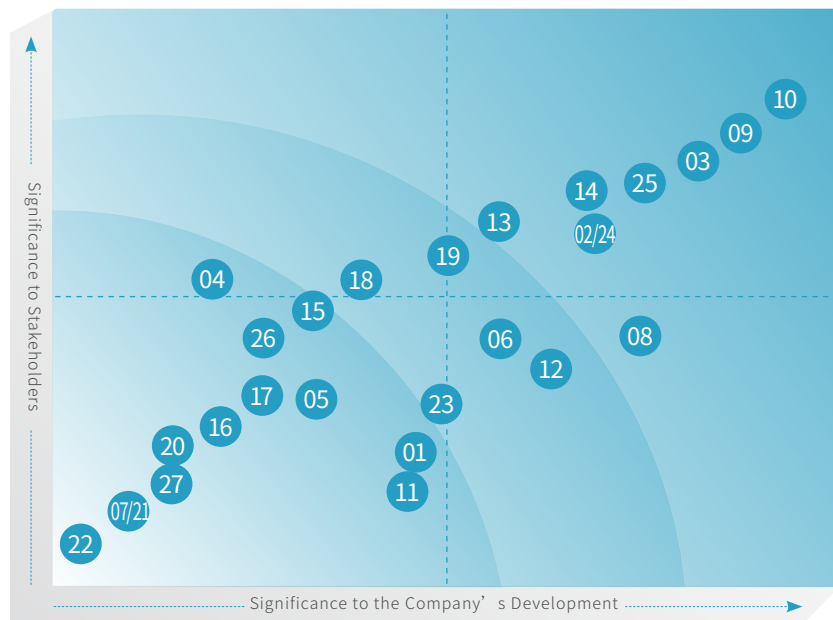
### Communication with Stakeholders

We attach great importance to communication with stakeholders, and communicate with stakeholders on a regular basis. By establishing a normalized and diversified communication mechanism, we established a multi-frequency and multi-dimensional communication mechanism (formal and informal, online and offline) to maintain good communication with customers, employees, investors, the government and other stakeholders, and gain an in-depth understanding of the expectations and concerns of stakeholders, so as to achieve joint development. During the Reporting Period, we identified seven major categories of stakeholders and provided targeted responses to stakeholders with practical actions.

Stakeholder	Key Issue of Concern	Ways of Communication and Response
 <b>Shareholders/ Investors</b>	Economic performance Compliance with laws and regulations Risk management	General meetings Investor meetings Results presentation Site releases/announcements Site survey
 <b>Government/ regulatory bodies</b>	Compliance with laws and regulations Information security Anti-corruption	Site survey Talks
 <b>Partners</b>	Information security Exchanges with industry peers	Site survey Talks
 <b>Customers</b>	Information security Customer service quality Sensitive customer information management Intelligent property development	Online promotions Telephone/Messages WeChat/Weibo Questionnaires Talks
 <b>Employees</b>	Remuneration and benefits Employee health and safety Employee development and training	Interviews with employees Internal telephone Internal WeChat official account
 <b>Media and the public</b>	Compliance with laws and regulations Impact of business on the society	Press releases Announcements Interviews Meetings
 <b>Community</b>	Contribution to Communities Public welfare	Site survey Talks

## Identification of Material ESG Issues

We attach importance to the identification and management of ESG issues and conducts regular survey activities for a wide range of stakeholders to comprehensively understand and collect views and feedback from the government, shareholders, employees, customers and other parties, so as to identify material ESG issues and provide important references for the Company's ESG management. During the Reporting Period, we prepared a survey questionnaire on substantive issues, and identified and updated ESG-related issues in terms of the significance to the internal development of Zhenro Services and to the stakeholders. Upon comprehensive assessment, we formed a matrix of material issues for 2022 in consideration of the opinions and suggestions of internal stakeholders including employees, senior management and the Board, and identified a total of 27 material issues.



01. Environmental management	07. Biodiversity conservation	13. Occupational health and safety	19. Information security and privacy protection	25. Legitimate and compliant operation
02. Improving energy efficiency	08. Emphasis on communication with employees	14. Product and service quality	20. Responsible supply chain	26. ESG strategy and management
03. Addressing climate change	09. Protecting employee rights and interests	15. Intelligent management and innovation	21. Community investment and contribution	27. Communication with stakeholders
04. Waste treatment and recycling	10. Talent development and training	16. Compliant marketing and operations	22. Public charity and volunteer activities	
05. Wastewater discharge management	11. Employee benefits and remuneration	17. Protection of intellectual property rights	23. Anti-commercial bribery and anti-corruption	
06. Water resources management	12. Employee rights and care	18. Customer satisfaction management	24. Risk control	

## Implementing Integrity Construction

Zhenro Services adheres to the principle of “zero tolerance” for fraudulent and corrupt behaviors, continuously strengthens the construction of its own integrity system, increases punishment for fraudulent and corrupt behaviors, and gradually creates a cultural environment where “nobody dares to, is able to or intends to conduct corruption”. Meanwhile, we always persist in the correct business ethics and values for business development, promote the suppliers to fulfill their responsibilities, and create a good atmosphere of fair competition, integrity and honesty in the industry.

### Strengthening Integrity Management

The Company strictly complies with the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, Interpretation on Several Issues Concerning the Specific Application of Laws in the Trial of Criminal Cases Such as Money Laundering, Cooperation Regulations on the Verification of Suspicious Transaction Leads, the Anti-Money Laundering Law of the People's Republic of China, the Criminal Law of the People's Republic of China, Interpretation of the Supreme People's Court on Several Issues Concerning the Specific Application of Laws in the Trial of Criminal Cases Such as Money Laundering and other laws and regulations in the place of its business operation, as well as the Cooperation Regulations of the Ministry of Public Security and the People's Bank of China on the Verification of Suspicious Transaction Leads, so as to continuously improve the construction of relevant internal compliance systems and the management workflow as to business ethics. In 2022, we updated the “Management Measures for Audit Penalties of Zhenro Services Holdings Group”, and newly issued the “Management Measures for Supervision and Inspection of Zhenro Services Holdings Group”. We investigated and severely punished disciplinary violations, strongly deterred fraudulent and corrupt behaviors, and built the Company's integrity defense line from the system level.

## Implementing Anti-corruption Training

We regularly train, monitor and evaluate employees and suppliers with regard to business ethics, and strictly crack down on corruption, malpractices, fraud, money laundering and other improprieties. We require an Integrity Agreement to be signed simultaneously when new employees are hired and when all suppliers and contractors are contracted. We regularly conduct diversified anti-corruption training, and provide training on the audit system for our regional branches and subsidiaries from time to time following the update of the audit system, so as to create a good atmosphere of honesty and integrity. Furthermore, we carried out integrity publicity of “Ro’s Star (Ro’s Star)” and “Ro’s General (Ro’s General)”, special publicity for business lines including tendering and procurement, and value-added business, as well as integrity publicity and case explanation for core backbones of subsidiaries in regions, thus continuously fostering integrity culture within the Company. In 2022, the Group’s employees participated in 3 anti-corruption trainings, with a total of 1,039 person-times. The Group was not involved in any corruption litigations during the Reporting Period.



Anti-corruption and Integrity Poster of Zhenro Services

### Case Carrying out the clean culture construction among all employees to lay a solid foundation of integrity

The Group further strengthens the integrity construction, enhances the integrity, honesty and risk prevention awareness of all staff, and creates a good atmosphere of integrity and honesty. In early 2022, we launched a special campaign to build a culture of integrity for all employees of Zhenro Services, which combined “environmental creation + cultural promotion” to achieve a closed loop online and offline, so that the work of integrity construction can be integrated into the smallest details and fully implemented. By updating the “Integrity Culture” wall bulletin board and carrying out integrity promotion activities, all employees can have a further in-depth understanding of the “Management Measures for Accountability of Employee Misconducts of Zhenro Services Holdings Group”, thus strengthening the employees’ own ideological, moral and law-abiding awareness, and building a strong ideological and moral defense line of the Zhenro personnel.



## Improving the Whistle-blowing Mechanism

We have continuously improved the supervision clue reporting mechanism, set up diversified whistle-blowing channels such as integrity e-mail and WeChat QR code, and added integrity whistle-blowing channel watermarks to all contract templates and major contracts, so as to encourage all employees, customers and suppliers to report violations through various channels such as customer service hotline and e-mail, and strengthen the collection of fraud and risk information. Any individuals and organizations are not allowed to retaliate against the whistleblowers and their relatives and persons who assist in the investigation for the reports in any form. Any retaliation found will be seriously investigated and dealt with. Meanwhile, we strictly keep confidential the whistleblower’s personal information and the whistle-blowing content, and take relevant measures to protect the information of the whistleblower from disclosure. We only authorize auditors and relevant personnel to conduct internal communication as to the information of the whistleblower; avoid the time and place sensitive to the whistleblower, and fully protect the information on the whistleblower in every process of whistle-blowing treatment. In 2022, we carried out special audits and routine audit inspections on various property areas and commercial management areas. So far, we have inspected five property areas and two commercial management areas, completed three special audit inspections and five routine audit inspections, and issued the corresponding inspection reports to prevent, control and monitor potential fraud and corruption.



WeChat

### Main whistle-blowing channels for audit and supervision clues of Zhenro Services Group

Tel: 021-61275680

E-mail: khfw@zhenro.com

On-site whistle-blowing: Risk Control & Compliance Department, 2/F, Building 7, South Zone, Hongqiao Zhenro Center (Lane 666, Shenhong Road), Minhang District, Shanghai



# Providing Craftsmanship Services with Superior Quality



Zhenro Services has always adhered to the brand philosophy of “Providing Heartfelt and Personalized Services for Your Well-being” , insisted on the customer-oriented principle, and stuck to its original intention of pursuing excellent quality. We are dedicated to building a better life, focus on diversified service capabilities, solidify our service foundation, and constantly improve our service quality with the utmost sincerity to provide superior and considerate services to our customers.

Ensuring Service Quality /20

Improving Service Quality /21

Smart Innovation Services /26



## Ensuring Service Quality

We strictly comply with the Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests and other laws and regulations, and continuously optimize internal systems such as the Customer File Management Rules, the WeChat Manager Management Rules and the Customer Reception Management Rules. Based on the principle of ensuring customer satisfaction and meeting customer needs, we have improved the construction of a sound service quality system. We have established a full-cycle quality management system covering the pre-delivery property project management and post-delivery operation management, and strengthened the standards and processes of property service management.

Zhenro Services has passed the ISO 9001:2015 quality management system certifications, and obtained certificates such as Grade I property qualification certificate, “AAA Contract-Abiding and Trustworthy Enterprise” and “China’s Trustworthy Model Enterprise” and other certifications. During the Reporting Period, we continued to improve our service quality through the three-level management system, the three-tier management system and the red and yellow card system.

### Three-level Management System

We have established a top-to-bottom three-level management system covering “group-regional subsidiary-project service center”, with organizations at each level playing their roles. It defines the quality system standard based on “strict monitoring”, “strict implementation” and “strict assessment”, and improves customer stickiness based on quality. It carries forward the brand of Zhenro Services.



### Three-tier Management System

We always focus on meeting customer demand, pursue the realization of operation targets, and prioritize quality assurance. Based on service, customer and evaluation, Zhenro Services has gained insight into customer needs, and provided differentiated services with the match of quality and price. In addition, we have adopted an operation model of flexible employment, functional integration, match of quality and price, and avoidance of excessive service, while ensuring safety.

Service Classification	Points of Contact with Customers	Evaluation System
<p>We have established a hierarchical service standard system subject to customer demand, driven by operation targets, focusing on quality assurance, and oriented towards the match of quality and price. According to service frequency, items and staffing, we classify services into three levels, namely supreme, premium and classic.</p>	<p>Based on the key scenarios, requirements and movement lines, we have developed the manual of key contact with customers to address pain and itching points of customers. We classify key pain points of our customers into <b>three</b> categories (contact points with customers, contact points in key premises, and contact points for equipment and facilities) covering <b>16</b> service movement lines, <b>3</b> etiquette items and <b>3</b> event highlights, totaling to <b>217</b> contact points.</p>	<p>We use the indicators, which can reflect the responsibility statement and the implementation of key businesses, as our business evaluation criteria, and establish an indicator monitoring system; we adopt three-level indicators (responsibility statement indicator, key business indicator, implementation indicator) and four aspects (operation, quality, organization and risk).</p>

## Red and Yellow Card System

We have established a red and yellow card system and improved the quality supervision and punishment mechanism. By assigning cards to unqualified items, we give red and yellow card punishments to ensure the implementation of the systems and standards of Zhenro Services and promote the realization of the quality strategy goals.

### Yellow card warning

Employees with the inspection score of less than 75 points and over 3 serious nonconformities are subject to public announcements, company-wide name and shame by e-mail, cancellation of merit appraisal qualification and annual promotion qualification, etc.



### Red card demerit/serious demerit

In addition to punishment corresponding to a yellow card, employees with the inspection score of less than 60 points and over 5 serious nonconformities are subject to the following additional punishments: job transfer, demotion or salary reduction for relatively serious cases; termination of labor relations for serious cases, if their performance evaluation result of the current period is not higher than C (inclusive).

## Improving Service Quality

Zhenro Services upholds the service concept of craftsmanship and integrity, focuses on multiple modules including responsible marketing, protection of customer privacy, proactive response to customer complaints and improvement of customer satisfaction, comprehensively improves the service quality from the aspects of product, service and operation capabilities, and builds high-standard and high-quality sustainable service capabilities. During the Reporting Period, we improved the quality for the three major stages of property purchase, delivery, and residence and co-construction. We made efforts to create a comfortable and respected property purchase environment for the property owners, provide ideal and satisfactory delivery services and create a happy and colorful community life. We have built three service systems of “Real Gloriousness ( 正美好 )”, “Real Satisfaction ( 正美滿 )” and “Real Happiness ( 正幸福 )” in depth to create happiness trio and comprehensively improve the service quality. We continue to improve employees’ awareness of service quality through practical training on etiquette, first aid knowledge training and other training activities, and open public whistle-blowing channels to facilitate the supervision and feedback of consumers and customers at any time and effectively protect the legitimate rights and interests of customers.

## Insisting on Responsible Marketing

We strictly comply with the Advertising Law of the People’s Republic of China and other relevant laws and regulations to ensure that all marketing contents are legal, authentic and effective. To secure the responsible marketing management, we have established a marketing management system covering our headquarters and regional subsidiaries. The marketing department is responsible for developing overall marketing strategies and relevant sales policies. In order to ensure the responsible marketing management and strengthen the awareness of our employees of responsible marketing, we carry out employee training activities to popularize the knowledge of marketing compliance. We have strictly eliminated disinformation campaigns or exaggerated propaganda and established an internal audit mechanism to check all forms of marketing and publicity to ensure marketing compliance.

## Protecting Customer Privacy

We attach great importance to the protection of customer privacy. In strict compliance with the Cybersecurity Law of the People’s Republic of China, the Administrative Measures for the Graded Protection of Information Security and other laws and regulations, we continuously optimize the customer privacy protection mechanism and continuously protect the security of customer information. We have established an information protection system, which expressly specifies the special personnel for management of computer information, prohibition of lending or copying without approval. Login passwords are set for electronic documents, and relevant documents are encrypted and watermarked. We conduct regular training and sampling inspection on personal information of customers to ensure the security of customer information. During the Reporting Period, Zhenro Services did not have any leakage of customer privacy.

## Responding to Customer Complaints

We are committed to integrating our services throughout the process and providing customers with all-round and considerate services. We have established a customer-oriented service guarantee system, provided diversified complaint channels for customers by means of arrival at reception, WeChat account of the manager, telephone number of the manager, mini-program, forum, 400 hotline, media report, satisfaction survey, customer visit, etc., and followed up the handling results in a timely manner. In addition, we intensify the management of complaints closed due to postponement, and escalate warning for complaints not closed for more than 30 days until the loop is closed.

### Customer Complaint Hotline of Zhenro Services

400 Service Supervision Hotline of Zhenro Services: 400-635-3608

Integrity Whistle-Blowing Hotline of Zhenro Services Group: 021-61275680

Zhenro Services establishes the corporate WeChat service group to receive customer feedback

Time Node	Completion Criteria	Responsible Department /Person
2 (hours)	<ul style="list-style-type: none"> <li>Provide explanation to and appease customers and channel their sentiments within 2 hours after receiving the information.</li> <li>If it is necessary to ask the responsible department for information, immediately communicate with the responsible department, and request the responsible department to deal with the case on site immediately if necessary.</li> </ul>	Project
1 (day)	<ul style="list-style-type: none"> <li>1. A preliminary solution is formed with the customer within 1 working day (refer to the appendix for details on the classification of complaints and corresponding handling time limits);</li> <li>2. The responsible person in the regional company submits the complaint handling order to the call center of the headquarters.</li> </ul>	Project Responsible person of 400 hotline
5 (days)	<ul style="list-style-type: none"> <li>1. For a basic issue, the customer complaint case is closed within 5 days and satisfaction follow-up is conducted;</li> <li>2. The responsible person submits the handling order to the call center of the headquarters.</li> </ul>	Project Responsible person of 400 hotline
7 (days)	<ul style="list-style-type: none"> <li>1. If the handling period exceeds 5 days due to postponement, the handling process is followed up at intervals of 7 days (including the previous 5 days) and the progress is notified to the customer;</li> <li>2. If the normal handling period exceeds 5 days under normal circumstances, the handling process is followed up at intervals of 7 days and the progress is notified to the customer.</li> </ul>	Project
Follow-up	<ul style="list-style-type: none"> <li>The call center of the headquarters conducts a satisfaction follow-up on the customer after receiving the handling order.</li> </ul>	Call center of the headquarters

## Customer Satisfaction

We regularly conduct customer satisfaction surveys, listen to their opinions and optimize our service quality to have an all-round understanding of customer needs. We conduct targeted investigations and satisfaction surveys on different projects and businesses at different intervals, by different methods and from different aspects.

### Satisfaction Survey System

In 2022, we established a new satisfaction survey system, and engaged a third-party research organization (Jiahe Property) to carry out satisfaction survey on the project owners during the occupation period by SMS (on a quarterly basis). The survey results at the end of the year will be included in the final assessment score. Meanwhile, we provide the survey for business analysis and quality improvement in the form of scorecards, original sound feedbacks, original data and analysis reports, and urge low-scoring projects to develop and implement targeted corrective measures based on the survey results.



Comparison with the New Survey System in 2022			
Type	2021	2022	
Survey purpose	Property owner's satisfaction survey	Customer's perception evaluation on daily service process – Rongju	Customer's perception evaluation on daily service process – Rongqi
Third-party organization	China Index Academy	EH Consulting	Self-investigation
Survey targets	Property owners of self-owned Rongju projects	Property owners of Rongju free and outreach projects	Responsible persons of Rongqi for free and outreach projects
Methods used	Telephone survey	SMS survey	Interview survey
Effective sample rate	10% of industry average	3% of industry average	/
Coverage rate	Settled for more than three months Not covered for projects of five years and above	Settled for more than three months Full-cycle coverage	Settled for more than six months Full-cycle coverage
Survey frequency	Second and fourth quarters (June and November)	Quarterly (March, May, August and November)	First and third quarters (March and August)

Note: Due to survey method, caliber, statistical sample or other reasons, no comparable figures of the corresponding period are available.



### Satisfaction survey purpose and optimization improvement point

The new survey system listens to the true voice of customers, and evaluates their satisfaction on our services through quarterly daily processes, so as to understand the customer service evaluation opinions and feedback in original voice, and take a systematic tracking of problems till the loop is closed.



### Satisfaction principle

Rongju residential projects use SMS survey method, while Rongqi non-residential projects use face-to-face interviews with the responsible persons of Party A about their feelings and suggestions on property services. The new survey system has 7 major differences as compared with the previous real estate satisfaction survey, where the key differences lie in the survey targets (Rongju project includes the survey on owners of outreach projects), survey methods (the SMS questionnaire survey is different from the previous telephone survey) and the full-cycle survey coverage this year.

## Satisfaction control at the regional level

We strengthen satisfaction management at the regional level, hold quarterly satisfaction improvement meetings to identify requirements and control measures for regional companies in terms of project position allocation, service improvement plans and measures, professional assistance during various processes and business lines, implementation of customer return visits, verification of Ro's Wisdom reporting results, closed-loop issues in original voice.

Customers of Ro's Manager are visited twice a year and key customers are visited monthly to understand and resolve customer needs in a timely manner and build customer stickiness.



### Case Listening to Customers' Opinions and Improving Service Level

In order to efficiently listen to customers' needs and opinions and answer questions and doubts, Zhenro Services strictly implements the monthly customer reception days by project managers for the community, where project managers, in collaboration with department heads, take the initiative to listen to opinions and suggestions of property owners, answer their questions and form problem reports for follow-up. In addition, department heads will sort out the complaints and opinions collected on the reception day and enter them into the reporting system for handling the problem and closing the loop. Through the activities of listening to customers' opinions such as customer reception day, we continuously improve our property service quality of projects and optimize our service level to win the high recognition and trust of property owners.



## Customer Safety Guarantee

We provide high-quality services for property owners, and safeguard their safety wholeheartedly. We safeguard the health and safety of every property owner in an all-round way by developing safety management measures, providing public facilities maintenance services, safety drills, safety inspection and carrying out other activities. In addition, we organize special actions such as Shield Casting Operation and winter antifreeze inspections, and organize the inspection of elevators, fire fighting systems, winter antifreeze operation and other safety hazards. We have developed the system for store opening and closure by merchants, the system of turning off water, electricity and gas, and closing the kitchen door and 24 emergency plans for merchants, and raised the safety awareness of merchants through regular safety drills and training activities.

### Case Zhenro Services Central China Safeguards the Property Safety of Owners

Security services are a priority for property services for owners, and Zhenro Services Central China provides a good safety environment for property owners. On 2 August 2022, the monitoring personnel of the Dahu Phase II Project found that a suspicious man took advantage of the blind spot of monitoring to commit theft of vehicle belongings. The on-duty personnel organized the forces to round up the suspect immediately and called the police simultaneously. The found out the suspect in a timely manner, deployed and controlled the situation effectively, organized forces efficiently and disposed of the issue properly. They successfully captured the suspect and safeguarded the owner's valuables, which was highly recognized by the police and property owners.



Fire Prevention Publicity & Training



Drowning Prevention & Rescue Training



Medical Rescue Training



Community Riot Prevention Training



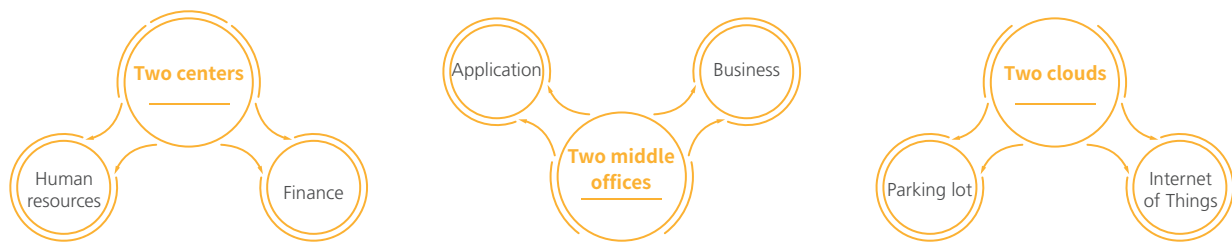
Telecom Fraud Prevention Training



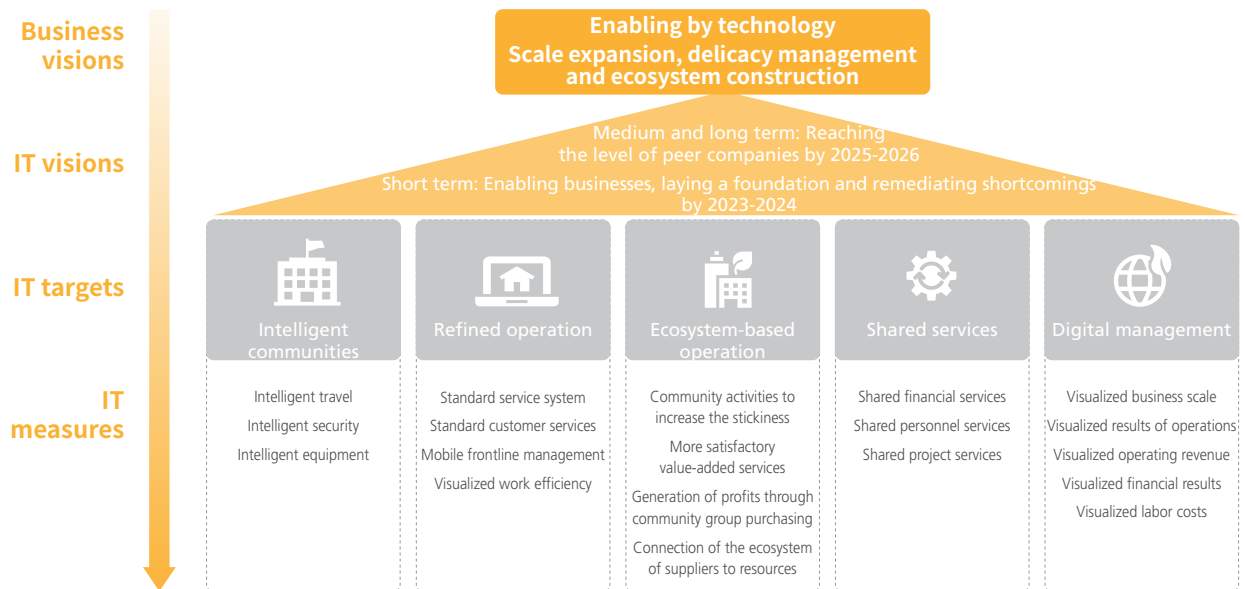
Earthquake-Proof & Disaster Relief Drill

## Smart Innovation Services

Zhenro Services keeps up with the development trend of the industry, promotes the digital strategy upgrade by using information technology, and focuses on building its core competitiveness and improving service quality. In 2022, we made a strategic adjustment to digital construction, and provided valuable system platform for our business based on the technology empowerment strategy. To achieve our business strategic goals, we set the targets in five aspects, and focused on both solid internal efforts and synchronized system support in phases (a combination of spirit and practice). There have been 2 centers (human and finance), 2 middle platforms (application and business), 2 clouds (car park, IoT) to open a new chapter in the three-year blueprint for digital construction of Zhenro Services.



### Overall Information Technology Construction Goal and Blueprint of Zhenro Services in 2022



Consolidating Online Services to Create a Main Business Linker

## Ro's Wisdom

We developed Ro's Wisdom (mini program) to integrate and develop with the existing Ro's Wisdom System and provide property owners with online basic services commonly used in property management.

Online Basic Services Provided by Ro's Wisdom System	
Services	Main Contents
Online problem and repair reporting	Provide online self-service reporting mini program to owners, which effectively improves the convenience of property owners and provides managers with digital efficiency tools.
Complaints and suggestions	Through the convenient channel to link with property owners online, managers can receive timely suggestions from property owners and make timely improvements to the defections in their daily work and enhance property owners' satisfaction.
Bill payment	Provide online bill payment for property fees and other expenses, so that property owners can check and self-pay their bills in a timely manner and make up for the shortcomings of digital payment.
Property fee collection	Present online property fee collection services and promote them nationwide to provide property owners with a worry-free trustworthy platform.
Visitor access	Set up self-service application of visitor information for gate guards to verify, which significantly reduces the incidence of extreme events caused by unfamiliar visitors, and allows property owners to become the masters of the community.
Satisfaction survey	The Operations Department provides quarterly satisfaction survey questionnaires to property owners, keeps abreast of the real service experience of property owners in each regional project, collects the real needs of owners, and creates a real and reliable online platform for providing innovative services.

## Corporate WeChat + Ro's Wisdom (Mini Program) of Zhenro Services



### Corporate WeChat + Rongzhihui Mini program

Internally integrating mobile application to improve the efficiency of employees  
Externally connecting to property owners for enabling household management

owner labels  
(Supporting various operations)  
Targeted marketing

After the manager includes a property owner in the system, a label will be assigned to the property owner in a timely manner, automatically and manually, the administrator may unify and export labels for enterprise on background, communication and services support the accurate classification and profiling of property owners (which will be synchronized to CRM of the Company)

Service quality  
management and control

The enterprises have access to the conversation between employees and customers; service conversation; and the service processes can be supervised and are more transparent



Ro's Wisdom – Online Visitor Access Poster

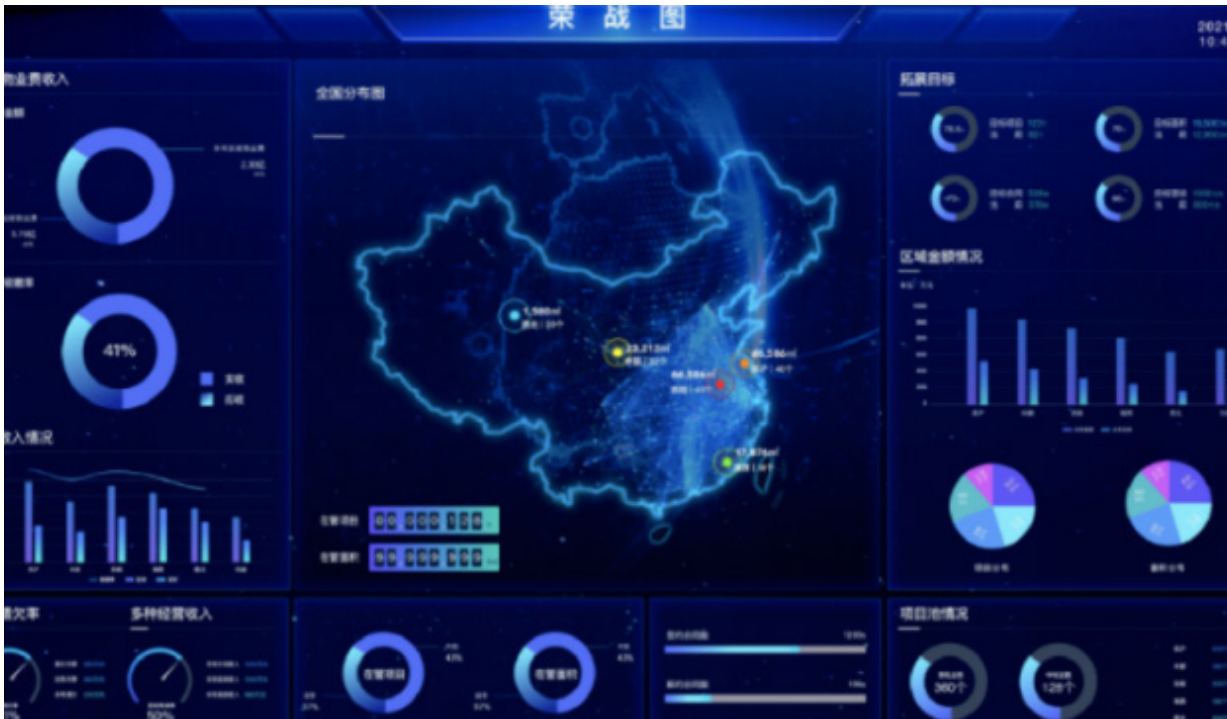
Ro's Wisdom-- Online Problem & Repair Reporting and Complaint & Suggestion Poster

Ro's Wisdom – Zero Touch Payment Poster

Ro's Wisdom – Integrated Large Screen

## Ro's Map

Data is one of the core resources for future productivity development. In 2022, Zhenro Services Ro's Map market development module was officially launched, achieving full lifecycle control from project development, delivery, takeover, operation, etc., enabling cross-departmental organizations to complete standardized processes, operational actions and management responsibilities in a timely, efficiently and high-quality manner. Ro's Map market development module has not only realized the online and data-driven business opportunity follow-up process from business opportunity acquisition to project takeover, improved the access to business opportunity information and market expansion efficiency, but also achieved market expansion process optimization and project lifecycle tracking through standardized information collection and data archiving, preliminary communication and contract signing takeover, project planning and management. Ro's Map also achieves the integration of corporate strategic planning and business frontline by connecting with panoramic plan of Zhenro Services, and ensures data standardization and standardized reporting, laying a solid foundation for scientific management of enterprise data, and truly achieving data-based management. As of October, 100% of our projects have been launched online, with the timely execution rate of tasks up to 98%.

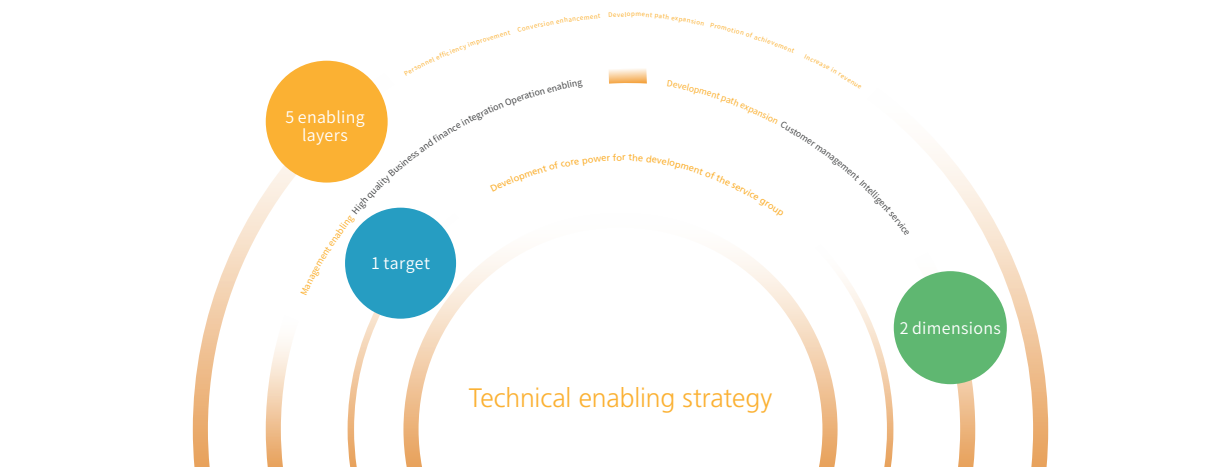


Ro's Map System

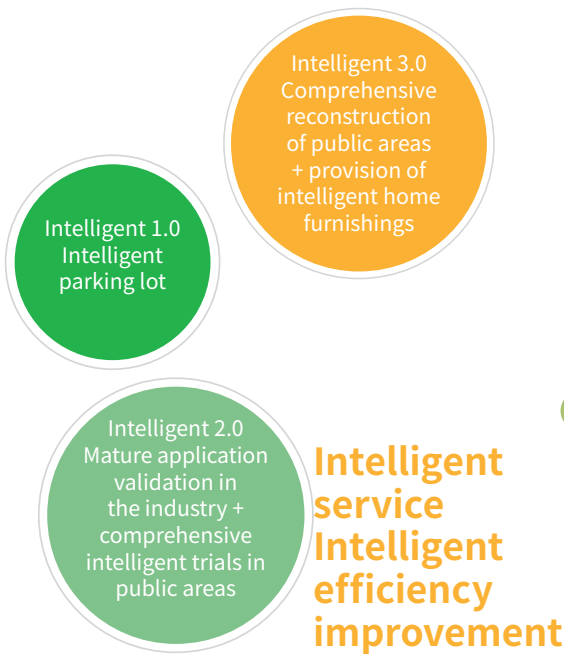
## Intelligent Equipment

We firmly grasped the opportunity from equipment intelligentization and continuously improved the management level of intelligent operation. We took the lead in carrying out trials in Hongqiao Zhenro Mansion, Wuhan Zhenro Mansion and Putian Zhenro Mansion projects for intelligent community construction, and promoted the application of face recognition, angel's eyes (天使之眼), intelligent travel (智慧人行) and other functions, so as to provide wisdom experience for users. Meanwhile, we continuously promoted the application of operational functions including the alarms triggered by electric bicycles in elevators, intelligent driving, high-rise littering and intelligent park management, so as to improve the management efficiency and the intelligent operation level. In addition, we have formulated a science and technology strategy that relies on projects under management, internal and external collaboration and co-creation, and technology leadership to promote high-quality scale expansion and build the core driving power for the Company's development.

Five new strategies for empowering technological development by "improving human efficiency, promoting achievement, strengthening transformation, expanding the track, and increasing revenue"



### Smart Services and Intelligent Efficiency Improvement

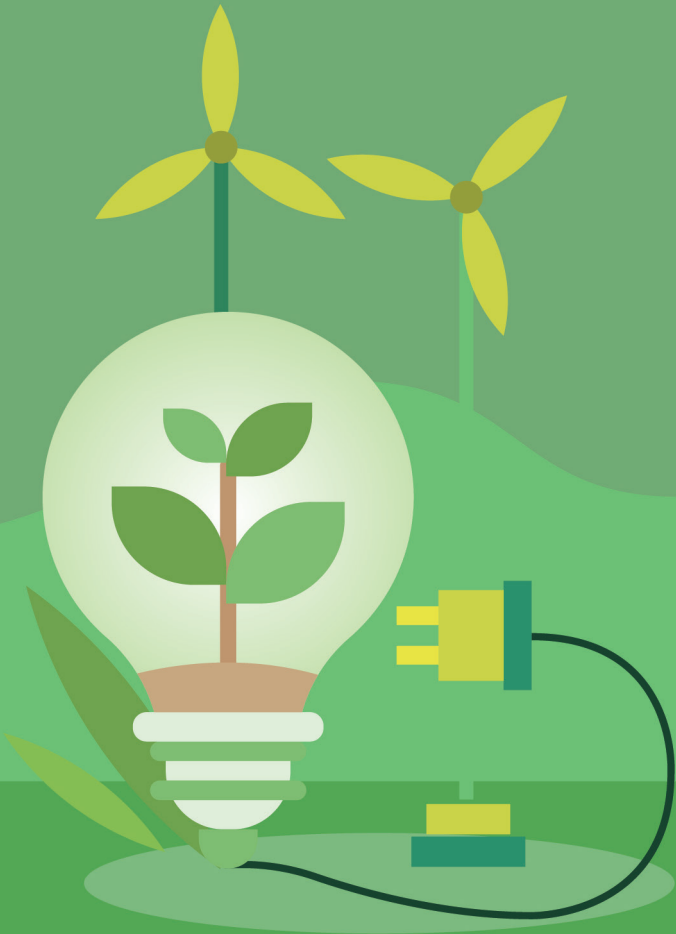


### Information Technology System Architecture of Zhenro Services





# Safeguarding Ecology and Practicing Green Development



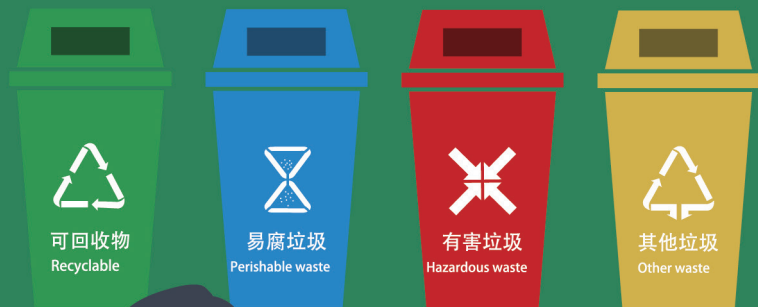


Zhenro Services actively responds to the national goal of “3060” carbon peaking and carbon neutrality, insists on the objective of “satisfying the people’s demand for a better life”, and carries out the green and low-carbon development strategy and the sustainable environmental management model. Zhenro Services promotes energy and resource conservation, actively addresses climate change, incorporates the green development concept into its urban and community services, advocates stakeholders to participate in green initiatives, realizes green, low-carbon and high-quality development, and promotes a green environment and sustainable and healthy development.

Focusing on Environmental Management /32

Implementing Energy Conservation and Emission Reduction /33

Coping with Climate Change /39



## Focusing on Environmental Management

Zhenro Services always persists in green and low-carbon operation and continuously improve the environmental management system to strengthen environmental management and control. Zhenro Services also carries out supervision and guidance on environmental protection work, sets environmental management targets, effectively controls all the processes of environmental management, and promotes the orderly implementation of our environmental management work.

### Environmental Management System

We strictly comply with the relevant laws and regulations of the places where we operate, including the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Regulations on Household Refuse Management. We have formulated internal systems, including the Procedures for Identification and Evaluation of Environmental Factors and the Pollutant Management Procedures, to clarify the division of labor and duties for internal environmental management, provide clear guidelines for the implementation of various tasks, and strive to reduce the negative impact of our business operations on the ecological environment. In addition, we actively carry out the environmental management system certification work, and continuously make the environmental management system more scientific, target-oriented and effective. We obtained ISO 14001 environmental management system certification in 2017, and insist on annual certification to further promote the process of standardization of environmental management systems based on ISO 14001.

### Environmental Risk Control

We attach great importance to environmental risk control and continuously improves our internal environmental risk management. We conduct regular identification and assessment of environmental factors, update our environmental emergency plans, comprehensively identify the environmental risks in production and operation, and take timely measures to minimize the impact of the Company’s production and operation activities on the environment. Based on the established environmental protection indicators and plans, we carry out inspections of waste management, water use management, dust, noise and other issues, and once environmental violations are found, we require relevant departments to immediately carry out rectification. We organize the formulation of grading standards for shopping mall decoration materials, and provide training to personnel of the engineering property department, investment & operation department and other control related departments according to standards; we regularly supervise the construction materials for decoration (including primary and secondary stores) to ensure the use of environment-friendly, flame-retardant or non-combustible materials; electrical materials must obtain national 3C certification, etc. If decoration materials are found to not meet the requirements, inspectors will promptly stop the construction and force replacement. During the Reporting Period, Zhenro Services did not commit any environmental violation.

### Environmental Management Objectives

In order to further implement the environmental protection work, specify the green development model and optimize the environmental management path, Zhenro Services, upon approval by the Board, set four environmental management objectives, clarified the measures for achieving such objectives, and further regulated environmental management during the Reporting Period.

Environmental Management Objectives		
Type	Target	Major Measures
Carbon reduction	Establishing a carbon emission management system; reducing the intensity of greenhouse gas emissions year by year	Strengthening the green and low-carbon promotion of environmental protection to the employees of the Company and property owners; unifying the statistical bases of carbon emission data and improving the data collection system
Energy use efficiency	Continuously promoting the construction of an energy management system and improving energy efficiency	Exploring the possibility of using renewable energy; promoting green office practices; replacing with energy-saving equipment
Water resources conservation	Reducing water use intensity year by year; improving water use efficiency	Strengthening the implementation of water-saving measures; enhancing employees’ awareness of water conservation
Waster management	Increasing waste management efforts; actively promoting the waste recycling	Working with suppliers to actively explore the use of recyclable packaging materials; improving the waste supervision measures and data statistics

## Implementing Energy Conservation and Emission Reduction

Zhenro Services always improves energy resource management capabilities, continuously enhances energy utilization efficiency, reduces the total amount of pollutant emissions, carries out green life creation actions, and creates a green low-carbon social atmosphere. We strive to promote the realization of energy conservation, carbon reduction, pollution reduction and synergistic efficiency, and establish a sound green low-carbon and cyclic development system and accelerate the promotion of the green transformation of the development model.

### Energy Use and Management

We actively respond to the national call to promote green and low-carbon energy transformation, continuously strengthens green energy control, accelerates the synergistic development of new energy, and promotes the transformation and upgrading of the Company's energy structure. In strict compliance with the Energy Conservation Law of the People's Republic of China and other national laws and regulations related to energy conservation, we have developed management systems such as the "Energy Consumption Management Guidelines of Zhenro Services Group", and established a four-level energy consumption management system for the Group, regions, cities and projects. We have carried out energy consumption management throughout the entire project cycle, including the planning and design stage, the construction and inspection stage and the service operation stage, so as to achieve good control over energy consumption, improve energy utilization ratio and reduce energy consumption while ensuring service quality.

We actively use energy-saving equipment and optimize energy management in all aspects of the operation process, regularly analyze and compare energy consumption, check for and follow up on abnormalities in the process of energy use, and implement energy conservation and emission reduction targets; reduce energy consumption through the use of energy-saving equipment and system optimization; actively expand green energy consumption channels and promote all projects to sign cooperation agreements with local clean energy suppliers to improve the coverage of clean energy.

#### Energy Conservation Measures of Zhenro Services

##### Central Air-conditioning System of Commercial Projects

Turn off the central air-conditioning unit 1 hour or more before closing the store, and use the inertial cooling capacity contained the refrigerant water of the cooling water pipes of the cold water circulation system for heat exchange circulation.

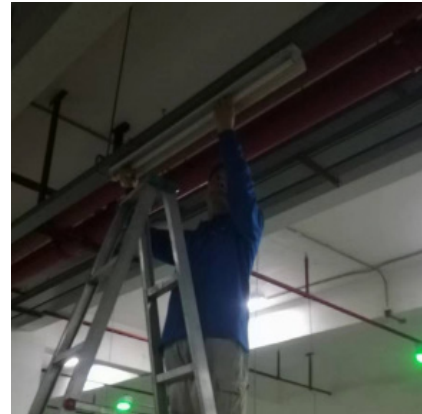
Reasonably set the target air conditioning temperature in shopping malls, and make it comfortable without waste.

Treat central air-conditioning water and remove incrustation scale, corrosion, etc. as scheduled every month, so as to ensure clear water quality and smooth flow in pipeline; enhance the efficiency of the condenser, evaporator and heat exchanger, improve the cooling effect, save energy and reduce costs.

In summer, thoroughly clean and maintain the refrigeration and cooling system before turning on the unit, and enhance the cooling capacity of the whole system.

**Illuminating System of Commercial Projects**

- According to BA system, make a setting of turning on the lamps only 5 minutes in advance and turning off all lamps for normal illumination, other than a few indoor emergency lamps, on time.
- Adjust the time of turning on exterior signboards and advertising light boxes of shopping malls according to the season and weather.
- Totally use LED lighting with time control devices for the basement; turn off the parking lights in the underground parking lot and keeps one quarter of the lane lights on for basic lighting at night, to reduce the lighting time and electricity consumption throughout the day.
- Replace ordinary lamp tubes by radar lamp tubes so as to reduce energy consumption during idle hours.



**Elevator System of Commercial Projects**

Use variable frequency operation for all escalators in the common areas to reduce the standby power consumption of escalators.

**Energy conservation and consumption reduction promotion measures**

  
**Whole-process supervision**

Set monthly energy consumption control targets, conduct monthly meter reading and analysis of energy consumption indicators, and make timely rectification of over-standard problems.

  
**Project strategy sheet**

Summarize the existing operation plans of lighting, water supply and drainage, air conditioning and other equipment in public areas, form a fine operation and complete operation solution of lighting, water supply and drainage, air conditioning and other equipment in public areas, including: equipment on/off time, operation parameters setting (e.g., air conditioning temperature), daily inspection requirements, etc., and control the fine operation of equipment against the strategy sheet.

  
**Sorting out the use of energy-saving lamps**

For non-personnel long-term stay areas, we minimize the use of long-lit lamps and develop an energy-saving lamp replacement plan to achieve replacement and upgrading. We try to control the switch operation and parameter setting of air conditioning, lighting and other equipment through time controller, automatic sensor panel, intelligent control switch and other self-control means.

  
**Promoting the use of water-saving products**

We promote the use of water-saving faucets, regulate the water output of toilets, urinals and squatting stations, use the reclaimed water collected from the industrial park or lake water for greening and irrigation, lock the water used for cleaning and other purposes in the industrial park and basement.

  
**Daily publicity and education**

We strive to raise the overall energy-saving awareness of personnel through publicity means such as posters and warm reminders; set the temperature of air conditioners used in the office and dormitory areas at 26 °C in summer, set the temperature of air conditioners in machine rooms > 28 °C, keep the doors and windows closed when the air conditioners are running, and close the air conditioners in the office and dormitory areas in time when the personnel leave.

## Emissions Management

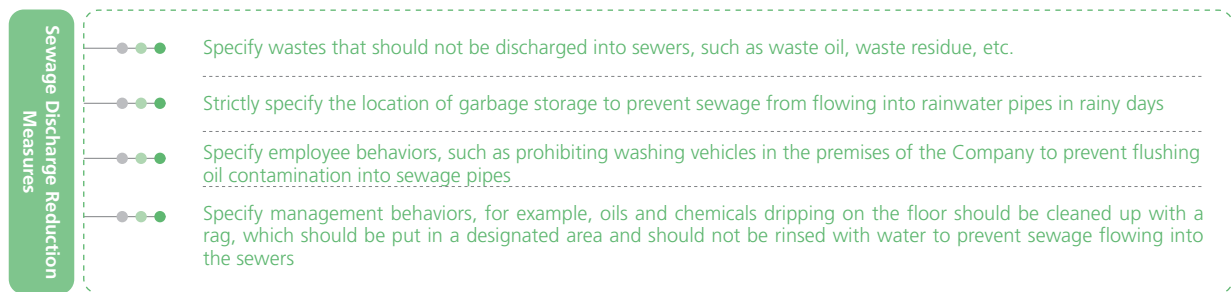
We attach great importance to emissions management and strictly comply with national and local laws and regulations. We have developed the Pollutant Management Procedures, continuously optimized the emission management measures, and strengthened the emission monitoring during operation, so as to ensure compliant emissions.

## Exhaust Gas Management

Due to the specific nature of the industry, our exhaust gas emissions are at a lower level. The Company's exhaust gas emissions are mainly the exhaust emissions from its vehicles. In order to reduce exhaust gas emissions, the Group has its vehicles annually inspected in strict compliance with national requirements to ensure vehicle exhaust emissions meet regulatory requirements. Meanwhile, we've cancelled the allocation of self-owned vehicles (except for assets of the acquired company during the disposal stage) to minimize the use of self-owned vehicles; we encourage employees to adopt ride sharing or public transportation by offering subsidies and taxi quotas, advocating green travel among employees. In addition, for the equipment that generates more exhaust gas, we strictly monitor various exhaust gas indicators to ensure that it meets the national and regional emission standards.

## Wastewater Management

We strictly comply with the Water Pollution Prevention and Control Law of the People's Republic of China and the sewage discharge standards in the operating regions to ensure 100% compliance with sewage discharge standards. Wastewater discharged by the Company is mainly domestic sewage. We have developed a strict wastewater discharge management system, and we implement a rain and sewage diversion mechanism and strictly monitor the wastewater discharge during operation. We engage a third party with professional qualifications to monitor various indicators of wastewater annually, so as to ensure that the effluent indicators meet the discharge requirements. Meanwhile, we actively take measures to reduce sewage discharge and the environmental impact.



## Waste Management

We strictly comply with the national and local laws and regulations, and has developed internal systems including the Solid Waste Management Rules. Zhenro Services carries out whole-process management of the wastes generated in operation, and strictly controls all processes of waste collection, classification, temporary storage, disposal and recycling, to ensure compliant disposal. Non-hazardous wastes generated in our daily operations and office work mainly include kitchen waste, waste paper and waste packaging materials. Hazardous wastes generated mainly include toner cartridges, waste ink cartridges, and waste electronic equipment. We urge our regional subsidiaries and projects to actively implement the waste sorting policy based on the requirements of the local government, and implement waste classification, cleaning and transportation management. In 2022, the projects managed by us have been recognized and praised by the local governments for pilot construction and promotion of waste classification in various regions.

## Disposal of Domestic Waste

Through establishing a sound waste classification system, we provide garbage bins with dry and wet waste separation in office areas. The property management team will uniformly entrust a qualified sanitation and waste removal agency for or recycling and disposal of hazardous waste.

## Disposal of Garbage from Shopping Malls

We specify the garbage classification requirements, and require the collection of all garbage according to the classification of recyclable garbage, kitchen garbage, hazardous garbage and other garbage. We also raise requirements for merchants to dispose of domestic garbage from three aspects, namely removal tools, methods and management. We require that dry and wet wastes should be separated and packaged with thickened garbage bags, and uniformly transported by garbage collection vehicles; swill waste should be put in 120L garbage cans, which should be covered to prevent secondary pollution caused by leakage during transportation; unified protective trolleys are used to deliver the purchased materials; construction waste must be stored and carried in strong woven bags and kept in designated locations when packaged.



Changsha project collaborated with government departments in promoting the garbage sorting supervision and promotion among merchants

### Case Strict Garbage Sorting in Fuzhou Mabao Project

In 2022, Fuzhou Mabao Project fully conducted garbage sorting in accordance with the requirements of sanitation authorities and the Company. We renovated domestic garbage chambers, purchased garbage sorting bins in line with national standards, and trained on-site cleaning workers and garbage transportation organizations, such that the project became the first commercial complex in Fuzhou High-tech Zone in terms of comprehensive garbage sorting. In 2022, Fuzhou Mabao Project was recognized by relevant departments unanimously in the garbage sorting inspection of the High-tech Zone.



Purchase of garbage sorting bins in line with national standards and strict implantation of garbage sorting

## Use and Management of Water Resources

We actively carry out the conservation and recycling of water resources. We improve the efficiency of water resources utilization and reduce water wastage by prioritizing the use of water-saving appliances, strengthening daily maintenance and management of water-consuming facilities and equipment, reducing the intensity of water consumption year by year, and promoting water recycling.

Our water consumption is mainly due to the use in office areas of domestic water, which comes from municipal water supply networks. During the Reporting Period, we formulated ten implementation measures at the project level by considering local government control requirements, including recycling and reusing toilet wastewater for cleaning and irrigation, conducting regular penetration tests of concealed water pipes and checking overflowing water tanks, regularly checking water meter readings and concealed water leaks, posting water conservation reminders and labels, and timely repairing dripping faucets.

## Promotion of Green Culture

We integrate the green low-carbon concept into our daily operations, actively building green shopping malls, encourage green consumption, and guide consumers to practice the simple and moderate, civilized and healthy living concept and lifestyle; advocate green office, and guide employees to establish the saving and anti-waste work concept; carry out green public welfare activities to create a good atmosphere for the society to cherish and implement the new green development concept, and work together to build a beautiful and green homeland.

## Construction of Green Shopping Malls

In order to effectively promote the construction of green shopping malls and further improve the construction quality and level, we conducted self-check from the six aspects of basic requirements, engineering facilities and equipment management, green supply chain construction, encouragement of green services, promotion of green consumption, resource recycling and environmental protection with reference to the "Implementation and Evaluation Rules for Construction of Green Shopping Malls (Supermarkets)", so as to comprehensively promote the construction of green shopping malls with the purpose of saving resources and achieving recycling, pollution reduction and carbon reduction.



In 2022, the Fuzhou Mabao Zhenro Fortune Center Project managed by Zhenro Services was awarded the title of "Green Shopping Mall" in Fujian Province.

## Encouraging Green Consumption

We actively respond to relevant requirements of the "Circular of Changsha Municipal People's Government on Prohibiting and Restricting the Use of Non-biodegradable Plastic Products in Some Places and Fields", actively advocate green consumption among merchants, and urge merchants to implement biodegradable and reusable packaging products as required; post green consumption promotion signs on the big screen in the square and at the entrance of restaurant merchants, and call on the main brands to adopt paper materials for take-out bags and straws. In 2022, chain merchants have completed the replacement, while more than 90% of other merchants have completed replacement of take-out packaging materials.



Green Consumption Promotion Activity

## Advocating Green Office

We integrate green and environmental protection concepts into our business operations, use recyclable products that can save resources, reduce pollutant generation and emissions in our office activities, and continue to strengthen the awareness of energy conservation and consumption reduction among all employees through equipment control, inspection and control, and quantification of energy consumption indicators.

### Specific Green Office Initiatives of Zhenro Services

<p>Optimize equipment control, install time controller in public area and each floor to optimize automatic switching time.</p>	<p>Carry out inspection and control, and optimize order and the frequency of the duty engineering personnel and cross-coverage of building inspections.</p>
<p>Set the target temperature: If the outdoor temperature is lower than 26 °C , it is prohibited to turn on the air conditioner; the temperature setting for turning on the air conditioner shall not be lower than 26°C .</p>	<p>Employees shall ensure that computer monitors, water dispensers, lights and fans are turned off after work, and avoid turning on lights during the day in offices with good natural light sources.</p>
<p>Save water, control the flow of water when washing hands and always turn off the faucet; take the initiative to turn off the faucet, toilet and other public facilities when you find leaks and report them for repair; prohibit the use of water from dispensers for other purposes, such as washing hands and objects.</p>	<p>We use water-saving products, install direct water dispensers in the office to reduce the use of ordinary water dispensers and to reduce power consumption; install water-saving stools, water-saving faucets and other water-saving appliances in the toilets/washing rooms; and use energy-saving and electricity-saving lighting fixtures.</p>
<p>Stipulate that energy consumption indicators are linked to the performance of order lines and engineering lines by modules.</p>	<p>We comprehensively carry out paperless office practices in the office areas, approve and record office matters online to reduce paper consumption. We promote recycling of office appliances, and provide used paper/old office appliance recycling baskets next to printers, so as to facilitate the collection of paper that can be reused, thus increasing the resource recycling rate.</p>



## Green Public Welfare Activities

In addition to practicing green culture within the Company, we also convey the concept of green development to merchants, property owners, tenants and other stakeholders, and put the concept of sustainable development into practice by conducting green public welfare activities, environmental knowledge classes and green renovations.



"Ro's School" Public Welfare Walk



"Being an Artist of Life" Environmental Protection Knowledge Classroom Activity



## Coping with Climate Change

Zhenro Services is deeply aware of the importance of climate change to the sustainable development of an enterprise. We actively respond to the national “Dual Carbon” targets, proactively identify the potential risks arising from climate change, pay close attention to the promulgation and dynamic development trend of national policies related to climate change, and incorporate the identification of climate change risks into an important part of corporate governance. We strengthen assessment and discussion of climate change issues and strive to seize opportunities for green development and reduce the potential negative impacts associated with climate change risks. We identify climate change risks with reference to the disclosure methods and recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Meanwhile, we develop measures to cope with climate change risks, accelerate the green transformation of enterprises and continuously improve our work in coping with climate change risks. Physical risks and transition risks of climate change that have a certain impact on the business operations and finances of the Company are identified through research and discussion, based on scenarios between the two representative GHG concentration pathways (RCP2.6 and RCP8.5), which are shown as follows:

Risk Category	Risk Parameter	Risk Description	Response
Market	Policy changes	Under the national dual-carbon policy, with the publication of relevant regulations and policies, we may be subject to negative impacts including fines, business losses, brand and reputation damage due to its failure to adjust its operating standards in accordance with the latest policies in a timely manner.	Actively identify the existing laws, regulations and policies, interprets relevant policy orientation, develops the development strategy of enterprises based on its business and actual needs, continuously updates and improves the management system of enterprises, and incorporates the philosophy of energy conservation and emission reduction into the strategic planning of enterprises.
	Increase in purchase costs	Climate change may lead to an increase in raw material prices and thus a rise in purchase costs.	Actively analyze analyzes the changing trend of raw material prices, expands the proportion of cooperation with local suppliers, so as to reduce supply chain risks, and effectively manages the risks of purchase cost increases through communication with suppliers and resource integration.
Reputation	Attention of property owners to social responsibilities	Society and customers pay more and more attention to the performance of corporate social responsibilities.	Persist in sustainable development, strengthens the participation in social welfare undertakings, and gradually carries out the green service transition to meet the needs of property owners.
Chronic risks	Sea level rise	The Intergovernmental Panel on Climate Change (IPCC) predicted that the sea level would rise by approximately 0.30m under the RCP8.5 scenario and 0.24m on average under the RCP2.6 scenario.	Carry out forward-looking risk identification and assessment of chronic climate risks, which are taken into consideration in planning; meanwhile, Zhenro Services pays close attention to the weather forecast to ensure timely and adequate preparation for the safety of employees and property owners.
Acute risk	Increase in the severity of extreme weather events including typhoons and floods	Extreme weather events will affect the safety of employees and labour management and planning.	Develop a risk emergency mechanism to cope with extreme weather, optimized the emergency management process to cope with extreme weather, and actively carried out emergency drills.



# Creating a Better Life with Happiness and Prosperity



Zhenro Services insists on sharing happiness and prosperity, and strives to share the fruits of development with stakeholders to achieve common prosperity. We insist on the people-oriented core concept, build perfect talent development channels, and protect the legitimate rights and interests of every Zhenro employee; we constantly enhance the service level of suppliers and actively participate in industry exchanges to build a sustainable development path with our partners; by leveraging on our business advantages, we devote ourselves to charity, fulfill our responsibilities with actions, and bring warmth to the community.

Protecting Employee Rights and Benefits /42

Growing Together with Partners /50

Creating a Warm Community /53



## Protecting Employee Rights and Benefits

Employees are an important force for promoting the sustainable development of an enterprise. Zhenro Services always adheres to the people-oriented principle and the talent philosophy of “cherishing, developing and giving full play to talents”, improves the recruitment regulations, and creates a diversified and high-quality talent team. We have developed sound recruitment management measures to effectively guarantee a high-quality workforce. We continuously improve the employee remuneration and benefits system, provide employees with a better working platform, promote the realization of their value, and support the sustainable development of the Company.

### Improving the Employment Mechanism

We strictly comply with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other laws and regulations, and have developed a sound and standard recruitment system and management system. We adhere to the principle of equal employment, devote ourselves to creating an equal and diversified working environment, prohibit discrimination in employment, and respect and equally treat employees of different genders, races, religious beliefs and cultural backgrounds. We strictly comply with international human rights conventions and labor standards, and strictly abide by the Law of the People’s Republic of China on the Protection of Minors, the Forced Labor Convention of the International Labor Organization and other laws and regulations. We strictly check the identity documents of candidates at all processes of employment to ensure compliant employment, and strictly prohibit the use of child and forced labor. During the Reporting Period, Zhenro Services did not involve any employment violation, any improper use of child labor or forced labor, or any harassment or abuse.

We attach great importance to talent development and respects the value of talents. In order to further standardize the recruitment process, achieve recruitment objectives, match business development and support the implementation of talent strategies, we updated the recruitment management rules during the Reporting Period, covering recruitment principles and standards, recruitment staffing and demand, recruitment channel management, interview and hiring management.



#### Recruitment principles and standards

The admission standards as to educational background and age of candidates are specified in consideration of the current strategic needs of the Company, team structure, market supply and demand and other factors, and on the basis of complying with the recruitment principle of “integrity and five strengths”.



#### Staffing and demands

The HR and Administrative Department of the headquarters regularly revises the staffing management plan, which serves as a reference for the position establishment and staffing determination of the service headquarters and regions.



#### Channel management

The iteration is carried out from three aspects, namely internal talent recommendation management, headhunting management and boomerang employee management to better adapt to the current development of the organization.



#### Interview and hiring management

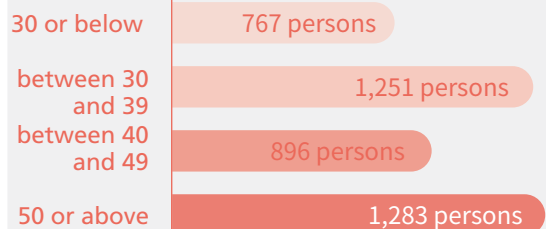
The Company’s power and responsibility process is combined to sort out the new interview power and responsibility and hiring red line, and conduct standardized management for employee recruitment, interview and hiring.

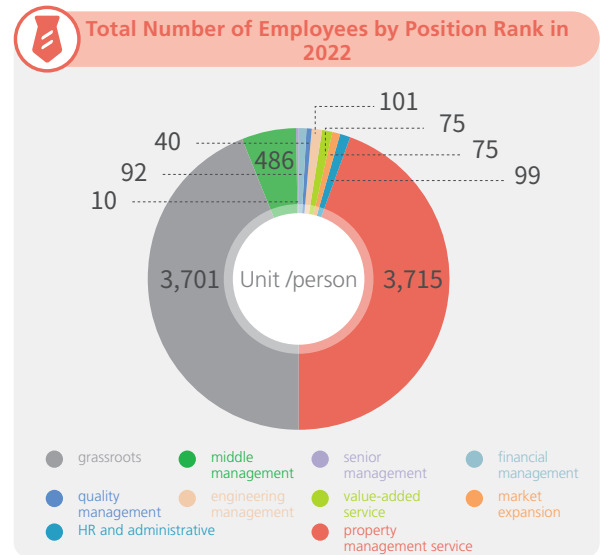
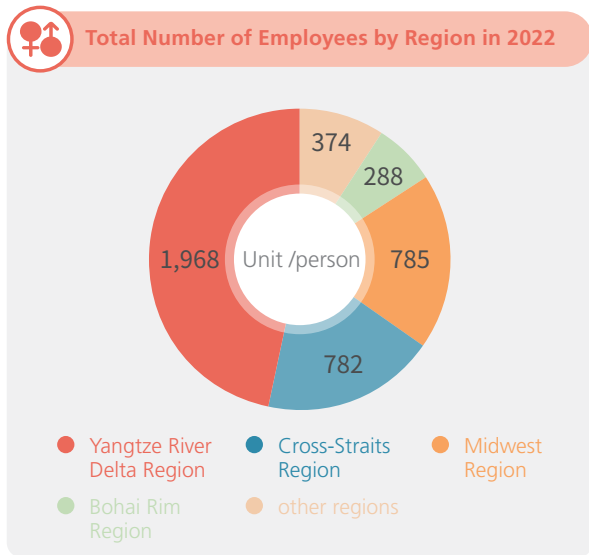


#### Total Number of Employees by Gender in 2022



#### Total Number of Employees by Age in 2022





## Focusing on Talent Development

We always persist in bringing talents together with its integrity as the core, taking career construction as the platform for talent development, and stimulating talents with the target of prosperity and sharing. Through the growth platform, we optimize the talent selection, training and incentive mechanism, explore the potential of talents, expand their vision, and maximize the release of human creativity. We provide employees with "all-round management sequence + professional sequence dual development channels", covering talent selection, training, promotion and other aspects, to create a fair, dynamic and open talent development path. In addition, we pay great attention to preventing and reducing employee turnover rate, and implement the "new employee orientation program for key job positions and regular return visit mechanism for resigning employees" to help new employees fit in the Company quickly and intervene resignation intention in advance. Meanwhile, we also include the "regrettable turnover rate of employees with key job positions" in employee performance evaluation to gain a timely understanding and focus on key job positions.

- **Middle-level positions**

Achieve promotion by way of certification + window period application, with four promotion opportunities per year

- **Management positions**

Achieve promotion by way of certification (or echelon training project) + competitive recruitment + window period application, with two promotion opportunities per year. Additional promotion may be considered in case of special needs

- **Job Position and Rank Design**

The management personnel are set in the G and M sequences, and the regional management sequence is set at G3-G6, with 2-3 levels for each job rank to strengthen business orientation, and their duties and job scope are graded and distinguished by region and project; key management personnel are set at M7-M9, with 3 sub-levels for each job rank, so as to relieve the congestion of development channels for middle-level cadres and break the development ceiling with small steps.

- **Core Backbone**

We set professional channels and provides another development channel for employees with outstanding professional abilities but slightly weaker management abilities, so as to retain outstanding talents through multiple approaches.

- **Grassroots positions**

Customer service positions are adjusted from Y sequence to Z sequence to strengthen their professional value of the positions, and establish a net-like structure, under which the property managers receive customers uniformly and coordinate resources to meet customer demands. Meanwhile, the job ranks are subdivided into three levels, subject to further refined management. For security, cleaning and engineering positions, we broaden their career promotion channels to accelerate their growth.

In consideration of the arrival of the human capital era and the Group's strategic requirements, we have developed the "integrity and five strengths" talent standard, and iterated and clarified the "Talent Portrait of Zhenro Services". We have established and improved an all-round talent training and development system in terms of integration of new employees, enhancement of basic skills for positions, capability training for key positions and team construction by the combination of the "introduction of talents from external benchmarking enterprises" and the "internal talent training of Zhenro". In 2022, we focused on the six employee training systems consisting of New Employees, Ro's Star, Ro's Manager, Ro's General, Ro's Marshal and Business Line Empowerment, emphasized on effectiveness of their implementation, and improved the management level and per capita effectiveness in the three aspects of organizational upgrade, system upgrade and talent upgrade.

### Six major employee training systems



New Employees



Ro's Star



Ro's Manager



Ro's General



Ro's Marshal



Business line  
enabling

### New Employees

The New Employees Program is Zhenro Services' internal brand for new employee development. It provides systematic management for new employee during the probationary period, including management and training, coaching and assessment, and conducts intensive training on a quarterly basis.

### Ro's Star

Ro's Star Program is an internal training brand of Zhenro Services for commissioned trainees, which focuses on the development and tracking of the whole career cycle of recruited new graduates and is applicable to new graduates who join the Company through unified recruitment and selection. Through systematic, scientific and professional training, they will grow into dynamic, enduring and courageous core business backbone and core functional backbone talents who will support the long-term development of the Company. In 2022, Ro's Star focused on 6 key training nodes.



Ro's Star Training Activity

## Ro's Manager

The Ro's Manager Program is a value-added service system of Zhenro Services, which is Zhenro's internal brand for internal hierarchical certification and training brand of managers. It focuses on enhancing the service level and efficiency of managers, covers extended services other than services, such as turnkey check-in, rental and sales intermediaries, etc., so as to store talents for account executives and project managers. During the Reporting Period, Ro's Manager Project has achieved five upgrades and breakthroughs, and the upgraded Ro's Manager will strongly support management, service efficiency improvement and career development.

- **Upgrade the orientation of the property manager position**

By clarifying job duties and management powers, we empower the position with more core responsibilities, thus broadening the career development space of this group of employees

- **Achieve the overall upgrade of the property manager team**

Through capability grading and assessment, we effectively balance the overall staff structure of the manager team, strengthen the horizon and strength of talents, and improve the overall combat effectiveness of the service team

- **Upgrade the job position standards**

By exporting unified job position standards, we unify the service and process standards to help property managers clarify assessment indicators and long-term goals

- **Upgrade the professional talent cultivation and assessment mechanism**

We improve management, assessment and incentive mechanisms, establish a sound cultivation and evaluation system for property management professionals, and provide powerful support for regional middle and back platforms through talent counting and specialized talent reserves

- **Upgrade the effectiveness of the property manager position**

We focus on strengthening management capabilities, realizing the transformation of traditional basic property service thinking, and enhancing the overall effectiveness of the enterprise through modern customer management, resource control and management thinking

## Ro's Management +



Positioning and upgrade of the position of household manager



Overall upgrade of the household manager team



Upgrade of training and assessment mechanisms



Upgrade of the standard for the position of household manager



Upgrade of the efficiency of household managers



**Case Official Launch of "Ro's Manager + Plan" by Zhenro Services**

Zhenro Services has launched a special plan to upgrade its "property manager system". Through a series of business reforms in property manager business model, service process and digital platform application, supplemented by professional, standardized and systematic training, assessment and qualification certification, we've established a comprehensive property manager service system to effectively enhance the core competitiveness of the Company and realize the virtuous cycle of customer satisfaction and business operation. On 18 April 2022, the offline intensive training of Ro's Manager qualification certification was debuted in the Western Straits Region. This certification is aimed at all property managers in the property areas, and the certification of property manager induction, advanced property manager qualification and senior property manager qualification was completed in batches by combining online and offline methods.



## Ro's General

Ro's General Talent Development Program is a special talent development program for content project managers based on the future operation and management of Zhenro Services. Through continuous follow-up training, we help project managers improve their professional and management capabilities, and build an invincible team to maintain the vitality of the Company. Zhenro Services' internal project manager and hierarchical development brand is divided into two programs, reserve cadre camp and cadre training camp, which are organized regularly once a year.



First Reserve Cadre Camp of Ro's General



## Ro's Marshal

In order to strengthen the management talent team of Zhenro Services, the Company organized the "Regional Management Team Training Camp (internally known as "Ro's Marshal" Program)", aiming to improve the comprehensive management capability of the regional management team and escort the strategic development of Zhenro Services. The "Ro's Marshal" Program lasted for one year, and organized two offline training sessions, one discussion workshop, one business sandbox simulation and one benchmarking enterprise study tour, conducted special research on business topics, and focused on both internal training and external practice.



Ro's Marshal Training

## Business Line Empowerment

The Business Line Empowerment Project, also known as functional and business lines, is a project carried out by Zhenro Services to enhance the professional skills and comprehensive capabilities of business line personnel, respectively.

## Intensive Training

During the Reporting Period, we conducted a total of 19,934 hours of training for its employees, with the average training hours per employee of 4.8 hours.

2022	Number of Employees Trained by Gender	Average Training Hours per Employee by Gender	Percentage of Employees Trained by Gender
	Number of male employees trained <b>2,228</b> person	Average training hours per male employee <b>3.9</b> hour	Percentage of male employees trained <b>53%</b>
	Number of female employees trained <b>1,962</b> person	Average training hours per female employee <b>5.6</b> hour	Percentage of female employees trained <b>47%</b>
2022	Number of Employees Trained by Management Rank	Average Training Hours per Employee by Management Rank	Percentage of Employees Trained by Management Rank
	Number of junior employees trained <b>4,147</b> person	Average training hours per junior employee <b>4.4</b> hour	Percentage of junior employees trained <b>85%</b>
	Number of middle management employees trained <b>741</b> person	Average training hours per middle management employee <b>3.7</b> hour	Percentage of middle management employees trained <b>11%</b>
	Number of senior management employees trained <b>22</b> person	Average training hours per senior management employee <b>1.6</b> hour	Percentage of senior management employees trained <b>4%</b>

## Improving the Remuneration and Benefits

We attach great importance to the construction of the remuneration and benefits system. On the one hand, we strengthen the construction of high-performance cultural orientation and high incentive system, enhance the refined management level of the Company and develop a long-term mechanism of standardized management and scientific development. We actively benchmark the remuneration and benefit levels of our peers and cross-industry enterprises, update and upgrade the standard and system in a timely manner. During the Reporting Period, we optimized and adjusted our remuneration and benefit standard and mechanism in terms of remuneration and benefit structure, remuneration and benefit items, remuneration reward and punishment mechanism to achieve diversified benefits and enhance employee happiness.

### Measures for Improving the Remuneration and Benefits

- Update the remuneration band, optimizing the remuneration structure, and improving the external salary payment competitiveness;
- Optimize the remuneration structure of front-line personnel, strengthen more pay for more work, and encourage value-added business output;
- Salary increases are linked to the performance of organizational business units to achieve symbiosis and mutual prosperity between the Company and its employees;
- Encourage project managers to manage across projects and business lines and enhance their personal management effectiveness through the project management subsidies;
- Strengthen spiritual incentives, such as shortening the excellence evaluation cycle, monthly ranking list, and materials incentives for excellent employees determined through annual selection;
- Update the reward and punishment mechanism to strengthen timely incentive and authorized regional management.

## Consolidating Democratic Management

We attach importance to democratic management, set up employee service hotlines through effective communication channels, understand employees' ideas, opinions and suggestions through multiple channels, and encourage employees to actively communicate about issues in their life and work. Meanwhile, we have set up employee relations specialist positions and employee service hotlines in our headquarters, regions and subsidiaries to receive and handle employee feedback, and ensure to give a response within 36 hours on normal working days. We hold employee seminars at least once every half a year to understand employees' demands, respond to their concerns, and open up the "last mile" of mutual communication and exchange to meet their reasonable needs.

## Occupational Health Management

The Group regards its employees as valuable assets, attaches importance to their health and safety, and is committed to creating a safe working environment for employees. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Administrative Measures for Occupational Health Examination and other laws and regulations. We have developed and continuously improved operational guidelines, processes and work manuals. In order to protect the health and safety of frontline employees, we provide them with personal protective articles, such as masks, protective clothing, safety ropes, etc. to ensure their personal safety. We have obtained the ISO45001 occupational health and safety management system certification. In the meantime, we provide regular medical examination service for employees every year to keep abreast of their health situation and safeguard their health. We organize employees to carry out induction operation safety training and fire drill training to enhance their safety awareness and protect the personal safety of employees and property owners. During the Reporting Period, Zhenro Services did not find any non-compliance with laws and regulations relating to the protection of safe working environment.



Health and Safety Training



Health and Safety Training

## Strengthening Care for Employees

We pay attention to the life and physical and mental health of our employees, and carry out various employee activities under the leadership of the trade union, so as to enrich their lives, enhance their satisfaction and strengthen their cohesiveness. We organize and arrange badminton, basketball, football and other employee activities every week to promote the physical and mental health of our employees. Meanwhile, we conduct large special employee activities on a quarterly or semi-annual basis covering the Company, regions and projects. For example, we carried out more than 50 activities including hiking, company celebration, team outward bound, birthday parties, festival parties and selection of outstanding employees, which helped develop employees' strong sense of identity.



Sending Coolness in Summer



Employee's Birthday Party

In addition, in order to implement the spirit of the corporate culture, show the warmth and care from the big family of Zhenro, and enhance employees' happiness, we have specially formulated the Employees' Mutual Fund System of Zhenro Group to timely relieve the economic pressure of our employees experiencing sudden and major difficulties, and assist their families subject to great difficulties due to sudden accidents.

### Major Types of Families in Need of Assistance

Employees or their families subject to great difficulties in life due to sudden accidents (such as traffic accidents, work-related accidents, involvement in crime, and family accidents)

Employees who suffer serious diseases and cannot afford the significant medical expenses arising therefrom (except for those sufficiently covered by medical and other commercial insurance)



Employees or their families subject to difficulties in continuing their life due to natural disasters (such as fires, floods, windstorms, earthquakes, mud-rock flows, volcanic eruptions, tsunamis and other disasters that are beyond the control of human)

## Growing Together with Partners

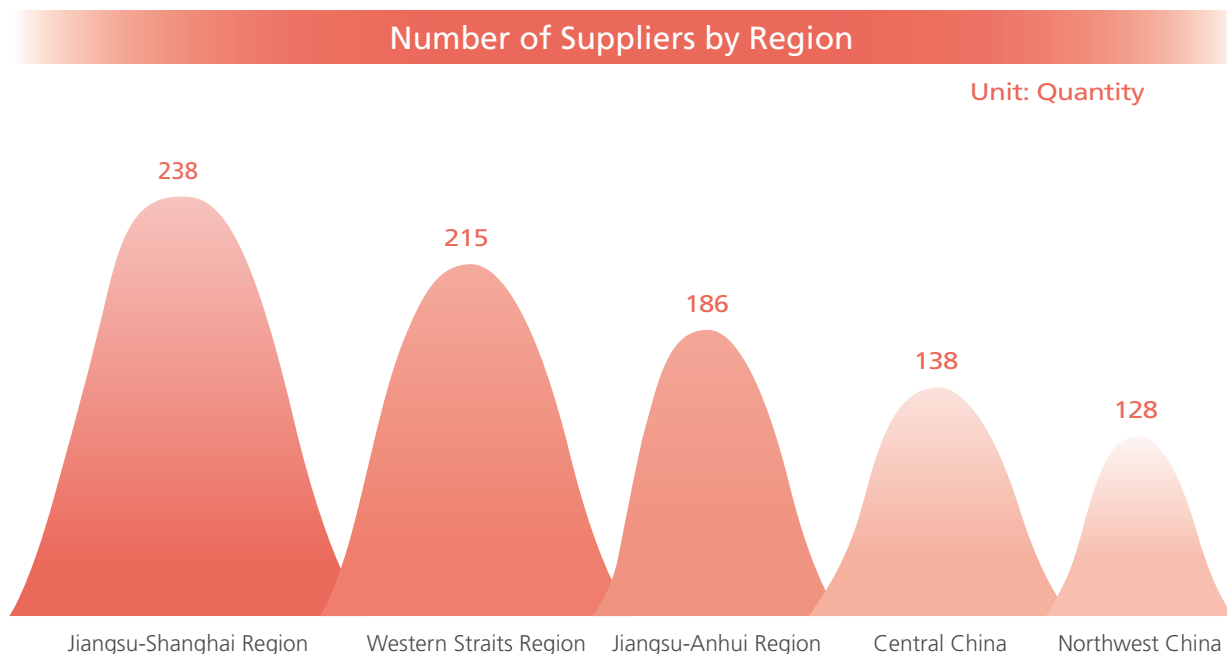
Zhenro Services insists on a wider, broader and deeper cooperation, and commits itself to establishing equal and mutually beneficial cooperation relationship with its partners and suppliers, so as to achieve sharing of complementary advantages and mutual empowerment among all parties. We share development achievements and jointly make efforts to achieve sustainable development with our partners through building a fair, transparent and responsible procurement relationship and actively participating in industry co-construction, government-enterprise cooperation, joining associations and other methods.

### Supplier Management

We have always regarded a high-quality supply chain system as an important prerequisite for providing high-quality products and considerate services. The Group strictly complies with relevant laws and regulations including the Law of the People's Republic of China on Tendering and Bidding. The Group has established and continuously improved internal supplier management systems including the Procurement and Tender Management System of Zhenro Property and the Tendering and Procurement and Supplier Management System of Zhenro Services Holdings Group, which specify supplier admission and evaluation systems, improve the supply chain management system, standardize procurement management, strengthen supplier access assessment, and help suppliers grow so as to build an honest, transparent and responsible supply chain. In addition, we actively advocate the concepts of green procurement, green packaging and green transportation to convey green and sustainable development values to our suppliers.

### Admission of Suppliers

We strictly control the qualification examination of suppliers and set up a strict admission inspection mechanism. We evaluate suppliers by on-site inspection, communication and exchange, information review, etc. to ensure that they meet the admission requirements. In addition to considering the suppliers' performance in qualifications, product and service quality, we also conduct a comprehensive ESG-related assessment in terms of their environmental management, social responsibility, labor rights and interests, etc., and improve the supply chain admission mechanism. Meanwhile, to ensure their legality and compliance, all suppliers are required to upload relevant information such as corporate professional qualifications and typical cases onto our supply chain management platform before admission. During the Reporting Period, we had a total of 905 suppliers.



## Supplier Evaluation

We conduct daily inspections and monthly/quarterly/irregular quality supervisions and inspections on suppliers. In the case of the daily inspection, we inspect the service quality of suppliers according to the quality requirements of contracts and products; in the case of monthly/quarterly/irregular quality supervision and inspection, we irregularly inspect the performance of contracts by suppliers. We record the failure to strictly perform contracts, on the site, according to the objective circumstances. Based on the inspection results, we score the performance of suppliers and require them to make rectifications within a specified period. We immediately terminate our contract with a supplier who is found to violate regulations or contracts.

Classification of Suppliers	
<b>Level S</b>	The Group's Excellent Level, The supplier with cooperation in multiple regions who is rated excellent in each regional supplier evaluation can be classified as an excellent supplier of the Group and is entitled to corresponding incentives.
<b>Level A</b>	Regional Excellent Level, The supplier with cooperation in multiple projects in a single region who is rated excellent in the supplier evaluation in the region.
<b>Level B</b>	General Qualified Level, Supplier who meets daily purchasing needs of projects.
<b>Unqualified Supplier</b>	The supplier is subject to two-year suspension, during which the supplier is not allowed to have any cooperation with Zhenro Services in projects in the place where it is rated unqualified. The resumption of cooperation after the two-year period is subject to re-inspection for admission.
<b>Blacklisted Supplier</b>	The supplier is subject to a three-year cooperation suspension, during which the supplier is not allowed to have any cooperation in all projects of Zhenro Services. The resumption of cooperation after the three-year period is subject to re-inspection for admission after the approval and confirmation by the bidding purchase department of the headquarters.

In addition, we conduct regular audits and evaluations of our suppliers. At the beginning of each year, we conduct a centralized annual review and grading of qualified suppliers with more than one year of cooperation, generally once a year. We review the supplier's service attitude, service level, corporate reputation, pre-sale/after-sale service, the quality, adaptability/delivery timeliness, price, safety of service/product, etc. and divide them into different levels in terms of cooperation based on the results of the review.

## Supplier Communication and Training

We are fully aware that good cooperative relationships with suppliers are essential for the steady development of enterprises. In addition to regular quality supervision and inspection and annual assessment of suppliers, we have established a good communication mechanism with suppliers, and conducted communication activities in terms of product details and quality, so as to continuously promote the improvement of the quality and service of the suppliers and achieve the goals of mutual improvement and win-win cooperation. In 2022, we carried out supplier communication and training activities in the Jiangsu-Shanghai Region, where we had in-depth communication with suppliers on company profile, business development presentation, management demand introduction and management support personnel. We have clarified supplier evaluation management, cooperation default management, and integrity agreement management to jointly promote high-quality development of our businesses and lay a foundation for stable development of suppliers.

## Transparent Procurement

We continue to standardize procurement management, adhere to legal and transparent procurement, set up compliant procurement procedures, and conduct all-round management from procurement planning, procurement execution, and process supervision to ensure that the procurement process is fair and just.

## Promoting Cooperation with Win-win Outcomes

We will unswervingly build a happy enterprise with a high sense of social responsibility and work with all sectors of society to promote social development. During the Reporting Period, through government-enterprise cooperation and enterprise-enterprise cooperation, we explored new modes of cooperation and development through experience sharing, capacity synergy and resource complementation to help build a beautiful city and create a better life together.

### Case “Ronghe” Brand-new Ecological Chain Platform

As a brand-new development track explored by Zhenro Services, “Ronghe” is a business platform built in the model of “investment + incubation”, which is a business entity with independent operation capability and development control system. In 2022, the new joint venture ecological chain platform of Zhenro Services - “Ronghe” was officially unveiled, which upholds an open, win-win cooperation strategy, and works together with industry partners to build a comprehensive service ecological chain for a better life, adding more happiness and possibilities for urban life. Based on the “Ronghe” platform, Zhenro Services and its partners jointly set up a joint venture to carry out projects. With “Ronghe” as the carrier, both parties channel mutual resources, feed each other and achieve win-win cooperation through synergistic development.

### Case Zhenro Services Settled in the Wuzhou Area of Xuanwu Lake Scenic Area in Nanjing

In recent years, Zhenro Services has continued to develop the field of urban services, and has entered into strategic cooperation with Gulou District, High-tech Zone and Yichun Bus Group in Fuzhou, and established a joint venture with Nanjing Xuanwu Environmental Group. In 2022, with the original intention of “Providing Heartfelt and Personalized Services for Your Well-being”, Zhenro Services Group and Xuanwu Environment Group took advantage of their respective strengths to establish a professional environmental management and operation team. Through the new service model, we improve the service quality standard, enhance the beautiful environment of Xuanwu Lake Scenic Area in Nanjing, build new scenes to enhance the humanistic characteristics of the scenic area, share the green and healthy life, and let more citizens feel the diversified, refined and precise urban services of Zhenro Services.



## Creating a Warm Community

Zhenro Services continues to deliver warmth to the society, helps to share the fruits of development with the society, uphold a high sense of social responsibility, and integrates public welfare into our daily work. We are wholeheartedly committed to social welfare activities, and strive to be a warm and responsible enterprise. We carry out a number of public welfare activities in communities, and promote community construction with a more professional, standardized, systematic and high-quality service system to create a warm community. During the Reporting Period, we organized and carried out multiple public welfare activities in communities, which were widely praised by property owners.

### Co-Construction of a Warm Community

Based on its main responsibilities and businesses and leveraging on its strengths, we are committed to building safe, healthy, civilized and green communities by carrying out activities such as healthy communities and fire drills. The Group actively fulfills corporate social responsibilities to create a better life in a healthy, friendly and happy community.

#### Overview on Community Culture

			
<b>Covering 11 festivals</b>	<b>Holding over 600 events</b>	<b>70,000 participants</b>	<b>Continuous creation of property owner communities</b>
Covering New Year's Day, Spring Festival, Valentine's Day, Women's Day, Mother's Day, Labor Day, Children's Day, Dragon Boat Festival, Mid-Autumn Festival, National Day and other important festivals	Project business forms covering residential businesses (including own and acquired residential businesses), non-residential, shopping mall	Diversified activities, and corresponding activities for different groups and age groups	Creating the "Ronglehui" property owner community IP system, for extensive cultivation and accurate incubation

#### Case Women's Day Special Events of Zhenro Services

On the occasion of the Women's Day in 2022, Zhenro Services, together with its customers and employees, launched the "Zhenro Services Women's Day Special Event", offering floral art classes for female property owners, cooperating with community health service centers to provide voluntary medical consultation, women's health seminars and other services. We also carry out public welfare medical consultation for women's health and promote women's healthy lifestyle. In addition, we have also joined hands with yoga organizations to launch "yoga public welfare lectures" to impart health knowledge.



Case Initiating 'Health Ambassador' to Safeguard Community Safety

Healthy communities have formally launched the "Health Ambassador" plan to carry out first aid knowledge training to achieve full participation, comprehensive science and technology popularization and regional implementation, built a new community safety barrier, took the lead in implementing the new trend of healthy community concept in the industry. The "Health Ambassador" series activities incorporate community health knowledge and first aid knowledge, especially CPR, wound dressing and other support skills into the community service system through multiple methods. It further improves the support services by conducting full personnel training to lay a solid foundation for a healthy community and make the good life go more steadily and farther.



Fire Safety Drill



Organizing Cleaning of the Industrial Park



Creating a Beautiful Living Environment

## Charitable and Public Welfare Activities

We integrate the awareness of fulfilling responsibilities in its daily operation, firmly establishes the sense of responsibility, and takes caring for and giving back to the society as the survival value and development motivation of the enterprise. We give back to the society and create social values by carrying out Lei Feng activities and volunteer activities.

Case Zhenro Services Volunteer Association Boosts the Harmonious Development of the Community

Through unified organization and management, Zhenro Services Volunteer Association gradually develops individual volunteer behaviors of different forms and service targets into large-scale and standardized volunteer service organization behaviors, provides refined and normalized volunteer services for the community, and contributes to the creation of a better community. In 2022, Zhenro Services set up six volunteer associations across the country to cultivate community volunteer teams, nurture and develop volunteer organizations and promote social harmony under the leadership of the Party.





**Case Providing Assistance to the College Entrance Examination and Escorting for Your Dreams**

On the occasion of the college entrance examination, Zhenro Services strives to create a healthy and quiet environment for college students to prepare for the examination. We prepared love gift bags and warm gifts for candidates in the community of each region, and set up college entrance examination patrol teams to control all kinds of environmental noise. In addition, the volunteer association has spontaneously organized the establishment of a caring delivery team to provide free pick-up and drop-off services for candidates.

**Case Time Bank, Exploring a New Life of Mutual Assistance in the Neighborhood**

In March 2022, the first “Time Bank” Zhenro Branch in Hunan Province was officially inaugurated on the plaza outside Zhenro Fortune Center in Changsha, a project managed by Zhenro Services. The project was jointly launched by Zhenro Services, Zhenro Charity Foundation, Changsha Zhenro Fortune Center and Changsha Wangcheng District Kun Yuan Social Work Service Center. The “Time Bank” Zhenro Branch has effectively used the shopping center as a platform to undertake social welfare functions and get more consumers involved, thus creating a good development environment for social work, volunteer services and public welfare charity activities, and allowing public welfare activities to convey values on the public platform “in a silent but endless manner”. Meanwhile, it has established a community public welfare participation platform for surrounding areas, which guides residents to carry out diversified community-based public actions, promotes neighborhood relations, and gathers community strength to achieve a new community life of health, mutual assistance and happiness.



**Case Public Welfare Training for Community Workers**

In early 2022, the “Hello, Community” public welfare training for community workers, jointly sponsored by the Party Committee of Zhenro Group and Zhenro Services and organized by Zhenro Public Welfare Foundation, was launched in Fudan Science and Technology Park, bringing together community workers from all over China to discuss the important issue of community governance. A team of experts and professors from Fudan University, founders of well-known social organizations and outstanding community workers presented a wonderful journey of improvement to nearly 40 participants from more than ten regions across China. Through professional course learning and fieldwork exchanges, the participants were empowered with public welfare training, and jointly explored the multiple paths of building a better community.







## Future Outlook

In 2023, with the launch of multiple domestic economic recovery policies, the property management industry will embark on a new development cycle. The positioning of the property industry will become clearer, and its development logic will shift from extensive to refined development. Property companies will continue to strengthen their independent expansion capabilities, and continue to explore the track and business space in line with their development segments. Their service boundary is expected to further expand.

In the face of new market opportunities and challenges, we will continue to adopt a more proactive strategic attitude, continuously adhere to quality services, and consolidate the basic business fundamentals; strengthen deep exploration into regional government synergies, actively explore innovation in cooperation models, and enhance business synergies between commercial management and property management, so as to strengthen its market expansion and independent development capabilities, actively explore and broaden business boundaries, and solidify independent and sustainable development. Meanwhile, we are firmly promoting the development of smart properties and steadily improving operational efficiency. We will implement its technology strategy and build a digital platform to create core competence.

## Appendixes

### KPIs

Indicators	Unit	2020	2021	2022
Revenue	RMB'00 million	11.0	13.4	11.4
Gross profit	RMB'00 million	3.8	4.3	2.5
Total taxes	RMB'00 million	1.0	1.5	0.9
Number of Board members	person	7	7	7
Number of independent directors	person	3	3	3
Percentage of female directors	%	0	0	0
Number of employees participating in anti-corruption related training	person	397	600	1,039
Number of anti-corruption training for employees	time	3	9	3
Number of directors participating in anti-corruption related training	person	7	7	7
Number of anti-corruption training for directors and senior management	time	3	5	3
Coverage rate of directors participating in anti-corruption related training	%	100	100	100
Number of suppliers in North China	supplier	29	29	30
Number of suppliers in Central China	supplier	193	201	35
Number of suppliers in Northwest China	supplier	12	231	30
Number of suppliers in South China	supplier	0	0	0
Number of suppliers in East China	supplier	306	976	810
Number of suppliers in Northeast China	supplier		0	0
Percentage of suppliers signing integrity agreements	%	100	100	100
Customer satisfaction	Point	92	87	92
Customer complaint resolution rate	%	100	100	100
Total number of employees	person	4,635	5,037	4,197
Number of headquarters employees	person	85	104	58
Number of male employees	person	2,548	2,730	2,236
Number of female employees	person	2,087	2,307	1,961

Indicators	Unit	2020	2021	2022
Number of full-time employees	person	4,635	5,037	4,197
Number of intern employees	person	100		0
Number of part-time employees	person	7	3	0
Number of employees aged 30 or below	person	1,190	1,381	767
Number of employees aged between 30 and 39	person	1,616	1,753	1,251
Number of employees aged between 40 and 49	person	920	948	896
Number of employees aged 50 or above	person	909	955	1,283
Number of employees in the Yangtze River Delta Region	person	1,852	2,080	1,968
Number of employees in the Cross-Straits Region	person	1,813	1,438	782
Number of employees in the Midwest Region	person	662	1,238	785
Number of employees in the Bohai Rim Region	person	179	177	288
Number of employees in other regions	person			374
Number of grassroots employees	person	3,378		3,701
Number of middle management employees	person	1,186		486
Number of senior management employees	person	136		10
Number of financial management employees	person	89		92
Number of quality management employees	person	583		40
Number of engineering management employees	person	86		101
Number of value-added service employees	person	47		75
Number of market expansion employees	person	100		75
Number of HR and administrative employees	person	3,571		99
Number of property management service employees	person	23		3,715
Percentage of employees with disabilities	%			0.02
Employee satisfaction	%		84	84

Indicators	Unit	2020	2021	2022
Employee turnover rate	%		14.70	43.94
Turnover rate of male employees	%		14.79	45.82
Turnover rate of female employees	%		14.61	41.66
Turnover rate of employees aged 30 or below	%		25.88	62.30
Turnover rate of employees aged between 30 and 39	%		13.05	42.10
Turnover rate of employees aged between 40 and 49	%		10.88	42.83
Turnover rate of employees aged 50 or above	%		5.96	28.60
Employee turnover rate in the Yangtze River Delta Region	%		11.22	40.24
Employee turnover rate in the Cross-Straits Region	%		17.61	44.30
Employee turnover rate in the Midwest Region	%		17.56	48.30
Employee turnover rate in the Bohai Rim Region	%		16.89	43.50
Total training hours of employees	hour		31,175	19,934
Employee training coverage rate	%		100	96.7
Percentage of male employees trained	%	55	46.9	53
Percentage of female employees trained	%	45	53.1	47
Number of junior employees trained	%	61	62.5	85
Number of middle management employees trained	%	37	35.5	11
Number of senior management employees trained	%	2	2	4
Average training hours per male employee	hour	6.15	6.31	3.9
Average training hours per female employee	hour	6.07	6.04	5.6
Average training hours per junior employee	hour	5.12	4.96	4.4
Average training hours per middle management employee	hour	8.82	10.33	3.7
Average training hours per senior management employee	hour	8.51	7.55	1.6
Number of work-related fatalities	case	0	0	0
Lost working days due to work-related injuries	day			411.5
Scope 1 GHG emissions	tonne CO <sub>2</sub> equivalent		13	10
Scope 2 GHG emissions	tonne CO <sub>2</sub> equivalent	2,441	952	846

Indicators	Unit	2020	2021	2022
Total GHG emissions	tonne CO <sub>2</sub> equivalent	2,441	965	856
Total GHG emissions per unit revenue	tonne CO <sub>2</sub> equivalent/revenue in RMB0'000	0.02	0.01	0.01
Dangerous waste intensity	kg/tonne	0	0	0
Total non-hazardous waste generated	tonne	125,252	131,942	118,748
Total hazardous waste generated	tonne		0.015	0.01
Waste discharge per unit revenue	tonne/revenue in RMB0'000	1.136	0.988	1.04
Total water consumption	tonne	4,765	10,402	9,362
Water consumption per unit of revenue	tonne/revenue in RMB0'000	0.043	0.078	0.082
Total wastewater discharge	tonne	3,812	8,322	7,822
Wastewater discharge per unit of revenue	tonne/revenue in RMB0'000	0.035	0.062	0.069
Gasoline consumption	L		5,998	3,596
Purchased electricity consumption	kWh	3,470,083	1,352,968	1,231,201
Total (direct and indirect) energy consumption	tonne of coal equivalent	426	172	161
Direct energy consumption	tonne of coal equivalent		6	4
Indirect energy consumption	tonne of coal equivalent	426	166	142
Energy consumption per unit of revenue	tonne of coal equivalent/revenue in RMB0'000	0.004	0.001	0.001
Number of employees participating in community public welfare activities	person		160	100
Number of community public welfare activities participated by employees	time		20	5

## List of Laws, Regulations and Internal Policies

### Laws and Regulations

Company Law of the People's Republic of China  
Rules Governing the Listing of Securities on the Stock Exchange  
Audit Law of the People's Republic of China  
Law of the People's Republic of China on Anti-money Laundering  
Law of the People's Republic of China on Anti-Unfair Competition  
Interim Provisions on Prohibiting Commercial Bribery  
Network Security Law of the People's Republic of China  
Administrative Measures for the Graded Protection of Information Security  
Law of the People's Republic of China on the Protection of Consumers' Rights and Interests  
Advertising Law of the People's Republic of China  
Property Management Regulations  
Environmental Protection Law of the People's Republic of China  
Labour Law of the People's Republic of China  
Law of the People's Republic of China on the Protection of Minors  
Law of the People's Republic of China on Tendering and Bidding

### Rules and Standards Issued by the HR and Administrative Department

Notice of Zhenro Services on Attendance and Vacation Management Standards  
Notice of Zhenro Services Holdings Group on Management Standards for Job Positions and Ranks  
Notice of Zhenro Services Holdings Group on Management Rules for External Job Position System  
Notice of Zhenro Services Holdings Group on Organizational Management Standards  
Notice of Zhenro Services Holdings Group on Management Guidelines for Excellence Evaluation  
Materials Management Standards of Zhenro Services Holdings Group  
Business Travel Management Standards of Zhenro Services Holdings Group  
Personnel Operations Management Standards of Zhenro Services Holdings Group  
Procedures for Identification and Evaluation of Environmental Factors  
Pollutant Management Procedures  
Management Procedures on the Influence Exerted on Interested Parties  
Pollutant Management Procedures  
Solid Waste Management Regulations  
Timely Management System of Zhenro Property  
Procurement and Tendering Management System of Zhenro Property  
Tendering and Procurement and Supplier Management System of Zhenro Services

### Internal Policies

Procurement and Tender Management System of Zhenro Property  
Agreement on Cooperation with Integrity  
Customer File Management Rules  
WeChat Butler Management Rules  
Customer Reception Management Protocol  
Operational Guidelines for Extension Projects Review of Zhenro Services Holdings Group  
Management Rules on Property Market Expansion of Zhenro Services Holdings Group  
Rules on the Establishment of Property Extension Projects of Zhenro Services Holdings Group



## Index of Indicators

First-level Title	Second-level Title	ESG Reporting Guide for Chinese Enterprises (CASS-ESG5.0)	ESG Reporting Guide OF the Hong Kong Stock Exchange	Section in this Report
About the Report		P1.1-1.3	Scope of the Report	P01
Chairman's Statement		P1.1-1.2	—	P02-03
About Zhenro Services	(I) Corporate Culture	P4.1-4.2	—	P04
	(II) Principal Activities	P4.3	—	P05
	(III) Organizational Structure	P4.1	—	P05
	(IV) Highlights of Performance in 2022	P4.1	—	P06-07
Upholding Integrity to Consolidate the Foundation of Governance	(I) Legitimate and Compliant Operation	G1.3-1.6	—	P10-13
	(II) Strengthening ESG Governance	G3.1-3.7	Governance Structure, Reporting Principles, Materiality	P14-16
	(II) Implementing Integrity Construction	G1.7-1.9	B7 General Disclosure, KPI B7.1-7.3	P16-17
Providing Craftsmanship Services with Superior Quality	(I) Ensuring Service Quality	S4.1,S4.3		P20-21
	(II) Improving Service Quality	S4.5-4.9	B6 General Disclosure, KPI B6.2, B6.5	P21-25
	(III) Smart Innovation Services	S4.1		P26-29
Safeguarding Ecology and Practicing Green Development	(I) Focusing on Environmental Management	E1.1, E1.7		P32
	(II) Implementing Energy Conservation and Emission Reduction	E2.4, E2.14-2.15, E3.1	A1 General Disclosure, KPI A1.6; A2 General Disclosure, A2 General Disclosure, KPI A2.1-2.5	P33-38
	(III) Coping with Climate Change	E5.1-5.4		P39
Creating a Better Life with Happiness and Prosperity	(I) Protecting Employee Rights and Benefits	S1.1-1.11, S2.1-2.4	B1 General Disclosure, KPI B1.1-1.2, B2 General Disclosure, KPI B2.1-2.3; B3 General Disclosure, KPI 3.1-3.2; B4 General Disclosure, KPI 4.1-4.2	P42-49
	(II) Growing Together with Partners	V2.5-2.6	B5 General Disclosure, KPI B5.1-5.4	P50-52
	(III) Creating a Warm Community	V3.4-3.5	B8 General Disclosure, KPI B8.1-8.2	P53-55
Future Outlook		A1	—	P57
Appendixes	(I) KPIs Table	A2	Reporting Principles, Quantitative and Consistency	P58-61
	(II) List of Laws, Regulations and Internal Policies	—	—	P62
	(III) Index of Indicators	A4	—	P63

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