



2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

INTRODUCTION

For the convenience of expression and reading, Lushang Life Services Co., Ltd. is referred to as “**Lushang Services**”, the “**Company**”, “**we**” or “**us**” in this report.

This report is the first sustainability report published by Lushang Services since its listing. It aims to disclose the Company’s contributions and performance in terms of environmental, social and governance (“**ESG**”) in a transparent and open manner, so as to respond to the concerns and expectations of various stakeholders on the Company’s sustainability management.

REPORTING PERIOD

The reporting period for the content of this report is from January 1, 2022 to December 31, 2022 (the “**Reporting Period**” or “**Year**”). In order to enhance the comparability and completeness of this report, certain content also covers other periods.

REPORTING SCOPE

This report covers Lushang Services and its subsidiaries.

BASIS FOR THE PREPARATION OF THIS REPORT

This report is prepared mainly in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or “**Stock Exchange**”), the United Nations’ Sustainable Development Goals (“**SDGs**”) Corporate Action Guidelines and the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (“**GRI**”).

PRINCIPLES OF REPORTING

The preparation process of this report follows the principles of “materiality”, “quantitative”, “balance” and “consistency” in the ESG Reporting Guide issued by the Stock Exchange to fully and accurately respond to stakeholders’ concerns about Lushang Services. The principles of reporting are as follows:

ABOUT THIS REPORT

Table: Principles of reporting

Principles of reporting	Definitions	Response of the Company
Materiality	According to the ESG Reporting Guide, materiality refers to the threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported.	The Company fully considered its business characteristics, communicated with stakeholders to identify material ESG issues at present, submitted them to the Board for consideration and final approval, and engaged a third-party professional institution to prepare this report.
Quantitative	Key performance indicators (“KPIs”) in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The KPIs of the Company in environmental and social aspects are presented in the form of quantitative information with accompanying narratives to facilitate evaluation and validation.
Balance	The report should provide an unbiased picture of the Company’s ESG performance. The report should avoid selections that may inappropriately influence a decision or judgment by the report reader.	This report objectively, fairly and truly reflects the effectiveness and practice of the Company’s ESG management work in 2022.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	Following the principle of consistency, the Company will consistently disclose ESG information in the following years to facilitate comparisons over time.

SOURCES OF INFORMATION

The information in this report is derived from the Company’s official documents, statistical data or publicly available information, and has been approved by the internal supervision mechanism. The Board of the Company is responsible for the authenticity, accuracy and completeness of the content of this report.

ACCESS TO THIS REPORT

This report is available in Chinese and English versions for readers’ reference, and is published in electronic form. You can download this report from the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.lushangfuwu.com).

ABOUT US

COMPANY PROFILE

Lushang Life Services Co., Ltd. is a comprehensive property management service provider with a market leading position in Shandong Province and a proven track record of rapid growth. Headquartered in Jinan, Shandong Province, the Company has, through 16 years of development since its inception in 2006, expanded its coverage to nearly all prefecture-level cities in Shandong Province and to Beijing and Harbin. According to China Index Academy, the Company was ranked 41st among the 2022 Top 100 Property Management Companies in China (2022年中國物業服務百強企業) in terms of overall strength.

BUSINESS SEGMENTS

The Company's business primarily includes three business lines: (1) property management services; (2) value-added services to non-property owners; and (3) community value-added services.

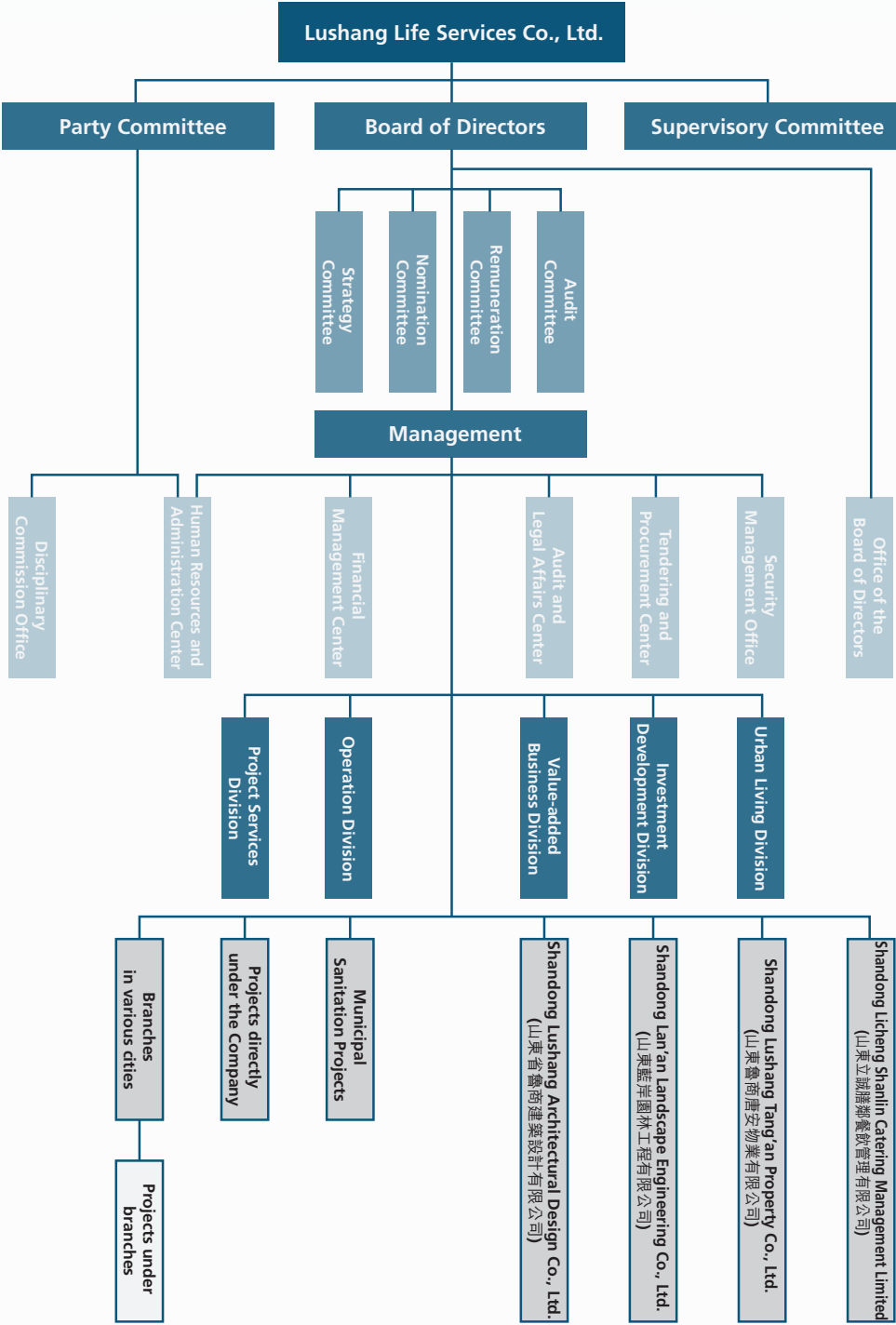
Property Management Services. The Company provides property developers, property owners (including public entities), residents and tenants with a wide range of property management services, comprising cleaning, security, greening, repair and maintenance, public area maintenance and other property management related services. The Company manages a diverse portfolio of properties, including residential properties, commercial properties such as commercial complexes, office buildings and apartments, and public properties including municipal facilities such as city roads, schools, theme towns, hospitals, banks, industrial parks and airline base property.

Value-added Services to Non-Property Owners. The Company's value-added services to non-property owners primarily consist of: (1) design services, where we provide property developers and schools with preparation of construction blueprints and relevant design plans, and interior decoration for property developers, commercial complexes and hotels' sales offices and show flats and common area, before the construction begins; (2) patrol and security management for construction sites, and consulting services in which we advise on various stages of property developers' business operations; (3) landscaping services; (4) pre-delivery services; and (5) other customized services such as repair and maintenance services.

Community Value-added Services. The Company's community value-added services primarily consist of: (1) community space and resource management services; (2) parking space management services; (3) utility management services; and (4) community living services.

ABOUT US

ORGANIZATIONAL STRUCTURE



ABOUT US

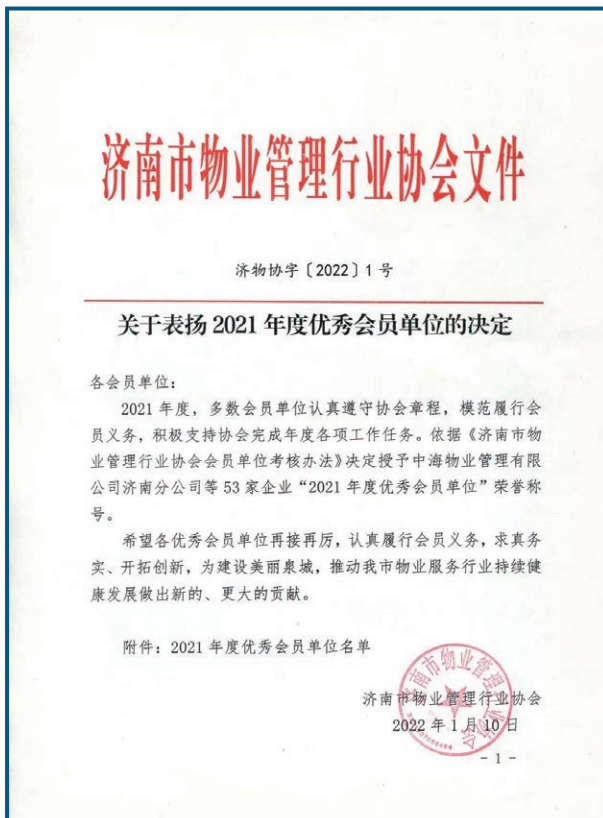
HONORS



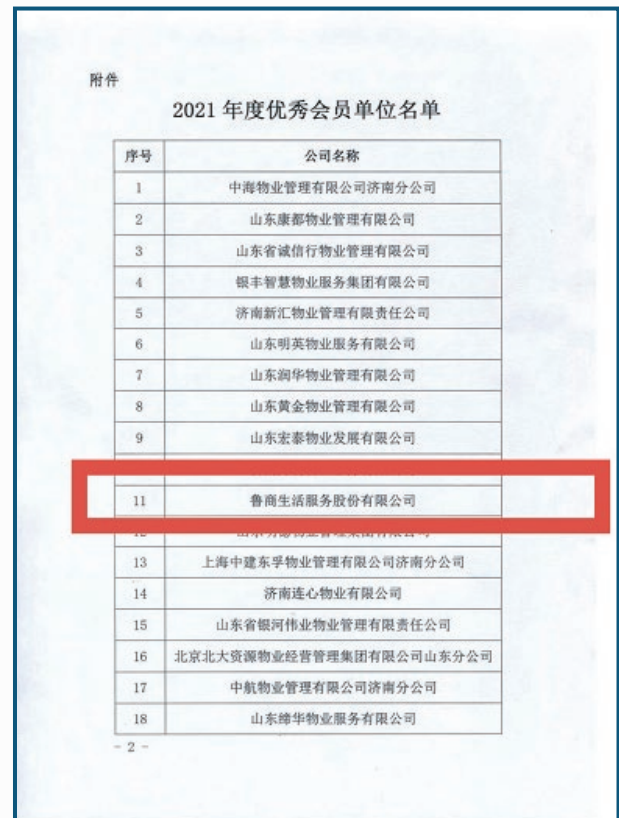
2022 Top 100 Property Management Companies in China (2022年中國物業服務百強企業) awarded by China Index Academy



2022 Top 10 Property Management Companies in Shandong Province (2022年山東省物業服務力TOP10企業) (ranked 5th) awarded by China Property Management Research Association (中物研協) and CRIC Property Management (克而瑞物管)



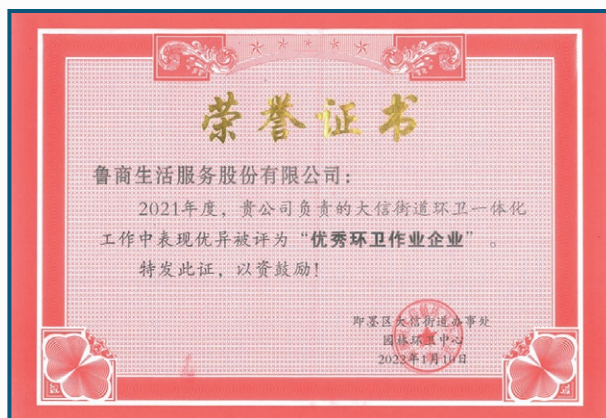
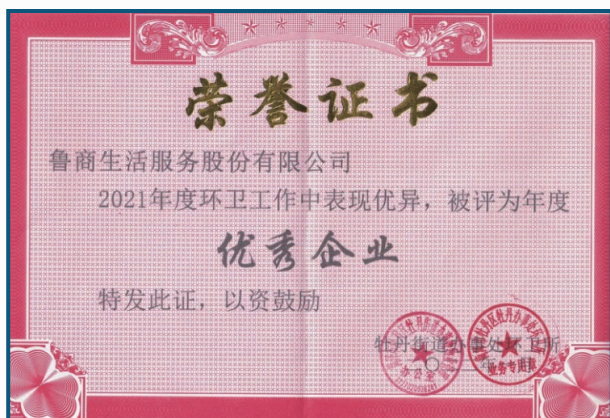
Outstanding Member of 2021 (2021年度優秀會員單位) awarded by Jinan Property Management Industry Association (濟南市物業管理行業協會)



ABOUT US

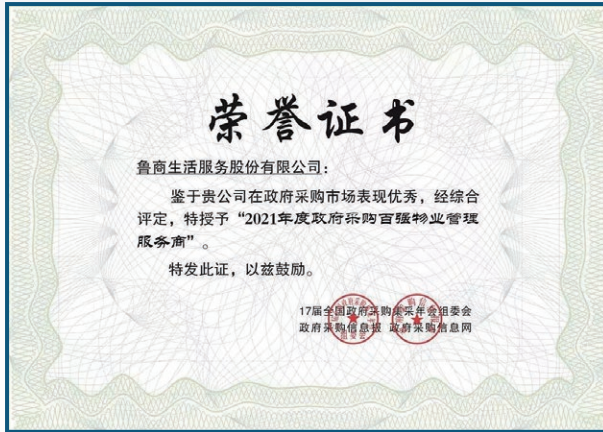


Lushang Design won three awards at the 17th China International Architectural Decoration and Design Art Fair



Lushang Services won successive awards for its municipal sanitation projects

ABOUT US



Lushang Services was named as 2021 Top 100 Property Management Service Companies for Government Procurement (2021政府採購百強物業管理服務商)

13:29 投资济南 >

山东省第二批产教融合型企业入库培育名单

序号	企业名称	所属企业或所属地市
1	山东鲁国欣文化旅游发展集团有限公司	省属企业
2	中国重汽汽车集团有限公司	省属企业
3	鲁商生活服务股份有限公司	省属企业
4	山东铁路投资控股集团有限公司	省属企业
5	水发民生产业投资集团有限公司	省属企业
6	山东人才发展集团有限公司	省属企业
7	山东南建集团有限公司	省属企业
8	山东鲁抗医药股份有限公司	省属企业
9	山东文旅酒店管理集团有限公司	省属企业

Lushang Services was selected into the list of the second batch of establishment and cultivation of production-education integrated enterprises (第二批產教融合型企業建設培育入庫名單)

附件

2021 年第四季度济南市物业服务企业信用评价结果

序号	企业名称	所属地区	信用等级
1	山东济发物业管理有限公司	市中区	AAA 级
2	山东国华物业管理有限公司	市中区	AAA 级
3	山东宏泰物业发展有限公司	高新区	AAA 级
4	山东康都物业管理有限公司	天桥区	AAA 级
5	山东保丽洁物业管理有限公司	历城区	AAA 级
6	北京万科物业服务济南分公司	市中区	AAA 级
7	济南万科物业管理有限公司	市中区	AAA 级
8	山东港基建设集团物业管理有限公司	长清区	AAA 级
9	中土物业管理集团有限公司	历城区	AAA 级
10	济南连心物业管理有限公司	历下区	AAA 级
11	中海物业管理有限公司济南分公司	市中区	AAA 级
12	山东保利物业管理有限公司	历下区	AAA 级
13	山东佳园物业发展有限公司	市中区	AAA 级
14	中铁诺德物业管理有限公司	章丘区	AAA 级
15	济南新汇物业管理有限责任公司	市中区	AAA 级
16	江苏路劲物业管理有限公司济南分公司	槐荫区	AAA 级
17	山东永发明德物业管理有限公司	历城区	AAA 级
18	山东润华物业管理有限公司	槐荫区	AAA 级
19	银丰智慧物业服务集团有限公司	市中区	AAA 级
20	山东三善物业管理有限公司	历城区	AAA 级
21	中铁十局集团物业发展有限公司	高新区	AAA 级
22	山东中房物业管理有限公司	市中区	AAA 级
23	山东省诚信物业管理有限公司	历下区	AAA 级
24	山东融诺物业管理有限公司	莱芜区	AAA 级
25	山东明英物业服务有限公司	历下区	AAA 级
26	山东明英物业服务有限公司	历下区	AAA 级
27	鲁商生活服务股份有限公司	历下区	AAA 级
28	鲁商生活服务股份有限公司	历下区	AAA 级
29	山东绿地泉物业服务集团有限公司	市中区	AAA 级
30	中航物业管理有限公司济南分公司	历下区	AAA 级
31	华润置地(北京)物业管理有限公司济南分公司	市中区	AA 级
32	山东明德物业管理集团有限公司	历下区	AA 级
33	山东金兴物业管理有限公司	济阳区	AA 级
34	济南城建物业管理有限公司	历城区	AA 级

Lushang Services was rated as an AAA credit enterprise by Jinan Municipal Bureau of Housing and Urban-Rural Development

SUSTAINABILITY MANAGEMENT

STATEMENT OF THE BOARD

The Board believes that promoting sustainable development is as important as achieving long-term business growth. As such, we are continuously committed to maintaining a high degree of sustainable development in business operations, promoting sustainable development plans in areas such as sound corporate governance, environmental protection, labor rights and community development, and actively communicating and maintaining good relationships with stakeholders such as customers, investors, the government, suppliers and non-profit organizations.

ESG GOVERNANCE STRUCTURE

Lushang Services and the Board have strictly complied with laws and regulations, and implemented corporate governance pursuant to the requirements of Appendix 14 Corporate Governance Code to the Listing Rules of the Stock Exchange to effectively protect the rights and interests of stakeholders. The Board fully directs and supervises all key matters of the Company, including the formulation and reporting of ESG strategy, regular supervision of the Company's ESG issues, performance, climate risks and opportunities, and regular review, discussion and approval of the Group's ESG governance policies, strategies and risks.

The managers of each department are responsible for implementing the ESG management strategy, and identifying, reporting, discussing and analyzing the significant ESG risks and opportunities faced by each department, so as to assist the upper management to formulate and implement relevant countermeasures, and continuously keep track of the progress of ESG management targets.

In 2023, the Company will further enhance its ESG governance structure, establish the governance structure consisting of the ESG decision-making body, organizational body and implementation bodies headed by the Board, and further promote sustainable development in the Company's routine operations, so as to ensure the effective implementation of ESG policies while conducting business.

COMMUNICATION WITH STAKEHOLDERS

Sustainable development is inseparable from the opinions of stakeholders. Lushang Services maintains close contact with stakeholders, including but not limited to shareholders and investors, customers and property owners, government departments and regulatory authorities, partners and employees, and is committed to creating a multi-tier and multi-channel communication mechanism to receive suggestions from stakeholders. The Company has incorporated relevant issues into its development, actively responded to the demands and expectations of stakeholders, and enhanced its sustainable development capabilities. The following table presents the key issues concerned by and the main communication channels with various stakeholders:

SUSTAINABILITY MANAGEMENT

Table: Communication channels with and issues concerned by key stakeholders

Key stakeholders	Communication channels	Issues concerned
Government and regulatory authorities	Policy implementation and reporting Information disclosure Routine inspections by government departments	Compliant operations Participation in public governance Emissions management
Shareholders and investors	General meeting Investor hotline Company announcement Results conference Roadshow and reverse roadshow	Operational performance Improvement of information transparency Risk control Sustainable profitability
Customers/Property owners	Customer satisfaction survey Customer service hotline Community cultural activity	Service quality Customer privacy protection
Employees	Democratic life meeting Employee representatives' meeting Employee activity Complaints and feedback	Employee rights and benefits Employee development and promotion Occupational health and safety
Suppliers/Partners	Tendering and procurement communication Supplier management system	Supply chain management Anti-corruption
Media and non-governmental organizations	Social media Official website Press conference Exchange meeting	Protection of ecological environment Support to charity activities Development of community welfare
Communities	Forum Charity activity Community activity	Community building Community culture Emissions
Industry associations	Exchange meeting Social media Information disclosure	Employment Anti-corruption Emissions

SUSTAINABILITY MANAGEMENT

DETERMINATION OF MATERIAL ISSUES

Based on the definition and identification of material issues, questionnaire surveys and assessment and selection of material issues, the Company identified 17 ESG issues of concern to the Company and its stakeholders pursuant to the ESG Reporting Guide issued by the Hong Kong Stock Exchange and the Sustainability Reporting Standards issued by the GRI and according to the actual development of Lushang Services. By carrying out stakeholder surveys and expert opinion consultation, the materiality of material issues have been sorted from two aspects, i.e. the materiality of the economic, environmental and social impact of Lushang Services, and the materiality of the impact on stakeholders' assessment and decision-making.

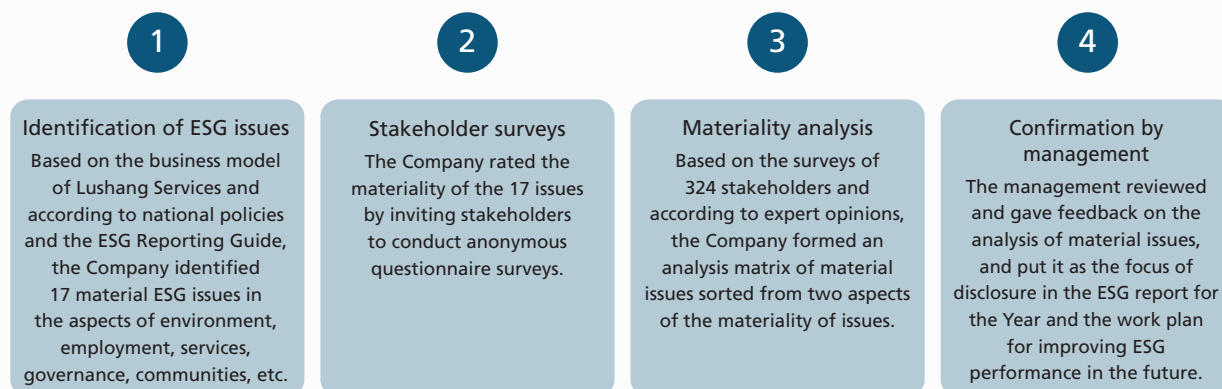


Diagram: Analysis process of material issues

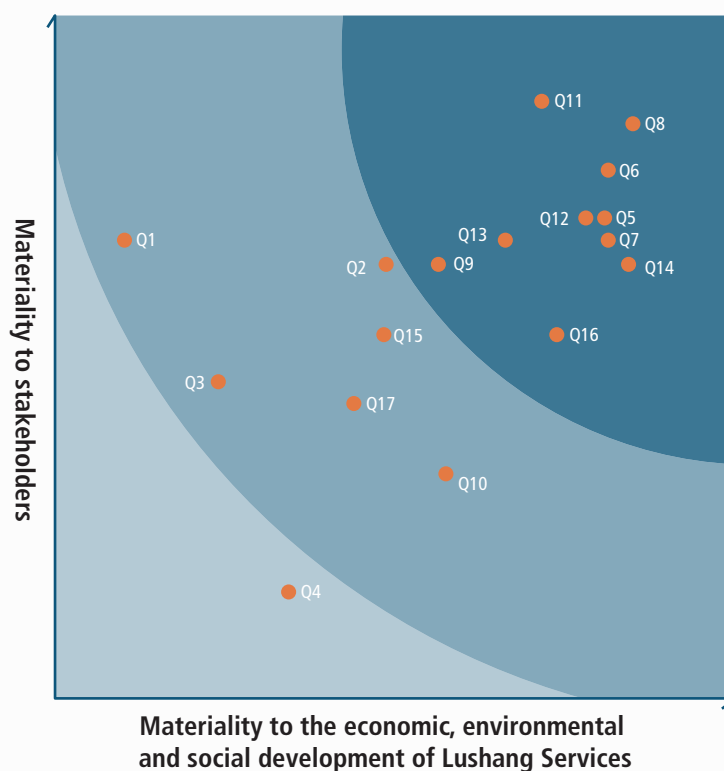


Diagram: Matrix of material issues

Note: In the diagram, Q1: sewage and waste management; Q2: energy management; Q3: green operation and environmental impact; Q4: response to climate change; Q5: employee compensation and benefits; Q6: employee training and promotion; Q7: employee care; Q8: prevention of child labor and forced labor; Q9: supply chain management; Q10: promotion of community development; Q11: customer health and safety management; Q12: service quality and customer satisfaction; Q13: protection of intellectual property rights; Q14: information security and privacy protection; Q15: charity and social services; Q16: anti-corruption; Q17: corporate governance.

SUSTAINABILITY MANAGEMENT

SPECIAL TOPICS

“101st anniversary of the founding of the Chinese Communist Party” – maintain the original ambition, strengthen confidence, send warmth, send care, build unity, create ingenuity and realize the original ambition

Over 101 remarkable and blossoming years, the Party has grown stronger and achieved fruitful outcomes. On the occasion of the anniversary of the founding of the Party on July 1st, Lushang Services responded to the Party Committee of the Group to actively organize a series of themed activities in various forms focusing on the Party and pertaining to the general situation, so as to encourage Party members and cadres not to forget their original ambition and to keep their mission in mind, thereby contributing to the Party with practical actions on its anniversary.

ORGANIZED THE THEMED PARTY DAY TO MAINTAIN THE ORIGINAL AMBITION

Each Party branch celebrated the anniversary of the founding of the Party by organizing Party members to revisit the oath of joining the Party, celebrate the day of joining the Party, visit patriotism education bases and other forms of themed Party day activities.



ORGANIZED STUDY ON SPECIAL TOPICS TO STRENGTHEN CONFIDENCE

Each Party branch studied Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Party Constitution and Rules and the spirit of the 12th Provincial Party Congress through study of special topics, and further guided all Party members and cadres to strengthen confidence, build unity and form synergy, so as to empower the Company's high-quality development.



SUSTAINABILITY MANAGEMENT

ORGANIZED POVERTY ALLEVIATION ACTIVITIES TO SEND WARMTH

The second Party branch, together with the Boshan District Municipal Landscaping and Sanitation Service Center (博山區市政園林環衛服務中心), organized a visit with the theme of “sending warmth with radiance” (星光熠熠溫暖入心) to send care and warmth to poor sanitation workers in its Sanitation Integration Project in Boshan Township, Zibo City, thereby polishing the brand of “Radiant Charity” (熒光公益) with practical actions and portraying the social responsibility and role of a Party organization.



ORGANIZED VISITS TO SEND CARE

Each Party branch continued to further implement the “double registration” (雙報到) mechanism, and visited old Party members in the community to send care and warmth, thereby upholding the original ambition of sending warmth to the society and facilitating the joint establishment of communities.



SUSTAINABILITY MANAGEMENT

ORGANIZED PARTY CLASSES ON SPECIAL TOPICS TO BUILD UNITY

The Party branch of Lushang Design and the Party branch of Jinan City Company carefully recorded the “video Party class” in the form of flexible Party class, with an aim to establishing the “cloud Party class” to facilitate the learning of Party history and strengthen patriotism among Party members.



PRACTISED THE COMMITMENTS OF PARTY MEMBERS TO CREATE INGENUITY

The Party branch of Lushang Design organized the long-term themed activity of “I take the lead, make commitments and practise as a Party member” (我是黨員我帶頭·我承諾·我踐行) focusing on the four aspects of “making commitments earnestly, demonstrating commitments publicly, practicing commitments firmly and evaluating commitments democratically”, and encouraged Party members and cadres to incorporate the commitments into their study, work and life, so as to establish a good image and set a good example in practice.



SUSTAINABILITY MANAGEMENT

STRENGTHENED PUBLICITY TO ENHANCE PATRIOTISM

The Company hung banners of “Celebrating the 101st Anniversary of the Founding of the Chinese Communist Party” in its office area, displayed publicity slogans on electronic display screens, and distributed Party flags to all Party members, so as to further create a passionate atmosphere for “the Party’s anniversary and the people’s festival” and ignite the patriotism of cadres and workers for the Party and the country.



REVISITED THE OATH OF JOINING THE PARTY TO REALIZE THE ORIGINAL AMBITION

By revisiting the oath to recall the solemn commitments when joining the Party, Party members are always reminded of their missions and responsibilities, and continuously contribute youthful strength to corporate development with a down-to-earth work attitude and excellent performance.

The “July 1st Celebration” activities have further inspired the spirit of all Party members in Lushang Services for patriotism to the Party and country, dedication to their profession and determination to their work, enhanced the sense of identity of Party members, and reinforced the cohesion, appeal and strength of Party organizations. For the next step, the Party Committee of Lushang Services will act closely in accordance with the decision-making and deployment of the Party Committee of the Group, reinforce confidence, gather strength, shoulder key responsibilities and encounter difficulties, so as to contribute to the high-quality development of the Group and give back to the Party and country with excellent results.



OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

Lushang Services upholds the corporate mission of “being the leader of high-quality consumption and a service provider for a better life” and deeply understands customers’ needs, thereby providing diversified, refined, professional and personalized community services for property owners.

STRENGTHENED REFINED MANAGEMENT TO ENHANCE SERVICE QUALITY

Establishing benchmarks: We have established benchmark projects to develop a culture for benchmarking and improve the refined management capabilities of projects as a whole. We have completed the assessment and selection of refined management demonstration units and projects to be enhanced. The refined management demonstration units have played a leading role in making refined management specific and typical, so as to provide examples for other projects to observe, study and follow.

Establishing rules: In the continuous advancement of refined management, various rules have been improved to form closed-loop management. We issue the Community Cultural Activity Plan 《社區文化活動方案》 every month, and issue safety notices such as fire prevention, theft prevention and flood prevention at key stages. We have issued the Notice on Standardizing Parking Lot Management 《關於規範停車場管理的通知》 and Parking Lot Management Manual of Lushang Services 《魯商服務停車場管理手冊》 to standardize the management of parking lots, issued the Property Fee Gift Plan for 2023 《2023年物業費贈禮方案》 to strictly control costs, and issued the Notice on Implementing 5S Standardization of Guard Duty Rooms 《關於落實門崗值班室5S標準化的通知》 and other notices to standardize the operating procedures of various tasks.



Establishing systems: To empower the Company’s development in multiple business lines, we have completed the establishment of business service systems for hospitals and colleges. We implemented the annual re-audit of various systems.

In strict accordance with the requirements, we have obtained the quality management system, environmental management system and occupational health and safety management system certifications, thereby comprehensively promoting the improvement of business quality.

OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY



ESTABLISHED STAR SERVICE STANDARDS TO OPTIMIZE SERVICE LINES

According to the “star standards” of the industry, we have formulated the Star Standards Manual of Lushang Services (《魯商服務星級標準手冊》) based on the four professional lines of “customer services, environment, order and engineering” to determine star ratings, in order to optimize service accuracy and improve service quality. Through daily, weekly and monthly inspections as well as self-inspections and quality inspections, we have consolidated the basic services of each project and enhanced star service quality. At the same time, the model projects have also leverage excellent management experience to consolidate and enhance the standardized implementation of projects.

In 2022, the Company inspected 87 projects under management from an objective and professional perspective, identified 1,853 issues and rectified 1,664 issues with a completion rate of 89.75%.

On the basis of the quality control and audit business, we optimized the quality control and audit indicators, enhanced the quality control and audit process, adjusted the rating method, strengthened project review efforts, and intensively identified the issues existing in each project. At the same time, we strictly monitored the results of rectification and improvement, and formed a benign closed-loop model of “audit–rectification–improvement–review–rectification–improvement” to facilitate the improvement of on-site management quality step-by-step.



OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

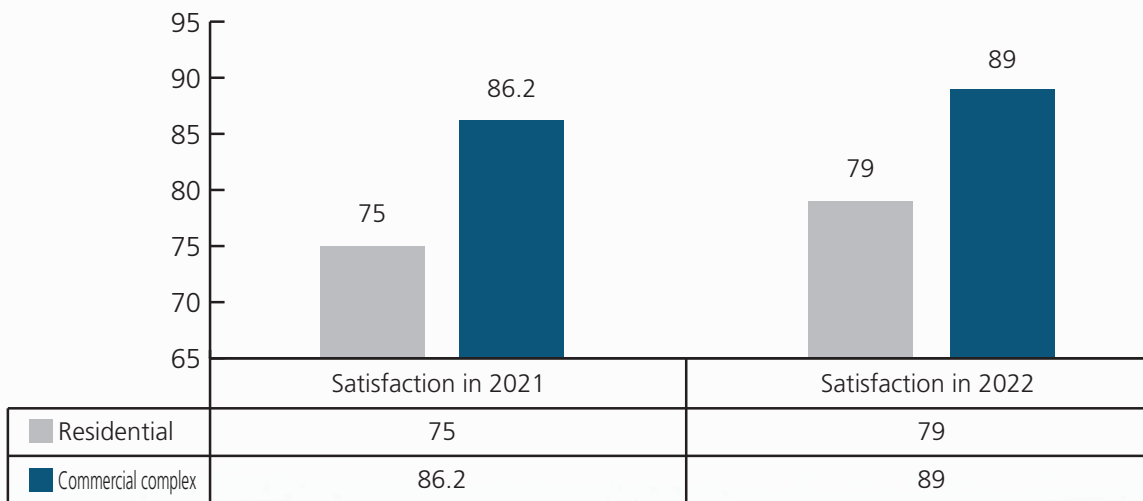


Diagram: Quality control and audit procedures

CUSTOMER COMMUNICATION AND SATISFACTION

The overall satisfaction of the Company's service projects steadily improved. Among which, the satisfaction of residential projects, commercial projects, external projects and the marketing center was 79 points, 89 points, 96 points and 94 points, respectively, and the satisfaction of residential projects and commercial projects increased by 4 points and 3 points, respectively, as compared to that of 2021.

Satisfaction target for 2023: No less than 80 points for residential projects and no less than 90 points for commercial complex projects.



■ Residential ■ Commercial complex

OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

Lushang Services has established various complaint and communication channels by launching the housekeeper and night-time phone line and vigorously promoting the internal unified complaint phone line (phone number: 400-603-6688) available at all regions in China, the “Lushang Services” APP and the “Lushang Services” WeChat official account. We require the placement of leaflets, roll-up banners, etc. at front desks, inside elevators and on bulletin boards for publicity, and have included some of them as quality inspection items.

All customer complaints are recorded in the form of work orders, and return visits are carried out in a closed-loop, so that work can be tracked for traceability. The “Home Cloud System” (我家雲系統) has integrated the work orders from four channels, i.e. the 400 call center, resident APP, housekeeper APP and PC back-end registration. The services of work orders are divided into 4 categories and 60 sub-categories, so as to facilitate screening by phone number, house number, service type, customer evaluation, etc. We accurately screen key and hot issues for data statistics, and urge the service center to handle them.

Table: Complaints and complaint resolution

Number of complaints received	Unit	2022 data
Number of complaints received	case	3,069
Complaint resolution rate	%	100
Complaint satisfaction rate	%	96.5

SMART CONSTRUCTION AND SERVICES

The Company has formulated a benchmark project plan for building smart communities. During the Reporting Period, we completed the construction of smart communities for two projects, i.e. Guo’ao City (國奧城) and Tangye Phoenix City (唐冶鳳凰城). At present, we are able to monitor all areas of Guo’ao City and Phoenix City through the full coverage of four eagle-eye devices at height, and have upgraded our smart equipment by enabling functions such as monitoring of falling objects, alarm of fire exit blockage, monitoring of leaving and sleeping of staff in the central control room, warning of danger area, high temperature warning of electromobile, and warning of electromobile entering the elevator.

OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

CUSTOMER SAFETY

Lushang Services protects the health, safety and privacy of customers from multiple aspects such as rule establishment, system construction, safety training and action planning as well as information security, and has continuously increased investment in safe production and improved safe production management, with an aim to minimizing operational safety hazards and safeguarding the health and safety of customers with practical actions.

In terms of rule establishment: In strict accordance with laws and regulations such as the Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》), Safe Production Regulations of Shandong Province (《山東省安全生產條例》) and Regulations on Safe Production Responsibility of Production and Operation Entities in Shandong Province (《山東省生產經營單位安全生產主體責任規定》), Lushang Services formulated internal rules and regulations such as the Rules for Safety Management of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司安全管理制度》), Emergency Plan for Unexpected Public Incidents of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司突發公共事件應急預案》) and Establishment of Two Systems on Classified Management of Safe Production Risk and Investigation and Governance of Hidden Risk of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司安全生產風險分級管控與隱患排查治理兩個體系建設》), thereby taking the protection of customers' health and safety as one of the key principles for the operation of Lushang Services.



In terms of system construction: The Company attaches great importance to safety issues, and has established the Safety Committee, i.e. the highest discussion and decision-making body of the Company's safe production work headed by the Company's Party secretary and chairman. The Safety Committee has established a Safety Committee office, which is specifically responsible for the Company's routine safe production management.

OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

In terms of safety training and specific actions: During the Reporting Period, the Company organized safety management training through activities such as project induction (開工第一課), "National Safe Production Month" (全國安全生產月), "November 9th" Fire Prevention Day (「11.9」消防日) and safety management training courses. The training included abundant and diversified content, and assessment was carried out immediately after training, with a 100% passing rate of annual examination. At the same time, each unit carried out monthly training for frontline employees on fire prevention, flood prevention, security, facilities and equipment, special operations, etc. We recorded the safety training results of each employee separately to strengthen the effect of training and drills, and ensured that there was assessment after training and evaluation after training, so that training and drills can be more targeted and effective, thereby effectively improving the safety knowledge and emergency response capabilities of employees in each unit.



The Company inspects its production safety through quarterly inspections, pre-holiday self-safety inspections, special inspections for flood prevention and typhoon prevention, special inspections for fire prevention, intensive production safety inspections, hundred-day winter and spring fire safety inspections and other inspections. The Company makes open and unannounced visits to key units and premises directly to low-level employees on-site with no notification, no advance notice, no listening to reports and no reception (四不兩直) and reviews thereafter (回頭看) focusing on on-site non-compliant command, non-compliant operations, non-compliance of labor discipline, etc. In particular, inspections are carried out on the approval and on-site operations of special operations such as climbing, use of fire and operations with limited space. Units with hidden dangers identified but not rectified or units with repeated occurrence of the same type of hidden danger are reported, and the relevant person-in-charge shall be investigated in accordance with regulations and disciplines depending on the circumstances. The Company focuses on the prevention of major risks and the investigation and rectification of major hidden dangers to facilitate the prevention and resolution of major safety risks, and accurately investigate and rectify deep-rooted issues and hidden dangers. At the same time, upon completion of safety assessment and rating, the score will be included in the Company's operational target assessment.

OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

Case example: Fire drill on “focusing on fire safety and ensuring high-quality development” (抓消防安全，保高質量發展)

November 9th was the 31st National Fire Prevention Day. The Company, together with four departments including the Lixia District Yanshan Office (歷下區燕山辦事處) as well as the property owners, jointly organized the fire drill on “focusing on fire safety and ensuring high-quality development”. The drill was divided into seven parts: opening, emergency evacuation, fire emergency response, search and rescue, medical assistance, fire equipment introduction, and fire extinguishing and escape experience. It vividly simulated the emergency response and measures for various fire emergencies.

In terms of information security: The Company formulated the Administrative Measures for Maintenance and Management of Customer Information of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司客戶信息維護管理辦法》), which put forward institutional requirements for customers’ information security in six aspects, i.e. purpose of use, scope of application, collection of customer information, routine management of customer information, system maintenance requirements for customer information, and standards for executing punishments.

Customer files are managed by dedicated personnel. The files of each customer are separately managed, with both physical records and electronic records kept. The Company strictly abides by the confidentiality system. The electronic files of customers are backed-up and password-protected to prevent data loss caused by virus intrusion or equipment failure, while the physical files have measures implemented to prevent fire, moisture, moth and leakage. The Company has enhanced the handover process of file administrators, and improved the file preservation mechanism and other measures to ensure the information security of the Company.



BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Lushang Services has strictly complied with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and Regulations on Work Injury Insurance (《工傷保險條例》) as well as the rules and regulations of the places where its businesses are located. The Company is people-oriented, respects talents and labor, and has established an employee termination mechanism. The Administrative Measures for Employee Termination (《員工離職管理辦法》) has been formulated to standardize the circumstances of dismissal and termination of labor. The Company effectively protects employees' legitimate rights and interests such as welfare and compensation, health and safety and equal opportunities for promotion, and organizes diverse employee activities, so as to enhance employees' sense of belonging and happiness, and realize the common growth of the Company and its employees.

COMPLIANT EMPLOYMENT

Lushang Services strictly complies with regulations such as the Regulations on the Special Protection of Juvenile Workers (《未成年工特殊保護規定》), Regulations on the Prohibition of Child Labor (《禁止使用童工規定》) and Labor Law of the People's Republic of China (《中華人民共和國勞動法》). The Company has explicitly stipulated that all regional companies and projects under management must firmly eliminate misconduct such as use of forced labor, and has formulated the Recruitment Guidelines (《招聘作業指導書》) to ensure that, for all procedures of employee recruitment, interviews, employment approval and employment registration, the submitted materials should be consistent with the identity card, so as to eliminate the use of child labor. The Company strictly abides by the statutory working hours, provides overtime pay according to national regulations, and controls overtime work to ensure the physical and mental health of employees. During the Reporting Period, the Company did not employ any child labor or forced labor.

As of December 31, 2022, Lushang Services had a total of 1,644 employees, including 902 male employees and 742 female employees, accounting for 54.86% and 45.14%, respectively. During the Reporting Period, the Company was recognized by its employees, as demonstrated by the 11.56% employee turnover rate during the Year.

Table: Composition of employees

Employees	Number of employees in 2022	Employee turnover in 2022	Turnover rate
Employees	1,644	190	11.56%
By gender			
Male	902	101	11.20%
Female	742	89	11.99%
By age group			
30 or below	452	82	18.14%
31-50	920	105	11.41%
50 or above	272	3	1.10%
By employee category			
Full-time junior staff	1,469	184	12.53%
Full-time middle management	169	6	3.55%
Full-time senior management	6	0	0.00%
By employment type			
Full-time	1,644	190	11.56%
Part-time	0	0	0.00%

Note: Two members of senior management (Directors) left the Company due to work adjustments.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Table: Distribution of employees by geographical region

Geographical region	Number of employees	Employee turnover	Turnover rate
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong)	1,453	178	12.25%
Central China (including Henan, Hubei, Hunan)	0	0	0.00%
North China (including Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia)	79	2	2.53%
South China (including Fujian, Guangdong, Hainan, Guangxi)	0	0	0.00%
Northwest China (including Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang)	0	0	0.00%
Northeast China (including Heilongjiang, Jilin, Liaoning)	112	10	8.93%
Southwest China (including Chongqing, Sichuan, Guizhou, Yunnan, Tibet)	0	0	0.00%
Hong Kong, Macao and Taiwan	0	0	0.00%

LABOR RIGHTS AND INTERESTS

Health and safety

Lushang Services strictly complies with relevant laws and regulations, including but not limited to the Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Law of the People's Republic of China on Occupational Disease Prevention and Control (《中華人民共和國職業病防治法》), Regulations on Work Injury Insurance (《工傷保險條例》) and Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》), in order to effectively protect employees' health and safety-related rights and interests, and provide employees with a safe and healthy working environment.

During the Reporting Period, the Company had 221 lost days due to work injury, and there were no work-related fatalities in the past three years.

Table: Lost days due to work injury and work-related fatalities in the past three years

Health and safety	2022 data	2021 data	2020 data
Lost days due to work injury	221	197	104
Number of work-related fatalities in each of the past three years	0	0	0
Percentage of work-related fatalities in each of the past three years	0	0	0

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

REMUNERATION AND BENEFITS

The Company has formulated a comprehensive remuneration system, which has clarified and refined the salary structure, various allowances, salary payment, and holiday overtime payment and benefits. The Company has continuously paid attention to the rationality of remuneration of employees and remuneration structure, and kept its remuneration competitive within the industry. During the Reporting Period, the Company was not involved in any illegal circumstances such as arrears, late payment or non-payment of salaries.

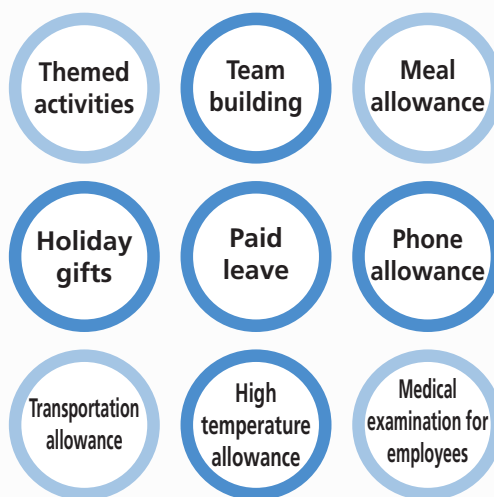


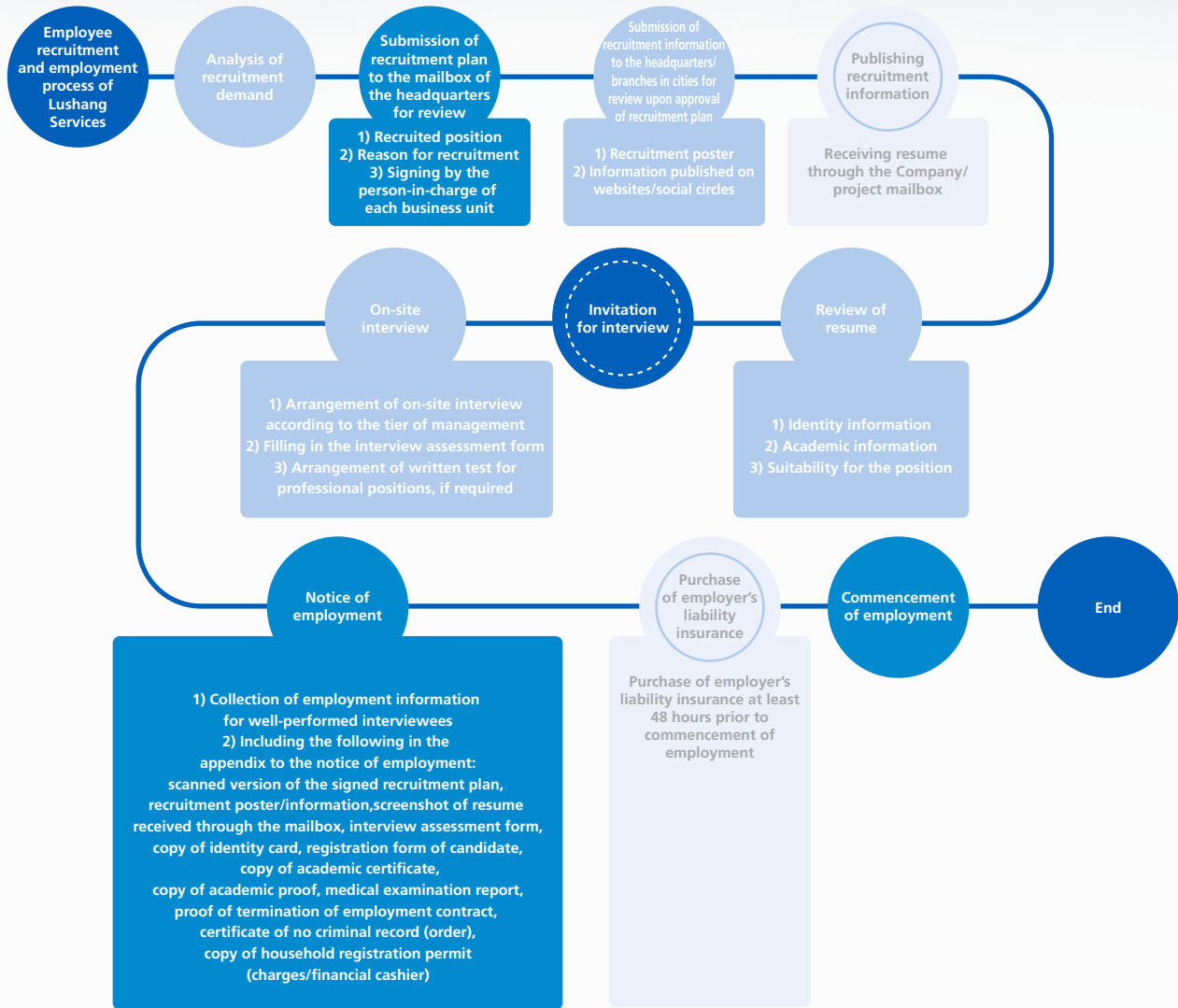
Diagram: Remuneration and benefits of the Company

RECRUITMENT

According to the job requirements, Lushang Services has clarified the responsibilities of and qualifications for each job position, and has enhanced its recruitment capabilities from the aspects of channel opening, optimization of recruitment process, establishment of enterprise talent pool, etc.

Lushang Services meets its employment demand through open recruitment and campus recruitment. Open recruitment channels mainly include Shandong Talent Group, 51job, Zhaopin, etc. For campus recruitment, the Company has established long-term cooperation with many colleges, including undergraduate colleges (e.g. Shandong Jianzhu University (山東建築大學), Shandong Normal University (山東師範大學), etc.), colleges of professional studies (e.g. Qingdao Hotel Management College (青島酒店管理學院), Shandong Transport Vocational and Technical College (山東交通職業技術學院), etc.) and a higher vocational college (i.e. Shandong Property Management College (山東物業管理學院)). On the one hand, Lushang Services has opened up the supply chain for employee candidates, and on the other hand, it has expanded its brand influence as an employer, while also taking into account the job situation and job requirements to facilitate the selection and assessment of corresponding recruitment channels, so as to improve the effectiveness of recruitment.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES



At the same time, Lushang Services has established standard operating procedures (SOP) for the selection of employees to optimize the recruitment process and improve recruitment efficiency. The Company matches candidates with the job profile, and uses the job competency model as a guide to facilitate the selection of talents.

TRAINING

Lushang Services has attached great importance to the development of talents, and has established a training system. It has formulated policies and rules such as the Training Instructions (《培訓作業指導書》) and Administrative Measures for Internal Expert Database (《內部專家庫管理辦法》) to guide all business units in enhancing talent training and comprehensively strengthening employee empowerment. The Company has adhered to the training principle of “mainly internal training supplemented by external training”, and has adopted the “dynamic balance” method for cyclic training.

During the Reporting Period, a total of 31,168 employees from Lushang Services participated in training, with a total training time of 51,021.83 hours, total training rate of 92.79% and pass rate of 100%.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Table: Training of Lushang Services

Mandatory disclosure of indicators required by the Stock Exchange	Unit	2022 data
Average training hours of senior management	hour/person	36.5
Average training hours of middle management	hour/person	42.36
Average training hours of general staff	hour/person	29.71
Average training hours of employees	hour/person	31.04
Average training hours of male employees	hour/person	34.96
Average training hours of female employees	hour/person	26.26
Percentage of senior management trained	%	95.73
Percentage of middle management trained	%	92.90
Percentage of general staff trained	%	89.91
Percentage of male employees trained	%	92.23
Percentage of female employees trained	%	93.46

The Company has pursued the concept of lifelong learning, established the mechanism of “teaching and mentoring” (傳幫帶), mechanism of “bringing in” (引進來) industry experts, mechanism of “going out” (走出去) for benchmarking research and mechanism of internal expert database, and organized special training on “improving functional business”.

In terms of training for middle and senior management, Lushang Services actively brings in external resources and maintains close contact with industry peers and associations. During the Reporting Period, the Company arranged relevant personnel to participate in the “4°C Talent Pipeline – Gold Property Project Manager Training Camp” (4°C 儲將一物業金牌項目經理訓練營) offline public class organized by Zhongfang Vocational Education (中房職教院), the “Private Sharing Meeting on Multi-project and Cross-regional Organization Management and Control Model of Property Enterprises” (物業企業多項目、跨區域組織管控模式私享會) and the “Interpretation Training Course on Newly Revised Property Management Regulations of Shandong Province” (新修正山東省物業管理條例解讀培訓班) organized by Shandong Property Education (山房教育), etc. At the same time, in order to empower its business, the Company actively sought public resources, and successively organized personnel to participate in training courses such as the “New Power of Talent, New Future of Organization” (人才新勢力·組織新未來) training course organized by Yunxuetang (雲學堂), the “2022 Social Insurance Training” (2022年社保培訓) organized by Jinan Human Resources and Social Security Bureau (濟南人社局) and the “Prevention, Control and Operation of Labor Employment Risks” (勞動用工風險防控及操作事務) training course organized by China Talent Group (易才集團).



BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

In terms of basic positions, leveraging the Program for Strengthening Basic Capabilities (《基礎能力強化計劃》), 19 sessions of training on 28 topics were completed throughout the Year. Special training on improving basic service capabilities were carried out every month in terms of fire prevention system operation procedures, cleaning expertise, equipment and facility management, new project preparation and delivery management, public opinion management measures, property fee arbitration/litigation procedures, precautions and other aspects. Sharing of experience on benchmarking project operation, training on public opinion handling and other training were also completed.



Training on customer service system documents



Sharing of experience on benchmarking projects



Training on new project preparation and delivery management



Training on basic service-related rules and contracts



Training on engineering system documents



Training on public opinion management measures

At the same time, Lushang Services organized special training such as the “Learning Organization Establishment” (學習型組織建設) series of training comprising of three phases, i.e. “Promotion of Program for Strengthening Basic Capabilities” (推進基礎能力強化計劃), “Manager Enrichment Program – Basic Service Research and Learning Camp” (鑄金計劃—基礎服務研學營) and “Promotion of Mechanism for Temporary Appointment Training” (推進掛職鍛煉機制). The “Promotion of Program for Strengthening Basic Capabilities” focused on job capabilities to strengthen basic business competency. The “Manager Enrichment Program – Basic Service Research and Learning Camp” was positioned to cultivate prospective project managers, and its training content covered project manager professional capability training, on-site management capability training, market expansion capability training, leadership training and other training. The “Promotion of Mechanism for Temporary Appointment Training” provided targeted training for employees with potentials, and shouldered them with responsibilities to rectify their weaknesses and meet the job qualification requirements, so as to provide human resource guarantee for the Company’s sustainable development.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES



Moreover, the Company has also specifically formulated the Administrative Measures for Internal Expert Database of Lushang Life Services Co., Ltd. 《魯商生活服務股份有限公司內部專家庫管理辦法》 to regularly update the expert database every year, including profession, expert qualifications, professional qualifications, technical titles and expert lists, so as to better facilitate the Company's business training. For example, during the Reporting Period, the Company invited Ms. Wang Bei (王蓓), the founder of Shenzhen Mino Property Technology (深圳米諾物業科技) and an expert in enterprise standardization establishment, to provide a two-day in-depth training on the quality control and standardization of property projects.



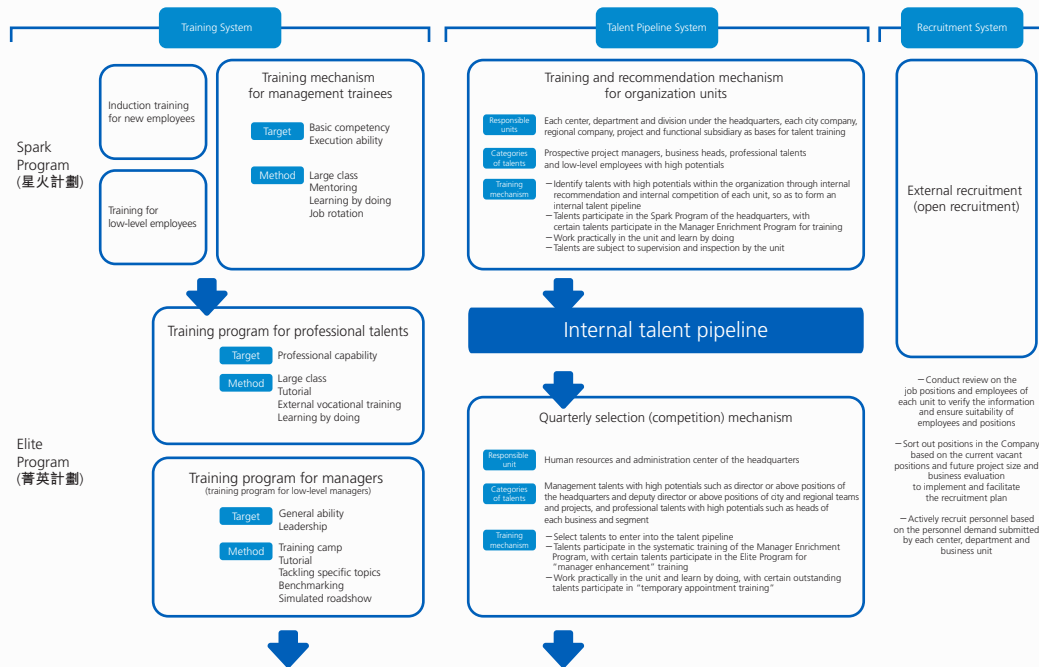
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PROMOTION

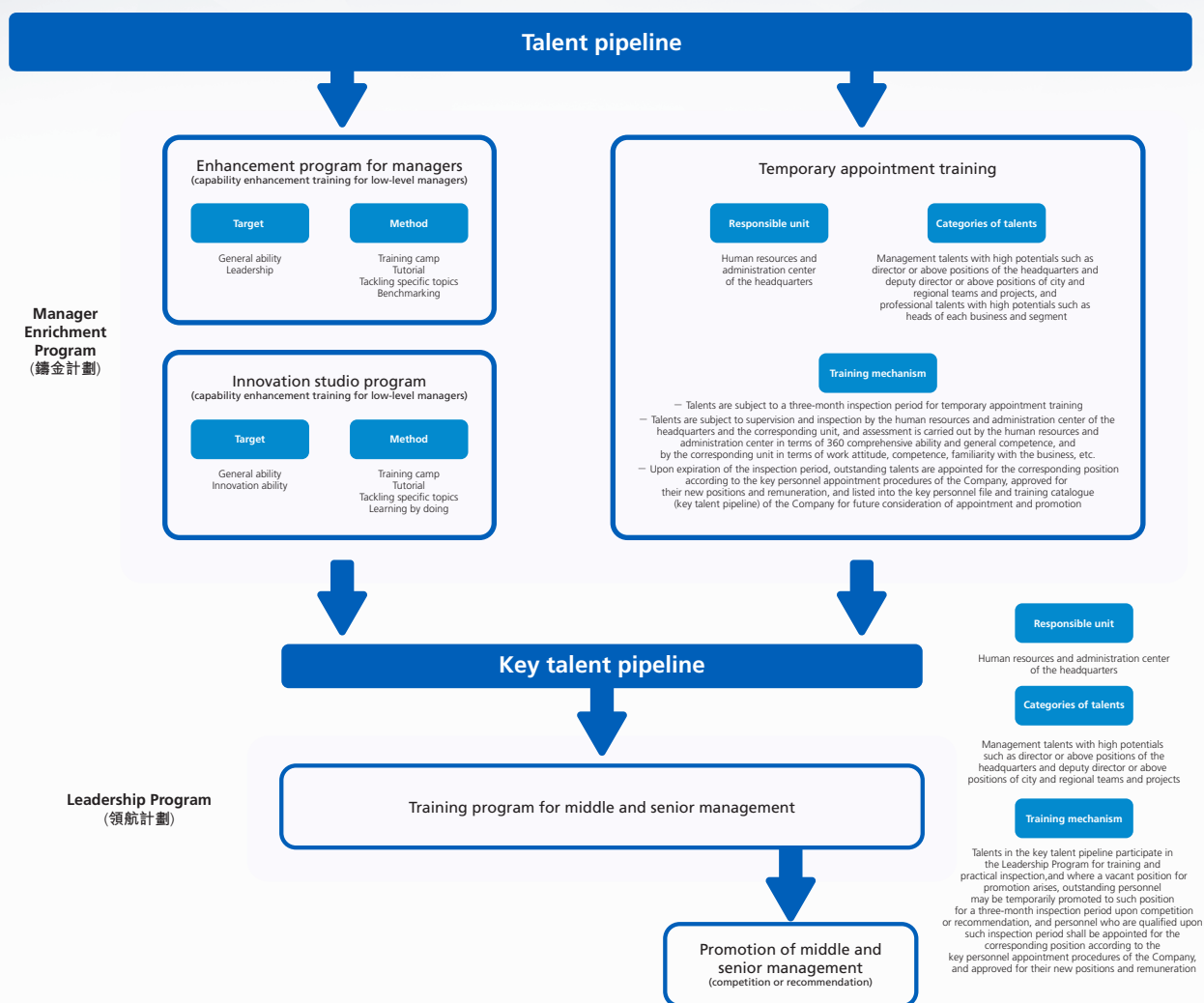
Lushang Services has opened up the channels for talent development, and established the “four horizontals and three verticals” talent development system, which mainly consists of three systems (i.e. the training system, talent pipeline system and recruitment system) and four talent development programs (i.e. the “Spark Program” (星火計劃), “Elite Program” (菁英計劃), “Manager Enrichment Program” (鑄金計劃) and “Leadership Program” (領航計劃)) to support the selection, training and appointment of talents of Lushang Services, and form a talent pool at all levels for Lushang Services.

- (1) Spark Program (星火計劃) – Mainly including induction training for new employees, training for low-level employees and training mechanism for management trainees;
- (2) Elite Program (菁英計劃) – Mainly including training program for professional talents and training program for managers;
- (3) Manager Enrichment Program (鑄金計劃) – Including the enhancement program for managers and the innovation studio program;
- (4) Leadership Program (領航計劃) – Including training program for middle and senior management to build a talent pool and establish the talent development system of Lushang Services.

Talent Development System (Program)



BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES



COMMUNICATION AND CARE FOR EMPLOYEES

The Labor Union of Lushang Services was established in December 2021 to give full play to the democratic management and democratic supervision functions of the employee representatives' meeting. In 2022, the employee representatives' meeting of Lushang Services was held, where six resolutions such as the Implementation Rules for Enterprise Annuity of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司企業年金實施細則》) were voted on and passed to effectively protect the legitimate rights and interests of employees. At the same time, the Company issued a notice on the use of funds of the Labor Union of Lushang Services to standardize the management of funds as a labor union of a state-owned enterprise, strictly enforce the financial discipline of the labor union and optimize the funding approval process.

The Company has promoted the awareness of rule of law and created a sound atmosphere. The Company organized employees to study and publicize the newly revised Trade Union Law of the People's Republic of China (《中華人民共和國工會法》) and Supervision Regulations on the Trade Union and Labor Law of Shandong Province (《山東省工會勞動法律監督條例》), so as to popularize the knowledge of trade union laws and regulations, cultivate the ability of employees to learn, understand, abide by and use the law, and create a sound atmosphere for studying and popularizing the law.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Lushang Services has set up a “suggestion” mailbox to collect employees’ demand and reasonable suggestions. The content collected is divided into five categories, i.e. suggestion, seeking help, consultation, complaint, and others.

With an aim of being close to employees and the frontline, the Labor Union of Lushang Services actively plays the role of a bridge between employees and the Company to create a harmonious atmosphere for the enterprise. The Labor Union of Lushang Services cares for the employees and enhances service awareness to facilitate and strengthen “poverty alleviation at all seasons” (四季幫扶). Throughout the Year, it organized six visits to send warmth and care to employees in difficulties and employees stationed abroad, and distributed assistance funds and supplies in an amount of RMB218,400, including RMB17,000 for autumn student aid and RMB201,400 for care and supplies to employees in difficulties and stationed abroad. It purchased accident insurance for 77 employees stationed abroad to provide guarantee for their life and health. In accordance with the relevant requirements of the Group such as the Administrative Rules (Trial) for Funding of Basic Labor Union of Shandong Province (《山東省基層工會經費收支管理細則(試行)》), it distributed various benefits and allowances to employees on time to show its care for employees.



BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

It cares for female employees, and has organized the “Radiance – Wonderful Women” (點點螢光 • 最美巾幗) Women’s Day activity and invited female health experts to give lectures on protecting women’s health. With an aim of being close to employees and the frontline, it actively plays the role of a bridge between employees and the Company to create a harmonious atmosphere for the enterprise. In accordance with the relevant requirements of the Group such as the Administrative Rules (Trial) for Funding of Basic Labor Union of Shandong Province (《山東省基層工會經費收支管理細則(試行)》), it distributed female employee benefits.

It encouraged all employees to help hospitalized employees overcome their illness and difficulties, and participated in China Charity Federation’s “Offering Love with A Piece of Paper” (一張紙獻愛心行動) clothing donation event, for which a total of RMB102,984.00 and 178 pieces of clothing were donated.



INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

Lushang Services has strictly complied with laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢棄物污染環境防治法》) and Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), promoted low-carbon and green office, actively built green communities and refined environmental management measures, so as to firmly establish and practise the concept of "green environment is the most valuable asset" (綠水青山就是金山銀山), continue to explore low-carbon properties, and contribute to the national goal of "carbon peaking and carbon neutrality".

SETTING OF TARGETS

Based on its actual circumstances, Lushang Services actively responds to the national plan for carbon neutrality, and is committed to implementing low-carbon corporate operation to facilitate the sustainable development of society. The environmental targets set by Lushang Services are as follows:

In 2023, the Company will increase the proportion of energy-saving products and equipment used in projects;

In 2023, the Company will establish a water consumption monitoring system to provide early warning and execute control over projects with abnormally increased water consumption;

In 2023, the Company will supervise and guide employees and property owners in implementing garbage classification, centralized treatment of recyclable waste and other methods to facilitate reduction of project waste.

In 2023, the Company will improve the comprehensive utilization efficiency of sanitation vehicles and reduce greenhouse gas emissions per unit area under management through informatization and other means.

USE OF RESOURCES

Water resource management

The Company has posted water-saving signs and posters in the office area and the public water consumption area of projects to promote the concept of water-saving and enhance employees' awareness for water-saving. It uses water-saving faucets and water filling sensors to avoid water running, dribbling, dripping, leaking, etc. and reduce water consumption. In 2022, the water consumed by the Company was from the municipal pipeline. At the same time, the Company used the reclaimed water system to reclaim water resources. Certain projects have adopted methods such as recycling rainwater, sponge city design and reusing water to improve water consumption efficiency.

Table: Water consumption of Lushang Services in 2022

Indicator	Volume	Unit	Intensity	Unit
Total water consumption	804,836.55	m ³	36,253.9	m ³ /million m ² ¹

In 2022, three projects of Lushang Services, i.e. Jinan Tangye Phoenix City (濟南唐冶鳳凰城), Heze Lushang Phoenix City (菏澤魯商鳳凰城) and Linyi Lushang Jinyue City (臨沂魯商金悅城), were successively named as a Water-saving Community of Shandong Province in 2022 (2022年度山東省節水型社區) by the Shandong Provincial Department of Housing and Urban-Rural Development, the Provincial Development and Reform Commission, the Provincial Department of Industry and Information Technology and the Provincial Department of Water Resources.

¹ As of December 31, 2022, the Company managed 22.2 million m² of area

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

山东省住房和城乡建设厅 山东省发展和改革委员会 山东省工业和信息化厅 山东省水利厅

鲁建建建字(2022)14号

关于公布 2022 年山东省节水型企业(单位)、 社区(居住小区)评价结果的通知

东营、泰安、临沂、潍坊市住房和城乡建设局,烟台、潍坊、日照、德州、聊城市城市管理局,济南、青岛、淄博、枣庄、济宁、威海、滨州、菏泽市水务(水利)局;

为深入贯彻落实习近平生态文明思想和黄河国家战略,落实国家节水行动,加强城市节水载体建设,省住房和城乡建设厅会同省发展改革委、省工业和信息化厅、省水利厅组织专家,根据《山东省节水型企业(单位)、社区(居住小区)评价办法》要求,开展 2022 年山东省节水型企业(单位)、社区(居住小区)评价工作。经综合评价,鲁能济南黄台发电有限公司等 235 家企业(单位)、济南市保利海德公馆小区等 125 家社区(居住小区)达到了省级节水型企业(单位)、社区(居住小区)标准要求,现予以公布。

附件: 2022 年山东省节水型企业(单位)、社区(居住小区)名单



济南市(共 10 家)

1. 鲁能济南黄台发电有限公司
2. 中车山东机车车辆有限公司
3. 山东旺旺食品有限公司
4. 山东天阳纸业有限公司
5. 济南统一企业有限公司
6. 华电章丘发电有限公司
7. 济南热电集团有限公司金鸡岭热电分公司
8. 山东博物馆
9. 济南市保利海德公馆小区
10. 济南市鲁商凤凰城小区

青岛市(共 20 家)

11. 青岛西海岸公用事业集团易通热电有限公司
12. 青岛华东葡萄酒有限公司
13. 青岛崂特啤酒有限公司
14. 青岛雀巢有限公司

临沂市(共 16 家)

293. 山东恒通化工股份有限公司
294. 郑城众一科环化工有限公司
295. 临沂市泰明化工有限公司
296. 山东德瑞高分子材料股份有限公司
297. 鲁南厚普制药有限公司
298. 临沂第十五中学
299. 临沂市中南鲁商槐府小区
300. 临沂市龙盛乾园小区
301. 临沂市城开景悦小区
302. 临沂市高尔夫庄园小区
303. 临沂市四季城小区
304. 临沂市中科印象小区
305. 临沂市华前城市广场富华小区
306. 临沂市城投华峰城小区
307. 临沂市鲁商金悦城小区
308. 临沂市茗筑华庭小区

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

Energy management

The Company has formulated and implemented the Administrative Measures for Controlling Energy Consumption (《控制能源消耗管理办法》), and regularly monitors energy consumption from two aspects, i.e. project management and technological upgrade, by standardizing the energy consumption accounts, with an aim to maximizing its energy efficiency.

The office energy-saving measures adopted by the Company mainly include: encouraging double-sided printing, setting up a printing paper recycling tray and posting notices at the printing place to remind employees to save paper; promoting paperless office and reporting with electronic documents; reducing paper files and uploading files to the cloud; implementing video or telephone conferences and encouraging employees to prioritize public transportation when traveling on business trips to reduce unnecessary carbon emissions.

The room temperature under air-conditioning is controlled at 26°C, which is recommended by national policies, and the filter screen is cleaned regularly. The Company has used lightings with high energy efficiency, divided different lighting areas for the office and set up independently controllable lighting switches. The Company regularly checks and replaces the connectors of pressure gauges, pressure hoses and air compressors to prevent refrigerant leakage.

Table: Non-hazardous waste of Lushang Services in 2022

Indicator	Amount	Unit	Intensity	Unit
Total paper consumption	34,380.36	kg	1,548.67	kg/million m ²

Note:

1. The total amount of non-hazardous waste includes renovation waste and office paper.

The Company carried out energy-saving renovation projects, including but not limited to reclaimed water station renovation, air-conditioning renovation and lighting renovation, to effectively reduce energy consumption. The Company carried out lighting renovation by renovating landscape lighting, parking lot lighting and service center lighting, and using energy-saving LED lamps and sensor lamps to save electricity consumption.

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT



Table: Energy consumption and intensity of Lushang Services in 2022

Indicator	Amount	Unit	Intensity	Unit
Gasoline	69,782.31	L	4.97	L/hundred km
Diesel	247,135.28	L	17.59	L/hundred km
Electricity	43,641.99	MWh	1,965.86	MWh/million m ² of managed area
Comprehensive energy consumption	46,526.59	MWh	2,095.79	MWh/million m ² of managed area

We have also promoted the concept of environmental protection to the operation of tenants in commercial and public buildings by mainly adopting the following measures: (1) encouraging the use of energy-saving appliances (e.g. LED energy-saving lighting fixtures) for shop decoration; (2) encouraging shops to use environmentally friendly materials, water-saving faucets, etc.; and (3) encouraging shops to use heating/cooling at different intervals during business hours to achieve energy-saving purposes.

The Company has actively promoted green culture, and organized activities such as tree planting and community greening through the "Radiance – Charity Actions" (萤火·益起行) voluntary activity. On the 44th Arbor Day, 50 trees were planted in the Tengger Desert of Alxa League through online purchases.



INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

Table: Greenhouse gas emissions of Lushang Services in 2022

Indicator	Unit	Amount
Direct greenhouse gas emissions	tCO ₂	817.47
Indirect greenhouse gas emissions	tCO ₂	25,356.00
Total:	tCO ₂	26,173.47
Greenhouse gas emission intensity	tCO ₂ /million m ² of managed area	1,178.98

(The greenhouse gas emissions of the Company are mainly carbon dioxide. As such, other greenhouse gas emissions are not applicable for the time being.)

Table: Exhaust gas emissions

Indicator	Unit	Amount
Nitrogen oxides (NO _x)	kg	2,625.84
Sulfur oxides (SO _x)	kg	5.00
Particulate matter (PM)	kg	217.94

Notes:

1. The scope of environmental information collected in 2022 includes the office areas of the headquarters and subsidiaries of the Company;
2. The emissions of nitrogen oxides, sulfur oxides and particulate matter are mainly from the gasoline and diesel consumed by the vehicles of the Company. The emissions are calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs";
3. The Company's greenhouse gas emissions are mainly from purchased electricity and vehicle fuel. Greenhouse gas emissions are presented in terms of carbon dioxide equivalent, and are calculated in accordance with the "Notice on Implementing Key Work Related to Reporting and Management of Corporate Greenhouse Gas Emissions in 2022" (《關於做好2022年企業溫室氣體排放報告管理相關重點工作的通知》) published by the Ministry of Ecology and Environment of the People's Republic of China.

RESPONSE TO CLIMATE CHANGE AND RISK MANAGEMENT

Extreme weather has brought immense challenges to the ecological environment and business management. Lushang Services has paid close attention to the dynamics of national climate change-related policies, actively identified the major risks brought by climate change, and eagerly supported the actions to address climate change.

In order to deal with the safety issues brought by extreme weather (e.g. storm, snowstorm, heat wave, cold wave, etc.), Lushang Services has formulated relevant rules such as the Emergency Plan for Flood Prevention (《防汛應急預案》), Emergency Response Plan for Sudden Disease Outbreaks (《突發疫情應急處置預案》) and Response to Media and Guidance on Public Opinion for Emergencies (《突發事件媒體應對、輿論引導應急處置》) to minimize losses.

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT



Long-term transition risk. The Company continuously monitors the implementation of climate change policies that may have a significant impact on its business, conducts real-time research and judgment on possible future policy trends and deploys work in advance, and actively seeks opportunities for low-carbon transition.

EMISSIONS MANAGEMENT

Waste management

The waste generated from the Company's office generally include waste paper, ink cartridges, toner drum units, lamps, batteries, etc. Classified recycling bins are set up in the office area, and hazardous waste is collected and stored separately and handed over to qualified professional companies for disposal.

We also have a comprehensive waste management plan for the waste generated from the projects managed by us. The waste generated from the projects, including recyclable waste, hazardous waste, green waste and renovation and construction waste, are sorted and processed by the Company and disposed according to the requirements. During the Reporting Period, the offices and office areas were renovated 7 times, generating approximately 12 tonnes of solid waste.

The sewage is directly discharged to the municipal sewage pipeline to ensure that our sewage discharge complies with local environmental protection requirements. The septic tanks are regularly cleaned and treated by professionally qualified units.

The Company sorts its garbage and requires merchants to dispose each kind of garbage upon sorting. The Company engages special personnel to conduct secondary sorting for domestic garbage, kitchen garbage, toxic and hazardous waste and renewable resources.

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

In terms of garbage classification, the Jinan Tangye Phoenix City (濟南唐冶鳳凰城) project of Lushang Services was selected by the China Association of Urban Environmental Sanitation as one of the first domestic garbage classification demonstration education bases in China.



Table: Waste generation

Indicator	Unit	Amount
Hazardous waste	kg	10,376
Hazardous waste generation intensity	kg/million m ²	467

Notes:

1. The scope of environmental information collected in 2022 includes the office areas of the headquarters and subsidiaries of the Company;
2. The total amount of hazardous waste includes toner drum units, toner cartridges, batteries, masks, lamps, etc.

OPERATE EARNESTLY TO PURSUE WIN-WIN COOPERATION

Lushang Services has strictly complied with the Law of the People's Republic of China on Bid Invitation and Bidding (《中華人民共和國招標投標法》), Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and Interim Measures for the Administration of Bidding Agency Service Charges (Ji Jia Ge [2002] No. 1980) (《招標代理服務收費管理暫行辦法》(計價格〔2002〕1980號)), strictly implemented the Administrative Measures for the Procurement of Shandong Commercial Group Co., Ltd. (《山東省商業集團有限公司採購管理辦法》), Implementation Rules for the Procurement Business Procedures of Shandong Commercial Group Co., Ltd. (《山東省商業集團有限公司採購業務流程實施細則》) and Administrative Measures for the Procurement of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司採購管理辦法》), and formulated the Administrative Measures for the Centralized Material Procurement Platform of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司物料集採平台管理辦法》) in August 2022 to further standardize the bid invitation and bidding process.

CLASSIFICATION OF SUPPLIERS AND STANDARDIZATION OF BID INVITATION AND BIDDING PROCESS

Lushang Services has established a clear supplier classification and grading standard. Suppliers are divided into three categories according to the nature of their work, i.e. material suppliers, service suppliers, and engineering suppliers. The Company has ensured a fair, open and just environment for each of the 14 procurement procedures, i.e. procurement planning, procurement business application, release of tendering information, compilation and review of tendering documents, offering of tendering documents, clarification and modification of tendering documents, bidding, bid opening, bid evaluation, bid clearance, inspection, bid confirmation, fee collection, and contract signing. In the performance stage upon the signing of contract, the suppliers are evaluated in terms of their performance of contracts, so as to determine the continuous engagement or termination of suppliers.

SUPPLIER SELECTION AND MANAGEMENT

The Company has various requirements for suppliers in the primary selection for procurement. For companies that signed up for bidding, they may only be included into the supplier database by each department upon meeting the relevant requirements of the PRC and the Company, and are subject to review throughout the process of providing services and products. After the end of projects, the responsible department for each project and the project service division shall conduct a comprehensive annual evaluation of the supplier. Lushang Services has formulated the Administrative Measures for Service Suppliers of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司服務供方管理辦法》). All suppliers must observe such administrative measures, which shall be relied on for the semi-annual supplier performance evaluation every six months to determine the continuous engagement or termination of suppliers. In 2022, the Company completed two reviews of suppliers, i.e. the annual supplier performance evaluation in 2021 and the interim supplier performance evaluation in 2022. A total of 47 large-sized centralized procurement suppliers were reviewed.



Lushang Services has explicitly incorporated environmental and social factors into the relevant consideration criteria for supplier selection. For example, for the purchase of vehicles for municipal sanitation operations, six national emission standards shall be met, and the National Energy-saving Product Certification (《國家節能產品認證證書》) and ISO management system certification (quality, environment, and occupational health) shall be obtained.

OPERATE EARNESTLY TO PURSUE WIN-WIN COOPERATION

SUPPLIER COMMUNICATION AND DISTRIBUTION

In order to improve the service standard and performance capability of suppliers and meet the Company's development needs, during the Reporting Period, the Company organized 12 rounds of negotiations with suppliers to strengthen communication with suppliers, urge suppliers to improve their service standard and promote the Company's brand image, thereby achieving a win-win situation with suppliers.



As of December 31, 2022, the Company had 175 suppliers, of which 143 were in East China, which had the most number of suppliers, followed by 16 in North China.

Table: Distribution of suppliers by geographical region

Distribution of suppliers by geographical region	2022 data Number
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong)	143
Central China (including Henan, Hubei, Hunan)	2
North China (including Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia)	16
South China (including Fujian, Guangdong, Hainan, Guangxi)	4
Southwest China (including Chongqing, Sichuan, Guizhou, Yunnan, Tibet)	0
Northeast China (including Heilongjiang, Jilin, Liaoning)	10

STRICTLY CONTROL RISKS AND PRACTISE HONESTLY

The Company is committed to efficient governance, and has strictly complied with the relevant provisions of the Listing Rules of the Hong Kong Stock Exchange. The Company has established and enhanced its corporate governance structure, continuously improved the establishment of integrity, and set up whistle-blowing channels and whistle-blower protection systems, so as to effectively protect the Company's independent legal person status.

STANDARDIZING CORPORATE GOVERNANCE

In strict compliance with relevant laws and regulations such as the Company Law of the People's Republic of China (《中華人民共和國公司法》) and Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Company has standardized its operations and improved its corporate governance structure. The general meeting, the Board and the management have clearly defined responsibilities, cooperate with each other with checks and balances, and operate in a sound manner.

The Company has established four Board committees, including the Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee. During the Reporting Period, the Board consisted of three executive Directors, two non-executive Directors and three independent non-executive Directors, including four female Directors.

STRENGTHENING RISK MANAGEMENT

Lushang Services has formulated the Administrative Measures for Legal Disputes (《法律糾紛案件管理辦法》) (issued on October 9, 2022), Administrative Measures for Legal Affairs (《法律事務管理辦法》) (issued on October 9, 2022), Administrative Measures for Contracts (Trial) (《合同管理辦法(試行)》) (issued on October 9, 2022) and other relevant rules on risks. The Company established the legal dispute early warning and handling mechanism by combining pre-event prevention, in-event control and post-event remediation.

According to the work requirements and arrangements of Lushang Group, Lushang Services carries out regular and ad hoc identification work on major risks. In 2022, Lushang Services participated in the "special inspection of major contracts" arranged by the headquarters of Lushang Group. According to PRC laws and regulations and the inspection requirements of the Group, Lushang Services carried out major risk identification and assessment by participating in the inspection of the special team of the Group. Upon inspection by the Group, no major risks were identified in the major contracts of Lushang Services in 2022.

During the Reporting Period, Lushang Services was not involved in any material litigations.

INTEGRITY ESTABLISHMENT

Lushang Services stringently complies with the law, never tolerates corruption, and strives to eliminate all acts of bribery, extortion, fraud and money laundering. The Company strictly complies with laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and Interim Provisions on Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), and has included the relevant content into the Employee Handbook (《員工手冊》), emphasizing that every employee should follow the "code of integrity", "should not solicit and accept benefits", etc.

Lushang Services organizes regular anti-fraud and anti-corruption training participated by all employees. The training covers aspects such as typical case analysis, risk analysis and policy introduction. During the Reporting Period, 800 personnel of the Company participated in anti-corruption training for 12 hours in total. At the same time, the Company stepped up publicity to promote the establishment of integrity through internal periodicals, bulletin boards and other channels, and achieved good results in terms of fostering a diligent working environment with great integrity.

STRICTLY CONTROL RISKS AND PRACTISE HONESTLY



The Company has a sound internal whistle-blowing mechanism, and has formulated explicit handling procedures, reward and punishment plans and execution measures to ensure the compliant and orderly internal operations of the Company. The Company has multiple whistle-blowing channels, including but not limited to email, telephone and written reports. The Company has committed to keeping the identity of whistle-blower and the whistle-blowing matter strictly confidential, so that the personal safety and property safety of the whistle-blower can be protected. During the Reporting Period, the Company did not receive any whistle-blowing reports.

PROTECTING INTELLECTUAL PROPERTY RIGHTS

Lushang Services strictly complies with laws and regulations such as the Copyright Law of the People's Republic of China (《中华人民共和国著作权法》), Patent Law of the People's Republic of China (《中华人民共和国专利法》) and Trademark Law of the People's Republic of China (《中华人民共和国商标法》), and encourages employees to actively pursue innovations while respecting and protecting the intellectual property rights of others.

As of December 31, 2022, Lushang Services and its subsidiaries actively managed intellectual property rights, and owned 20 trademarks, 11 patents, 22 copyrights and 2 domain names.

CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

COMMUNITY PUBLIC WELFARE AND POVERTY ALLEVIATION

In March 2022, the Company formulated and issued the Notice on the Establishment of the Lushang Services “Radiance” Volunteer Service Team (《關於成立魯商服務「螢光」志願服務隊的通知》) to establish the Lushang Services “Radiance” Volunteer Service Team (魯商服務「螢光」志願服務隊), which consisted of 4 units with over 170 volunteers signed up. It has facilitated the vigorous development of Lushang Services’ public welfare activities, polished the brand of “Radiant Charity” (螢光公益) and further developed the brand of “Source of Radiance” (光源) on Party building, thereby creating a responsible and warm corporate image.

During the Reporting Period, the Company organized a series of “Radiance – Charity Actions” (螢光·益起行) voluntary activities, covering the protection of community environment, convenient service activities (e.g. free washing of floor mats, free massage and blood pressure measurement, etc.), tree planting activities, public welfare activities on learning about intangible cultural heritage, project greening and replanting activities, and activities on protection of the Yellow River Delta Wetland. Laid-off workers, disabled people and people with employment difficulties were assisted in finding new jobs, with more than 60 recruitment positions released, more than 1,200 resumes collected and more than 20 people recruited through interviews. Blood donations of 11,200 mL were also collected. These have all contributed to better social development with love, warmth and strength.



Lushang Design actively participated in the “Small Wish” (微心愿) online sponsorship activity of Taodou Youth Assistance Fund (桃都青少年牵手基金) organized by Feicheng Branch Committee of Youth League (肥城團支委), and established one-on-one sponsorship with 36 poor children. It donated RMB4,260 of scholarship to 10 poor children in Xiangyin Township, Ningyang County (寧陽縣鄉飲鄉); RMB5,000 worth of 202 books to Weizhou Primary School (韋周小學) and Shahe Primary School (沙河小學) in Xiangyin Township, Ningyang County; RMB24,000 for building two “Hope Houses” (希望小屋) in Ningyang County; and RMB12,000 for building one “Hope House” in Yuncheng County (鄆城縣).

CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY



FIGHT AGAINST THE PANDEMIC

Lushang Services has formulated the COVID-19 Prevention and Response Work Plan of Lushang Life Services Co., Ltd. (《鲁商生活服务股份有限公司新型冠状病毒感染肺炎防控处置工作方案》) and established the headquarters' pandemic prevention leading group, which consisted of a general coordination team, a logistics support team, a project support team and a public opinion handling team, where each team performed its own duties. It clarified the work procedures from four aspects (i.e. pandemic monitoring, command and resource assignment, monitoring and early warning, and emergency response), and also determined the work mechanism of pandemic prevention and emergency response from four aspects (i.e. employee management, positive case handling, handling measures for positive mixed-sample test results, and handling measures for close contacts).

In accordance with Lu Zhi Ban [2022] No. 112 issued by the Leading Group of the Provincial Party Committee for Coordinating Pandemic Prevention and Economic Operation (Headquarters) (省委统筹疫情防控和经济运行工作领导小组(指挥部)鲁指办〔2022〕112号) and the relevant pandemic prevention requirements of the Jinan Municipal Party Committee, in response to the complex situation during the outbreak of pandemic, the Party Committee of Lushang Services took advance actions to arrange drills for various inspection work, and, based on the establishment of the "Party member pioneer post" (党员先锋岗) in the early stage, launched the "Party member pioneer post" pandemic prevention voluntary service project, so as to encourage Party members to bravely discharge their mission in the frontline at critical times, thereby supporting pandemic prevention. Each project made active response and fully facilitated the PCR tests for projects under management in 12 municipalities and cities involving approximately 10 rounds of PCR tests for 300,000 property owners, and attentively offered centralized procurement services, so as to provide a safe and secure community for property owners.

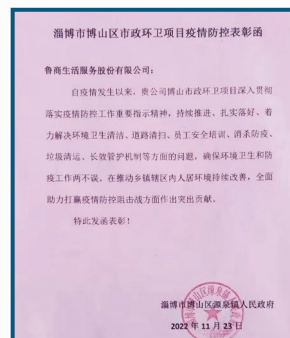
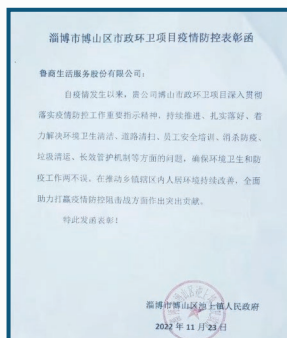
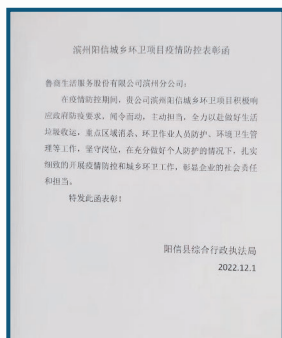
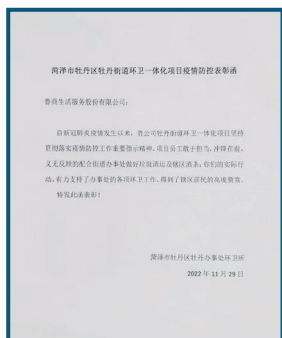


CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

In 2022, Lushang Services achieved excellent results in fighting against the pandemic and protecting people's livelihood, and received more than 80 commendations and pennants. Among which, the Jining branch received 30 letters of thanks for its outstanding performance in pandemic prevention.



Our projects in Zibo, Binzhou, etc. successively received letters of commendation from township governments



Our Harbin City Company was commended for its solid prevention against the pandemic

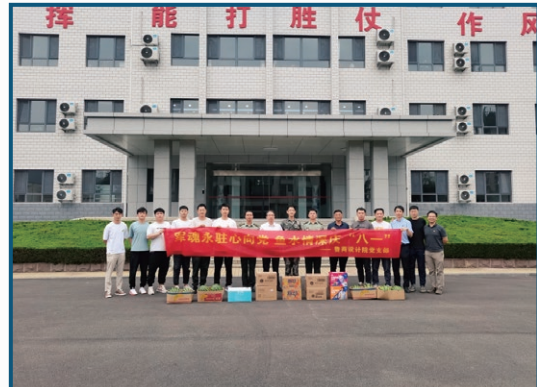
CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

SUPPORTING THE ARMY

This Year marked the 95th anniversary of the founding of the army. The Party Committee of Lushang Services organized a series of activities on "Celebrating August 1st with Everlasting Army Mission and Passionate Devotion to the Party" (軍魂永駐心向黨魚水情深『慶八一』), and held a symposium for veterans to encourage young employees to work hard and contribute to the society in the Company's development.



Leveraging the "double registration" (雙報到) mechanism, the Party branch of Jinan City Company visited disabled veterans over 90 years of age in the community to listen to their past stories and relive the eventful years of turbulence and passion, and further encouraged all Party members, cadres and employees of the branch to learn the spirit of courage and devotion from the veterans, so as to better contribute their strength in the workplace and enrich the Company's development with practical actions. The Party branch of Lushang Design visited a communication camp stationed in Jinan of the Northern Theater Command to carry out fellowship activities, send warmth to officers and soldiers, extend holiday greetings to them and hold friendly basketball matches, thereby further conveying the profound attachment, demonstrating the great spirit of unity and perseverance and reinforcing the close relationship of "breathing together, sharing fate and connecting emotions" (同呼吸、共命運、心連心) between the army and the people.



APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
Environmental	A1: Emissions	General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Incorporate green operations into the Company's development
		relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
		A1.1: The types of emissions and respective emissions data.	Incorporate green operations into the Company's development
		A1.2: Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
		A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
		A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
		A1.5: Description of emission target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development
		A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development

APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
	A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Incorporate green operations into the Company's development
		A2.1: Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
		A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
		A2.3: Description of energy use efficiency target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development
		A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development
		A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to our business
	A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Incorporate green operations into the Company's development
		A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Incorporate green operations into the Company's development
	A4: Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Incorporate green operations into the Company's development
		A4.1: Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Incorporate green operations into the Company's development

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Subject Area	Aspect	KPI	Corresponding Content
Social	B1: Employment	General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Be people-oriented and foster development together with employees
	B2: Health and Safety	B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Be people-oriented and foster development together with employees
		B1.2: Employee turnover rate by gender, age group and geographical region.	Be people-oriented and foster development together with employees
		General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Be people-oriented and foster development together with employees
		B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Be people-oriented and foster development together with employees

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Subject Area	Aspect	KPI	Corresponding Content
		B2.2: Lost days due to work injury.	Be people-oriented and foster development together with employees
		B2.3: Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Be people-oriented and foster development together with employees
	B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Be people-oriented and foster development together with employees
		B3.1: The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Be people-oriented and foster development together with employees
		B3.2: The average training hours completed per employee by gender and employee category.	Be people-oriented and foster development together with employees
	B4: Labour Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Be people-oriented and foster development together with employees
		B4.1: Description of measures to review employment practices to avoid child and forced labour.	Be people-oriented and foster development together with employees

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Subject Area	Aspect	KPI	Corresponding Content
		B4.2: Description of steps taken to eliminate such practices when discovered.	Be people-oriented and foster development together with employees
	B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Operate earnestly to pursue win-win cooperation
		B5.1: Number of suppliers by geographical region.	Operate earnestly to pursue win-win cooperation
		B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operate earnestly to pursue win-win cooperation
		B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operate earnestly to pursue win-win cooperation
		B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operate earnestly to pursue win-win cooperation
	B6: Product Responsibility	General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Offer premium services to build smart communities enthusiastically
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
		B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to our business

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Subject Area	Aspect	KPI	Corresponding Content
		B6.2: Number of products and service related complaints received and how they are dealt with.	Offer premium services to build smart communities enthusiastically
		B6.3: Description of practices relating to observing and protecting intellectual property rights.	Strictly control risks and practise honestly
		B6.4: Description of quality assurance process and recall procedures.	Not applicable to our business
		B6.5: Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Offer premium services to build smart communities enthusiastically
	B7: Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Strictly control risks and practise honestly
		B7.1: Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Strictly control risks and practise honestly
		B7.2: Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strictly control risks and practise honestly
		B7.3: Description of anti-corruption training provided to directors and staff.	Strictly control risks and practise honestly

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Subject Area	Aspect	KPI	Corresponding Content
	B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contribute to public welfare and give back to the society
		B8.1: Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contribute to public welfare and give back to the society
		B8.2: Resources contributed (e.g. money or time) to the focus area.	Contribute to public welfare and give back to the society

