

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

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2107

Environmental, Social and Governance Report

2023



Green and Healthy
Living Experiences

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About this Report

INTRODUCTION

This report is the fourth Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) published by First Service Holding Limited (the “**Company**”, “**First Service**” or “**we**”, together with its subsidiaries, collectively referred to as the “**Group**”), which discloses the Company’s sustainability performance in the past year in a transparent and open manner, so as to respond to the concerns and expectations of various stakeholders regarding the Company’s sustainability. The Report should be read in conjunction with the “Corporate Governance Report” section of the Company’s 2023 Annual Report to help readers gain a more comprehensive understanding of the Company’s ESG performance.

SCOPE OF THE REPORT

The reporting period of the Report is from 1 January 2023 to 31 December 2023 (the “**Year**”), and some parts of the Report have gone beyond the Reporting Period moderately for the purpose of enhancing the comparability and completeness of the Report. Unless otherwise stated, the scope of the Report is consistent with that of the Company’s 2023 Annual Report. The Report mainly covers First Service Holding Limited and its branches whose principal place of operation is in China and its subsidiaries whose financial statements are consolidated into the Group’s financial statements. Compared with 2022, there are no significant changes in the scope of disclosure. The environmental data covers part of 135 property projects under management of the Group, an increase of 38 projects compared with 2022.

REPORTING STANDARDS

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), strictly fulfilled the disclosure obligations under the “comply or explain” provision, and performed the key performance indicators (KPIs) given the nature of the Company’s business. An index of the ESG Reporting Guide is included in the Appendix of the Report to provide readers with an overview of the Company’s ESG performance.



About this Report

REPORTING PRINCIPLES

Reporting principles	Definition	Response of the Company
Materiality	The issuer should report on ESG matters when the board of directors determines that they have a material impact on investors and other stakeholders.	The Report identifies significant sustainability issues and ranks them in order of materiality by making continuous communication with stakeholders and taking into account the nature of our business and the way we operate.
Quantitative	KPIs relating to historical data should be measurable and the issuer should set targets (either actual figures or directional, forward-looking statements) for reducing individual impacts. In this way, the benefits of ESG policies and related management systems can be assessed and verified. Quantitative information should be accompanied by a statement of purpose and impact and, where appropriate, comparative data.	The Report provides quantitative disclosure of environmental and social KPIs wherever possible, and is added with notes to help readers better understand the results of our practices.
Balance	The ESG report should provide an unbiased picture of the issuer's performance and avoid selections, omissions, or presentation formats that may inappropriately influence decisions or judgments of report readers.	Based on objective facts, the Report provides detailed information on sustainability issues that have a significant impact on our business and discloses our performance in these areas.
Consistency	The issuer should use consistent statistical methods of disclosure so that ESG data can be meaningfully compared at a later date.	The scope and methodology of disclosure of the Report will remain virtually consistent from year to year, allowing readers to compare performance data.



About this Report

SOURCE OF INFORMATION

The information disclosed in the Report has been obtained from official documents, statistical data, or public information of First Service, and has been validated through internal monitoring mechanisms and review procedures. The board of directors of the Company (the "**Board**") is responsible for the adequacy and appropriateness of the content in the Report to ensure that there are no false records, misleading statements or material omissions.

PUBLICATION

The Report is prepared in both Chinese and English and is published in electronic form. It has been uploaded onto the Company's official website at www.firstservice.hk and the official website of the Stock Exchange at www.hkexnews.hk. In case of any conflict or inconsistency between the English and Chinese versions of the Report, the Chinese version shall prevail.

CONFIRMATION AND APPROVAL

The Report was considered and approved by the Board on 26 March 2024.



About First Service



First Service Holding Limited focuses on providing property management services, value-added services and green living solutions that cover the full property life-cycle in China.

Brand Philosophy

Technological Living, Homelike Service

Company Orientation and Mission

We position ourselves as an operator of full life scene industrial homes with green technology. We are committed to providing customers with comfortable and healthy living experiences with green technology.

Company Business

1. Property management services

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

2. Green living solutions

We provide green living solutions to property developers, property owners and residents, including:

- (i) energy operation services; and
- (ii) systems installation and product sales.

About First Service

3. Value-added services

We provide value-added services to non-property owners and community value-added services to property owners and residents. Value-added services primarily comprise:

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

Awards & Honours

From its incorporation, the Company's abundant experience in property management has been the cornerstone of our success, allowing us to truly understand property owners' needs. The insights have enabled us to offer tailor-made products and services that span the entire property life-cycle, making life easier for our customers. In 2023, our efforts were recognised with a number of honours and awards from government agencies, industry associations and other prestigious organisations.



19th among the Top 100 Property Management Companies in China in 2023



Top 10 Companies in Residential Property Service in 2023



18th among the Top 100 Property Management Companies with Overall Strength in China in 2023



Top 100 High-quality Service Property Management Companies in China in 2023



Top 100 Brand Influential Property Management Companies in China in 2023



Leading Property Management Companies in Smart Property Service in China in 2023

About First Service



Top 22 Chinese Property Enterprises with High-quality Service in 2023



Top 25 Chinese Property Enterprises with Overall Strength in 2023



2023-2024 China 5-star Property Service Project
Tongzhou Wanguocheng MOMA



2023 Benchmark Projects of Property Management Service in China
Beijing Modern MOMA



2023 Benchmark Projects of Property Management Service in China
Taiyuan Wanguocheng MOMA



2023 Benchmark Projects of Property Management Service in China
Taiyuan Guotouzancheng



Benchmark Chinese Property Enterprise in Customer Satisfaction in 2023



Chinese Leading Enterprise in Light Asset Operation Services in Industrial Park in 2023



Chinese Property Service Leading Enterprise in Service Quality in Industrial Parks in 2023

About First Service



Chinese Property Service
Outstanding Enterprise in Market-
based Operation
in 2023



Chinese Property Service Benchmark
Enterprise in Red Property in 2023



2023 China School Property Service
Benchmark Project
The High School Attached to
Hunan Normal University, Furong
Middle School Branch



BOARD STATEMENT



Board Statement

As an operator of full life scene industrial homes with green technology, First Service focuses on providing property management services, value-added services and green living solutions that cover the full property life-cycle in China. Committed to becoming a unicorn company that offers green property management service, we strive to provide customers with green, comfortable and healthy living experiences in residential and non-residential properties.

The board of directors of First Service attaches great importance to the sustainable development of the Company. In accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange, the Board has set up a well-established ESG framework in order to strengthen the Board's supervision and engagement in ESG efforts. The Board, as the decision-making body, is responsible for determining the Company's ESG management strategies, including but not limited to confirming the ESG-related risks and opportunities evaluated and identified, acknowledging the results of internal and external materiality assessment, determining the ESG management objectives, policies, and implementation procedures, and reviewing and approving the Company's annual ESG report. The Company's roadmap and results in the areas of products and services, labour rights, carbon emissions, and climate change and response are reviewed and approved by the Board and published publicly via the Company's ESG report.

Believing that promoting sustainable development is as important as achieving long-term business growth, First Service continues to promote and achieve ESG-related objectives in the areas of green technology, service quality, corporate governance, labour rights, environmental protection and community development.

First Service practises the service philosophy of "Technological Living, Homelike Service". We work with our stakeholders like customers, shareholders and suppliers to make a positive impact on service quality, environmental protection, etc. We listen to our stakeholders and maintain communication with them to enhance their understanding of our development and operation policies. By providing timely and effective response to their needs, we aim to strengthen our cooperative relations and foster mutual growth.



Board Statement

In terms of green technology development, First Service is devoted to offering green living solutions in order to improve living conditions and uphold its commitment to environmental sustainability. We provide green technology consulting services and systems installation services at different stages of the property life-cycle. We have developed three generations of AIRDINO systems and built a green cloud platform, not only achieving economic benefits, but also creating good social and environmental benefits.

Regarding service quality management, First Service is committed to providing customers with quality-guaranteed services and products, moving towards standardised, professional and intelligent operation, focusing on improving the quality of life in residential properties, and creating comfortable and healthy living experiences with green technology. At the same time, we prioritise workplace safety, achieving zero significant safety accident in 2023. We carry out a variety of cultural activities within communities and place significant emphasis on handling customer complaints effectively.

Employees are deemed as a vital component of First Service. Adequate attention is paid to the rights and interests, health and safety of employees. We strive to protect the legitimate rights and interests of employees and provide them with fair development and promotion channels. Meanwhile, efforts are made to reduce occupational safety risks, provide safe and comfortable working environment, and achieve finer team management. We prioritise the safety and health of our employees and offer a comprehensive benefits package to ensure their well-being, while safeguarding their fundamental rights and interests.

We view green development as a crucial approach to business growth in our day-to-day operation and development endeavours. Efforts are made to reduce the impact on the environment in our routine operations by controlling emissions and discharges. A three-level control system has been built and put in place to ensure the effective management of exhaust gas, wastewater and waste. In the meantime, specific in-house rules and policies have been formulated to materialise energy conservation and emission reduction measures, energy saving technologies are introduced to reduce energy consumption, and the energy management mechanism has been optimised to improve energy use efficiency. Moreover, we prioritise addressing the risks associated with climate change with proactive preventive and responsive measures.

First Service cannot achieve sustainable development without the engagement and support of all stakeholders. We maintain communication with stakeholders and exchange views on major issues. In conclusion, we are confident that we will make significant strides and steady progress towards sustainable development.

Sustainability Governance and Identification of Material Issues

ESG Governance Framework

In order to effectively implement ESG governance of First Service, we have established an ESG management system led by the Board, with management taking responsibility, cross-departmental cooperation and top-to-bottom coordination, so as to promote the orderly implementation of First Service's ESG management and information disclosure efforts.

Specifically, the Board, as the decision-making body of the Company, is responsible for the formulation of the Company's ESG strategies and objectives, and provides overall leadership in ESG management. The management has established an ESG group with supervisory and coordinating functions, which is responsible for the implementation of specific ESG activities in their respective areas. Led by the ESG group, all subsidiaries and branches carries out ESG-related efforts in their specific areas.

Table: First Service's ESG Governance Framework

Working level	Staffing	Main functions
Decision-making body	The Board	➤ Guiding the direction of the Company's sustainable development
		➤ Monitoring the Company's sustainability risks
		➤ Assuming responsibility for ESG governance
		➤ Overseeing and reviewing the Company's ESG performance
		➤ Reviewing and approving ESG management and information disclosure
Supervision and coordination	ESG group	➤ Implementing Board resolutions
		➤ Reporting regularly to the Board on the progress of ESG tasks
		➤ ESG management and information disclosure
		➤ Communicating and coordinating ESG matters with executive organisations
Executive organisations	Subsidiaries and branches	➤ Performing ESG related tasks
		➤ Reporting and providing feedback on the implementation of ESG initiatives

Sustainability Governance and Identification of Material Issues

Green Strategy and Management Vision

First Service positions itself as an operator of full life cycle industrial homes with green technology. While catering to all stages of the property life-cycle, we strive to provide our customers with comfortable and healthy living experiences with green technology in residential and non-residential properties to fulfil the commitment of environmental sustainability, fulfil corporate social responsibilities (CSRs), and realise the common development of economy, society and the environment.

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

In addition to our property management services, we offer green living solutions that allow us to improve living conditions while upholding our commitment to environmental sustainability. They include energy operation services, green technology consulting and systems installation services, where we design and install energy systems to enhance indoor comfort.

Sustainability Governance and Identification of Material Issues

Stakeholders and Communication

First Service attaches high importance to and effectively responds to the expectations and demands of stakeholders, promotes social development with stakeholders, and shares the fruits of development. Drawing from insights gleaned from our 2022 ESG Report, we have meticulously identified our ESG stakeholders and expanded our communication outreach to include various stakeholders such as government bodies, regulators, shareholders, investors, customers, property owners, employees (primary, middle and senior levels), suppliers, partners, media outlets, non-governmental organisations (NGOs), and the broader community. We have established targeted and diversified communication channels tailored for different stakeholders. The following table outlines the key issues of concern to and the primary communication methods utilised by stakeholders:

Table: Issues of concern to stakeholders and primary communication methods

Major stakeholders	Key ESG issues of concern	Primary communication methods and channels
Government bodies and regulators	Customer/property owner health and safety, product and service quality, information security protection	Policy consultation, work reports, information disclosure, routine inspections, regulatory body meetings
Shareholders and investors	Emissions, employment, product and service quality	Daily reception, shareholders' general meeting, information disclosure, investor hotline and email address, official website of the Company
Customers/property owners	Emissions, customer/property owner health and safety, employment, product and service quality, information security protection	Customer service hotline, official website of the Company, customer satisfaction survey, information disclosure, community activities
Employees (primary and middle-level employees)	Employment, employee career development, employee health and wellness, employee rights and benefits, information security protection, customer/property owner health and safety	Staff congress, labour union, direct communication
Employees (senior management personnel)	Climate change, employment, employee rights and benefits, employee health and wellness, product and service quality, anti-corruption, customer/property owner health and safety, information security protection	Interviews, questionnaires, direct communication

Sustainability Governance and Identification of Material Issues

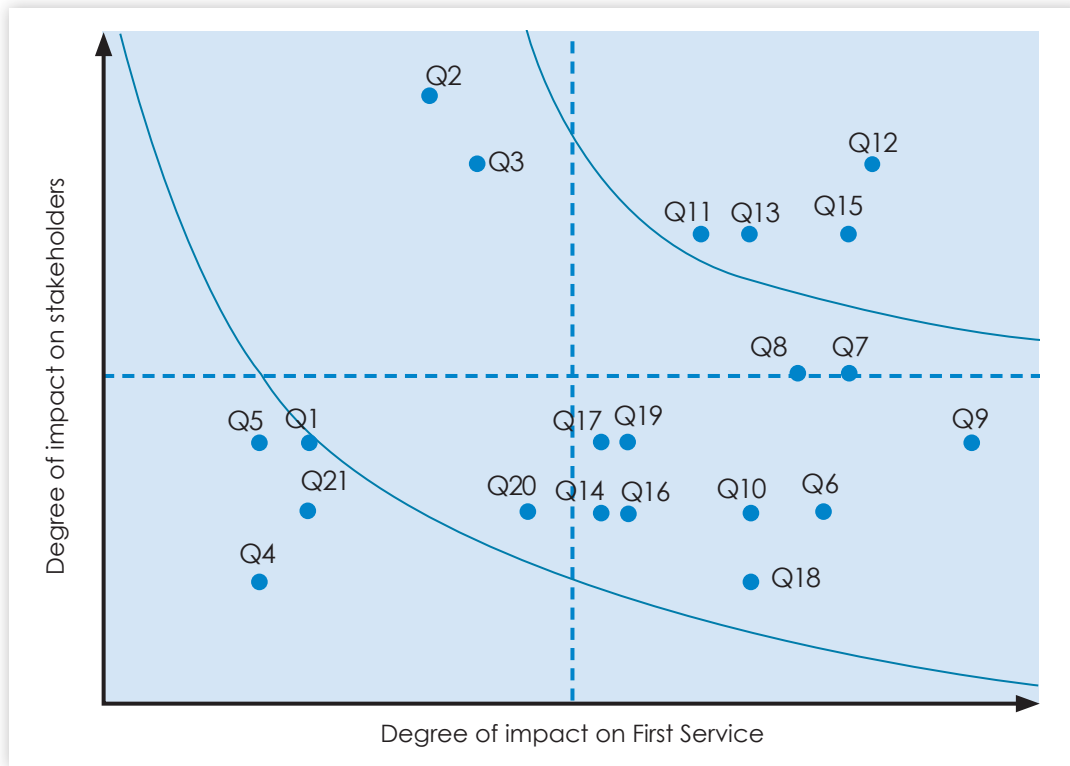
Major stakeholders	Key ESG issues of concern	Primary communication methods and channels
Suppliers/partners	Resource utilisation, climate change, supply chain management, product and service quality, information security protection, anti-corruption	Competitive bidding process, contract negotiation, daily business communication, etc.
Media outlets and NGOs	Information security protection, supply chain management, employment, employee career development, employee health and wellness	Social media, official website of the Company, press conferences, communication meetings
Community	Resource utilisation, information security protection, community investment	Community education and advocacy, seminars and exchanges, public benefit activities, community activities
Industry associations	Employment, anti-corruption, supply chain management, climate change	Periodic communication sessions, information disclosure, social media

Identification and Analysis of Material ESG Issues

To further assess the level of stakeholder interest and expectations regarding its ESG issues and to identify the key areas of ESG practices, the Company has collected the key issues of concern to its stakeholders through a string of steps such as identification of ESG issues, stakeholder surveys, issue materiality analysis and the management's feedback and confirmation, further updated the content of the issues on the basis of those identified in 2022, and conducted materiality analysis and ranking to ascertain the Company's material environmental and social issues and disclose them in the Report in accordance with the requirements of the ESG Reporting Guide of the Stock Exchange and with reference to the Global Reporting Initiative's procedures for materiality analysis.

Sustainability Governance and Identification of Material Issues

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



Matrix diagram: Materiality analysis matrix of ESG issues of First Service in 2023

Note:

In the matrix diagram: Q1: Greenhouse gases; Q2: Waste emissions/discharges; Q3: Resource utilisation; Q4: The environment and natural resources; Q5: Climate change; Q6: Employment; Q7: Employee career development; Q8: Employee health and wellness; Q9: Employee rights and benefits; Q10: Supply chain management; Q11: Community activities and community culture; Q12: Customer/property owner health and safety; Q13: Product and service quality; Q14: Intellectual property rights protection; Q15: Information security protection; Q16: Community investment; Q17: Business compliance and standardisation; Q18: Anti-corruption and anti-money laundering; Q19: Board monitoring; Q20: Risk identification; Q21: Periodic communication.

In the matrix diagram, where the horizontal axis signifies the level of impact on First Service and the vertical axis denotes the level of impact on stakeholders, we have categorised the material issues into three levels, with the top right-hand corner representing the issues of high materiality. Among these, the issues with the highest levels of materiality are customer/property owner health and safety, information security protection, product and service quality, and community activities and community culture. In light of the above ESG materiality assessment results, we disclose the key issues in detail in the corresponding sections so as to better address the concerns and expectations of various stakeholders.

Technological Living, Green Development

Technological Living, Green Development

Green Technology, Energy Operation

First Service is devoted to offering green living solutions, helping customers achieve the “four-constants goals”, i.e. constant temperature (恒溫), constant humidity (恒濕), constant oxygen (恒氧) and constant quietness (恒靜), so as to improve living conditions and uphold its commitment to environmental sustainability. We provide a wide range of green pre-delivery activities, green community operation services and green community eco-services at different stages of the whole property life-cycle. Multiple green living solutions have been integrated to save energy:

- ❖ Energy operation services: Energy operation services are provided through energy stations supporting residential communities for coordinating delivery of utilities such as central heating, central cooling and fresh air ventilation with the goal of stabilising living conditions within properties.
 - Accumulation of experience in energy services in multiple business formats
We adopt a multi-energy complementary energy system based on clean energy to provide customers with high standard and comfortable heating, cooling, domestic hot water and other energy uses to focus on the comprehensive utilisation of urban energy;
 - Coverage of energy data in China's four major climate zones
We collect energy data in regions that are bitterly cold and cold, and have hot summers and cold winters, as well as hot summers and warm winters, which brings high quality living experience for consumers;
 - Fine energy operation capability
Full-process services are provided to customers via a systematic, normalised and standardised operation system. A 24-hour hotline is available to satisfy customer needs and ensure the quality of operation services.
- ❖ Green technology consulting and systems installation services: The Company analyses the characteristics of each property and provides tailor-made solutions related to the design and consulting, tendering and procurement, installation and/or operation of energy systems and Green Building Label applications. We provide a variety of green technology consulting services, covering all stages of the design and installation process of energy systems:
 - We have a green cloud platform. With real-time remote monitoring and management, the advantages of Internet + smart energy have been brought into play. Big data analytics enable us to continuously optimise the energy supply scheme and improve the quality of operational hosting service.
 - Based on years of practical experience in green technology systems, the Company analyses the natural resources of the project location according to customer needs and project positioning and provides scientific and reasonable systematic solutions starting from passive and active energy conservation.
 - During the implementation of technology energy systems, we optimise the construction plan, give instructions on disclosure and training of key techniques, strictly control construction quality and finetune systems.

Technological Living, Green Development

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

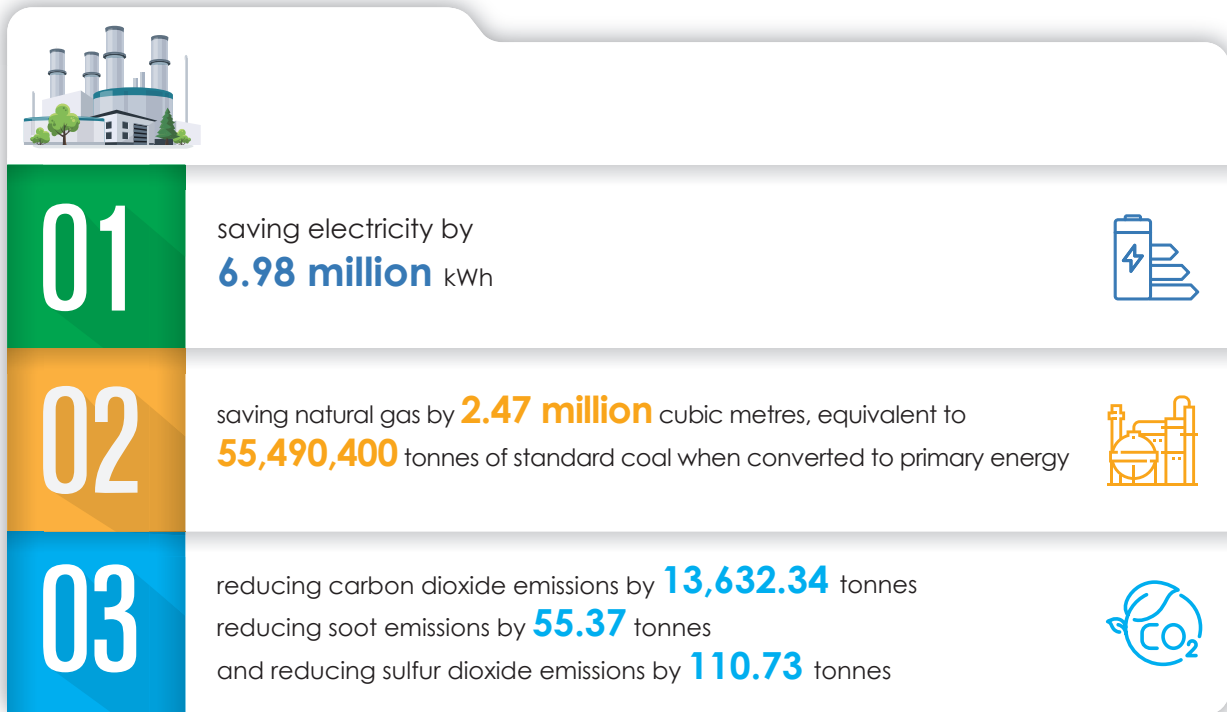
- We will use energy consumption analog software to estimate the energy consumption of new projects, and this estimated value will be the quota in the first year;
- For projects that have been running for more than one year, we will calculate the energy consumption quota for the following year at the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

The cloud platform supports various functions, including quota management of energy consumption. In 2023, projects managed by the cloud platform not only achieved economic benefits, but also created good social and environmental benefits.



Technological Living, Green Development

Table: Effectiveness of First Service's cloud platform in emission reduction



First Service practices environmental protection concepts. The Company pays ongoing attention to the latest policies for developing green and healthy buildings in China. With the full popularisation of green buildings, we will continuously improve the system of basic-level green building technologies and study the implementation path of high-star green building technologies in the future. The rich and complete green building system will provide strong support for the development of other businesses. In the future, we will prioritise promoting and using the intelligent AI energy management platform and other cutting-edge technologies to better operate, maintain and manage complex energy systems such as central air-conditioning systems for the purposes of energy conservation and efficiency enhancement. At the same time, we will strengthen the combination of the green building system with the technology related to the goal of peaking carbon emissions and achieving carbon neutrality ("dual carbon"), and consolidate the market competitiveness of our technologies and products. Relying on the technology research and development ("R&D") and product application regarding nearly zero energy buildings, First Living will accumulate the results of technology R&D and the experience in application of the results in projects, expand the technological innovation and product application in the field of healthy buildings, which is increasingly capturing public attention, and construct healthy buildings and communities in practice.

Technological Living, Green Development

Technological Innovation, Healthy Living

First Service values technological R&D and innovation. It strives to find ways to conserve energy and concretise our innovation results through patent and copyright registration. We focus on creating low-energy, healthy and comfortable living conditions, and improving the service capability of efficient, energy-saving, low-emission and professional operations. With these two objectives in mind, our future green development plan will leverage big data and AI algorithms to prioritise the marketing of unattended systems, while further improving and upgrading the functionality of existing products.

The Company always focuses on boosting efficient, energy-efficient, low-emission, professional operation and maintenance (“O&M”) service capabilities. The AI cloud O&M platform, established and refined in operation, has enabled us to achieve notable advancements in the intelligent O&M of central air-conditioning systems. For instance, a number of self-managed projects have realised fully automated operation and troubleshooting of server rooms with AI technology. This not only significantly reduces both operational energy use of projects and personnel & training costs across the Company. Currently, AI cloud O&M technology has been extended to external projects, including shopping malls, hotels, and office buildings, all of which yield satisfactory outcomes. For instance, upon the deployment of First Service’s AI cloud energy-saving strategy, the energy consumption of a government office building project in Huairou District, Beijing, decreased by 20.3% on the first day compared to the previous day. Thanks to AI self-learning capabilities, continuously unlocked energy-saving potential and optimised energy-saving strategies, the building energy consumption of the project achieved a cumulative reduction of 28.8% after one month of operation, showing remarkable energy-saving effect. In the future, we will remain committed to AI cloud O&M, with the goal of becoming a leading technology-driven O&M service provider in China.

Furthermore, the industry standard “Guide on Evaluation of Carbon Neutrality for Real Estate and Construction Enterprises”, which was primarily compiled by the Company, entered the review stage in 2023, and this guide is expected to further disseminate and promote the concept of green living.

Smart Community, Digital Connection

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

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

Technological Living, Green Development

First Service has currently set up information systems for employees and property owners, including a green housekeeper app for employees and a green housekeeper app for property owners.

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

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

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

Homelike Service, Harmony and Win-win

Quality Concept, Homelike Service

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

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

As First Service recognises that community safety is the foundation of property management services, a range of measures are taken to ensure that safety issues are effectively managed. We have formulated more than 30 work guidance standards, including the Standard for Risk Control, the Standard for Typhoon, Public Security Incident, Fire Safety, Water Outage and Fire Drill, the Standard for Post Management, the Standard for Management of the Monitoring Centre and the Standard for Inspection of Communities and Buildings. These documents involve all aspects of community safety, which makes safety management more institutionalised and systematic. Meanwhile, closed management is conducted for communities, and a 24-hour guard and access control system is set up for entrances and the central control room. Fire drills are conducted twice a year, so as to enhance the fire safety awareness of service centres' employees and improve their ability to deal with emergencies. The security risk ledger is sorted out and updated every six months, and control measures are established accordingly.

During the Reporting Period, the Company's Huangshi Park Service Centre was recognised as the "Four-Star Property Service Enterprise" in Huangshi City; Zhangjiakou Branch in North China was recognised as the "Model Unit" in Hebei Province; Taiyuan Dangdaizhu MOMA Service Centre, Taiyuan Zhongye Liyuan Service Centre and Taiyuan Dangdaicheng MOMA Service Centre in Northwest China were recognised as the "Garden-style Residential Area in Taiyuan"; Xianning Tonghui Shanghecheng Service Centre in Central China was recognised as the "Outstanding Organiser" in Hubei Province; Nanjing Huangguan Zuanshi Shuangxing Service Centre in East China was recognised as the "Garden-style Residential Area in Nanjing"; Nanjing Wanguofu MOMA Service Centre in East China was recognised as the "Garden-style Residential Area in Nanjing"; Changsha Weizeyuan Service Centre was recognised as the "Four-Star Property Service Project" in Hunan Province; and Taiyuan Wanguocheng MOMA Service Centre in Northwest China was recognised as "A-grade Property Service Enterprise in Taiyuan".

Homelike Service, Harmony and Win-win

Listening Attentively and Solving Problems

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

First Service has established a comprehensive customer service management mechanism, with customer service as the first-level dimension, customer management, order maintenance, environmental management and green pre-delivery service as four second-level dimensions, and customer research, customer relationship maintenance, community culture, public security, fire control, car park management, cleaning service, greening, pre-delivery service and sales support as ten third-level dimensions. Responsibilities are divided according to work items, timing and frequency, and mechanisms for supervision, rewards and punishments, and accountability are in place for customer service and its subordinate dimensions.

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

Project staff are responsible for maintaining customer relationships, collecting customer information, handling customer complaints, collecting property management fees, improving customer satisfaction, organising community cultural activities, etc.

- Constructing a complaint handling regime
With respect to complaint handling, First Service sets up a variety of smooth channels for communication with customers. Complaints are classified by level into level-1 major complaints, level-2 serious complaints and level-3 general complaints. Complaints are classified by channel into complaints from online platforms, mailbox, front desk, 400 hotlines, phone calls, green housekeeper system and media, respectively.

Complaints about the Company shall be recorded into office system within 10 minutes of receipt of the complaints, and those about service centres shall be recorded into the green housekeeper system within 10 minutes. All information on complaints must be recorded. After receiving complaints, the person in charge of a service centre is responsible for reviewing the handling processes and results of complaints about the service centre and the Company. The head of a regional company is responsible for reviewing the abnormal closure of complaints about service centres and the Company, and handling, following up and closing the escalated complaints about service centres and the Company. The general manager of First Service has the responsibility over review of the handling processes and results of complaints about the Company and review of abnormal management of such complaints.

Homelike Service, Harmony and Win-win

The Company has clear provisions on the time limits for handling customer complaints. Level-1 major complaints shall be handled within 15 days, with a reply to be given on the day of receipt of complaints and a solution to be determined within 3 days. If such complaints can be handled within 30 minutes, the Company must immediately assign persons to handle them. Level-2 serious complaints shall be handled within 7 days, with a reply to be given on the day of receipt of complaints and a solution to be determined within 2 days. If such complaints can be handled within 30 minutes, it must immediately assign persons to handle them. Level-3 general complaints shall be handled within 1-3 days, with a reply to be given on the day of receipt of complaints and a solution to be determined within 2 days.

Additionally, we have established a mechanism for escalating some key and challenging complaints. The person in charge of a service centre is responsible for the complaints that undergo the first escalation and remain unresolved for three or more working days since the solution is finalised. The head of the operations management department of a regional company, the operations management centre of First Service and the head of the customer relationship management task force are responsible for the complaints that undergo the second escalation and remain unresolved for seven or more working days since the solution is finalised. The head of a regional company, the head of the operations management centre of First Service and the general manager of First Service are responsible for the complaints that undergo the third escalation and remain unresolved for 15 or more working days since the solution is finalised.

Under the complete complaint handling mechanism, First Service received a total of 1,782 complaints in 2023, marking a decrease of 182 complaints compared to 2022. 98.52% of the received complaints were successfully resolved, maintaining a rate of above 90%.

Table: Customer complaint related KPIs of First Service

Indicator	Data in 2023	Data in 2022
Number of complaints received	1,782	1,964
Complaint rate (%)	1.28%	1.42%
Complaint resolution rate (%)	98.52%	98.81%

Note: Complaint rate = number of complaints/total number of customers

➤ **Enhancing the level of customer satisfaction**

First Service attaches great importance to customer satisfaction and obtains real feedback from customers through various surveys. The Company conducts customer satisfaction surveys via preliminary preparation, investigation, data evaluation, report publication, rectification and return visits and so forth in a variety of forms, including phone calls, WeChat and visits, in order to understand customer requests at all stages (run-in period, stable period and old property owners) and obtain the information about customer satisfaction on our products and services. An objective and authentic evaluation on the overall quality of products and services will be provided, and a comprehensive evaluation report will be generated.

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The customer satisfaction survey is conducted on a quarterly basis via phone calls to measure customers' level of satisfaction with the service provided by service centres of First Service that have served customers for at least six months. The sampling ratio in the first, second and third quarters was over 2%, the proportion of service centres in the total households under management. In the fourth quarter, an external agency was engaged to conduct a survey and the sampling ratio was over 5%. The surveys were conducted in the dimensions of customer services (including customer demands and response time to customers' enquiries), order maintenance (including visitor control and vehicle management), science and technology facilities (including property maintenance and public area maintenance), environmental management (including cleaning, greenness and disinfection in public areas), and community cultural activities (including customer engagement). The Company will announce the overall satisfaction results and the results in each dimension on a quarterly basis. It will share data, conduct analysis, establish measures and follow up on the rectification by service centres. The headquarter conducts sampled follow-up visits on the rectification results. The goal of the satisfaction survey is to identify the problems of service centres under management in customer relationship maintenance, field management, service quality and other aspects, which needs to be further improved.

In 2023, the green housekeeper system updated and improved customer reporting for repair, ensuring the convenient, timely and accurate recording of customer demands. Specific measures were set to fix customer problems in time and improve customer satisfaction. The satisfaction score of First Service was 79.3 points in 2023.

➤ **Protecting customer information**

First Service is aware of the importance of customer privacy and information security, and has established a complete system to effectively protect customer privacy and security. The Company has formulated the Management Standard on Customer Information to protect customer information, and the Standard on Usage Rules for Customers' Facial Recognition to protect customer information and their portrait rights. The Company has formulated the Server Management Standard, the Standard for Information-based Equipment Room Management and the Standard for Emergencies Relating to Information-based Infrastructure. We have defined the control process and registration form of personnel entering and leaving the computer room, the process and form of server inspection, the process of system emergencies, as well as the operation and maintenance reports. We have also clarified the management standard and process of the classification, establishment, storage, management, update and maintenance of the property owners' data. In the information system, there is a separate permission for the control of the viewing of customer information, and customer privacy is protected through the permission system.

For confidential customer information we collected while providing property management services, we require employees to request prior approval from the relevant customer service manager before reviewing or destroying files. We sign confidentiality agreements with all employees to prevent disclosure of customer information. In the meantime, we have installed anti-virus and firewall software in our office system to prevent data attacks, leakages and tampering, and we upgrade such software from time to time and carry out regular inspections to detect viruses.

In the future, we will make further efforts to protect the privacy of customers and encrypt the electronic archives of each customer, with an instant password available only after approval. In addition, WeCom should be used to replace individual WeChat accounts for communication with customers, so as to prevent the risk of information leakage during the transfer of private managers.

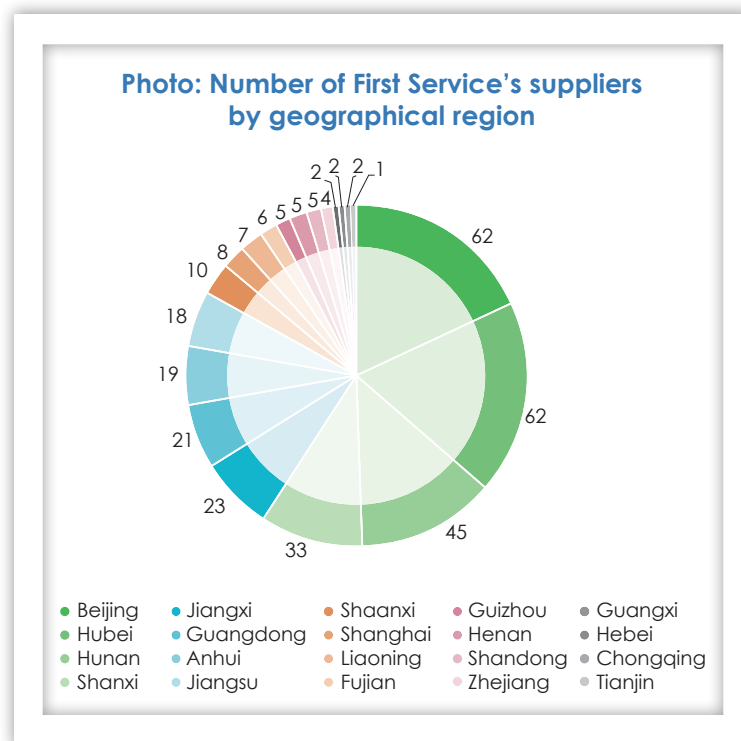
Homelike Service, Harmony and Win-win

Green Procurement, Harmony and Win-win

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

First Service's suppliers can be divided into the following three categories: 1) purchasing suppliers who are mainly intended to meet property operation needs, including engineering materials, engineering tools, consumables for MOMA systems (filters and wet films), office supplies (office utilities, office furniture and office equipment), cleaning materials (cleaning supplies, cleaning tools, greening tools, seedlings, fertilisers, pesticides, etc.), employee welfare items (staff uniforms, mobile phones and shoes), and branding and image materials (VI logos, printings, gifts and other custom products); 2) service outsourcers who are further divided into labour outsourcers, mainly engaged in order service, daily cleaning, garden maintenance, garbage clearance, environmental disinfection, rental greenery service, etc., and engineering outsourcers, mainly in charge of comprehensive O&M of elevators, air-conditioning systems, fire protection systems, power supply and distribution, water pumps, boilers and weak current systems; 3) testing suppliers who offer testing services for electrical firefighting equipment, elevators, domestic water, lightning protection, high voltage equipment, boilers, fire extinguishers, etc.

The total number of suppliers included by First Service in the list of suppliers in cooperation reached 340 in 2023, an increase of 19 suppliers compared with 2022. With respect to regional distribution, all suppliers come from China, distributed across 20 provinces, municipalities and autonomous regions. Of these, Beijing and Hubei boast the largest number of suppliers, with 62 each. The detailed breakdown of suppliers by geographical region is illustrated in the photo below:



Homelike Service, Harmony and Win-win

To select suppliers suitable for First Service, the supplier screening process involves a number of steps, including pre-review of information (review on websites such as Qcc.com, Qixin.com), pre-qualification (registered capital, qualification certificates, quality control system and peer performance), evaluation and on-site information review, process evaluation (contract performance quality and adaptability), and annual evaluation (360-degree evaluation, twice/year), from which star-level management is carried out. Suppliers with high scores are eligible for star promotion. Conversely, suppliers with low scores are subject to star reduction. Additionally, suppliers scoring below 60 points will be eliminated from the supplier pool. First Service employs various methods to solicit suppliers, including competitive bidding, invited bidding, competitive negotiations, request for quotations, single-source procurement and direct commissioning. The specific policies and processes for these bidding methods are outlined in the Supplier Management Standard of First Service, the Supply Procurement Standard of First Service and the Tendering Procurement Standard of First Service.

First Service strictly evaluates the service quality of suppliers and actively identifies possible environmental and social risks. In accordance with the Standard for the Management of Suppliers, the “five threes” work centre (purchase centre) assigns regions and service centres to conduct 360-degree evaluation on core suppliers (mainly from customer comfort and safety, such as order maintenance, daily cleaning, garden maintenance, four-pest killing, garbage removal, elevator maintenance, fire safety and water tank cleaning). The annual evaluation is conducted semi-annually. Service centres evaluate service outsourcers from their service quality on a monthly or quarterly basis. The “five threes” work centre periodically communicates with corporate, regional strategic suppliers to assess their cooperation to reduce performance risks. Purchasing suppliers are assessed in terms of the quality of their single service.

We verify and confirm on site the organisational structure, honours and qualification certificates of suppliers (special industry qualification certificates and ISO quality management systems). Field investigations into the projects are made to check whether they have professional construction ability and construction site management ability, construction technology, civilised construction ability and so forth. The use of eco-friendly and green new materials, new processes and new technologies is a plus.

In terms of supplier procurement, we require selecting at least three corporate/regional strategic suppliers in each region (such as order maintenance/daily cleaning/garden maintenance/elevator maintenance), signing strategic contracts with them and charging a certain amount of performance bond. Material purchasing suppliers are asked to sign pricing strategic procurement contracts at the corporate/regional/district level, to secure better cost and procurement efficiency. Meanwhile, First Service adopts a holistic approach to allocating procurement resources at the corporate level. This strategy ensures that the number of strategic suppliers in each region/area is sufficient and promptly selects backup suppliers to fill in for those that are found with violations or in the event of emergencies.

The Company's service centres evaluate suppliers' contract performance on a monthly basis to identify performance risks associated with suppliers, and send a warning notice and a correction letter to suppliers in case of any problems. Meanwhile, the Company's headquarter routinely communicates with core suppliers on a quarterly basis to assess changes and reduce risks. Additionally, the Company conducts patrol inspections every six months, and the audit department carries out audits from time to time. Moreover, the Company organises semi-annual/annual supplier rating activities and convenes annual supplier conferences, during which it awards honorary certificates to outstanding suppliers who will be exempted from the payment of bid security, have their contracts renewed and be prioritised for bid winning, etc.

Looking ahead, First Service will build a multi-faceted ecological partnership with suppliers. In 2024, we will identify various types of strategic suppliers at the corporate/regional level to establish a pool of strategic suppliers. We hope to have more benign cooperation with partners capable of offering new materials, new processes and new technologies, and also forge strategic alliances with suppliers in market expansion and diversified operation to achieve a win-win situation.

Operational Compliance and Integrity in the Workplace

Anti-Corruption and Clean Operation

First Service strictly enforces a zero-tolerance policy towards corruption, resolutely cracks down on any form of corruption, and actively fosters a culture of integrity. The Company stringently complies with the laws and regulations on preventing bribes, extortion and money laundering in China, including the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Law of the People's Republic of China for Countering Unfair Competition, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provisions on the Prohibition of Commercial Bribery.

In terms of in-house policies, the Standard for Supervision and Audit formulated by the Company has come into force. The audit centre supervises all employees practising the intelligent business' culture in accordance with relevant national laws and regulations, intelligent business' culture and operating standards. At the corporate management level, the Company clarifies "three stages" and "five don'ts" principle in its manual of intelligent business's culture. It makes clear internal work and responsibilities related to anti-corruption and anti-money laundering, and enhances employees' awareness of anti-corruption. At the supplier management level, the Company signs "integrity pledges" before initiating tenders, clarifying the red lines that are forbidden to touch and investigating legal liabilities.

Table: "Three stages" and "five don'ts principle"

Three stages	Five don'ts principle
<p>Preventing problems: Publicise the culture of integrity, establish anti-fraud standards (audit process and accountability measures), and carry out reporting policies (whistleblower protection and incentive measures);</p> <p>Finding out problems: Maintain complaint channels and receive reports; collect clues during routine audits and proactively detect fraud incidents;</p> <p>Solving problems: Conduct anti-fraud audits according to corporate culture and standards and cooperate with judicial organs.</p>	<p>Do not abuse positions: Do not be self-seeking, and do not encroach on the interests of the state, the Company or customers</p> <p>Do not go to wrong parties: Do not go to parties held by suppliers</p> <p>Do not be greedy for illegal money: Do not embezzle money, and do not extort or accept bribes</p> <p>Do not receive gifts presented with purposes: No gifts, treats, kickbacks, etc.</p> <p>Do not seek selfish desires: Do not allow or drop a hint to a designated partner to pay or reimburse any expenses for yourself or your relatives</p>

Operational Compliance and Integrity in the Workplace

To further eliminate corruption, First Service has set up multiple channels for receiving anti-corruption reports and strictly protects the privacy of whistleblowers. Whistleblowers can report suspected corruption incidents through a hotline, emails, letters, official WeChat accounts and other channels. Whistleblowers can report directly to the audit centre, or report fraud directly to the President's office. After receiving a report, the audit centre is responsible for evaluating information and clues about fraud, preparing a supervision and audit plan, and submitting it to the President for review. Following the approval, a special audit team will be established to conduct investigations. After supervision and audit, the audit centre puts forward handling suggestions based on the audit results, and prepares the Supervision and Audit Report of First Service that will be submitted to the President for review. The audit centre organises and coordinates the work with the functional centre, regional companies and projects according to the instructions on the results of the Supervision and Audit Report, and takes actions based on the audit results. For real-name reports, the Company will give the whistleblower a clear reply. The Company has clear confidentiality criteria for auditors and no-fault reporting criteria for whistleblowers, so as to strictly protect the privacy of whistleblowers. According to the confidentiality criteria for auditors, any external unit or individual is strictly prohibited from accessing the personal information of the whistleblower and the person being reported, report content and other sensitive information. In principle, the acceptor shall maintain one-to-one communication with the whistleblower. The report content shall only be informed to the superior. The investigation plan shall be designed to protect the whistleblower to the maximum extent. The investigation will be terminated automatically if the information of the whistleblower may be leaked. As stipulated in the no-fault reporting criteria for whistleblowers, regardless of whether the findings of the investigation are true or not, the whistleblower shall not be given administrative sanctions or financial penalties, nor shall the whistleblower be deprived of the rights for purchasing, cooperation, award evaluation, promotion, incentives, etc., nor shall he/she be retaliated against.

The report to the 20th National Congress of the CPC in October 2022 emphasised that "we must keep sounding the bugle and never rest, not even for a minute, in our fight against corruption". In the future, First Service will take comprehensive steps to ensure that executives and employees do not have the audacity, opportunity, or desire to become corrupt as per the national policies and the Company's zero-tolerance policy towards corruption. First Service will advance the fight against corruption in the future. The Company will focus on checking whether employees have touched red lines that violate laws and regulations, continuously oversee the integrity and self-discipline of its employees, and provide audit supervision and services for the internal management and business development of the Group. Furthermore, the Company will enhance the promotion of a corporate integrity culture by updating anti-fraud case studies and courseware, establishing a case database, and implementing a more comprehensive training system. We are dedicated to providing anti-fraud training for all projects, ensuring comprehensive coverage for the Company's directors, senior management, middle management, and junior staff. Actions will be taken to increase audit methods for anti-fraud and exchange experience and cooperate with other leading listed companies in the Enterprise Anti-Fraud Alliance. To facilitate information-based audits, we will establish an audit monitoring system on the basis of the comprehensive information-based financial system and optimise the pre-risk prevention mechanism to take preventive measures.

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

Operational Compliance and Integrity in the Workplace

Protecting IPRs and Preventing Infringements

First Service complies with the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Law of the People's Republic of China for Countering Unfair Competition, the Law of the People's Republic of China on Data Security, and the Civil Code of the People's Republic of China.

The unified and applicable Standard for Intellectual Property Management, an internal document, has been laid down, which provides institutionalised rules and detailed provisions on the exploration, application, management and maintenance of IPRs. The aim is to create a standardised management system and improve the efficiency of the management, use and maintenance of IPRs.

The legal affairs centre is responsible for the management, maintenance, development guidance and use of IPRs involved in the Company's business to avoid the risk of infringement. A person is responsible for the pre-application evaluation and application entrusting. We strengthen the routine management of IPR certificates and ledgers and update them regularly based on new additions. We guide and evaluate the internal use of IPRs to avoid the risk of infringement. The centre will uniformly deal with IPR infringement.

In terms of trademark protection, the registration of new trademarks starts in time according to business needs, protection is carried out during confirmation, and applications are proactively submitted to cancel registered trademarks that are no longer being used. As far as copyright protection is concerned, we have actively applied for copyright registration for all kinds of works such as fine art works to ensure that rights can be based on evidence. In the aspect of protection of patented technologies, an agency is entrusted for new technologies to submit patent applications, and protection is carried out in the process of confirmation. With respect to patented technologies, we protect our proprietary rights by paying annual fees, monitoring and cracking down on infringements, etc.

Extensive Recruitment of Capable Persons for Joint Growth

Equal Employment in Compliance with the Law

First Service strives to guarantee the rights and obligations of employees, and continuously improves the human resources management system and process. The Company strictly complies with the national laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Security Law of the People's Republic of China and the Regulations on Management of Housing Provident Fund, based on which we have laid down about 30 relevant operating standards, including the Standard on Management of Employee Relationships, the Standard on Management of Trainings, the Standard on Management of Job Competitions, the Standard on Management of Jobs, the Standard on Management of Attendance, the Standard on Management of Employment and the Standard on Management of Rewards and Punishments, as a move to actively promote the sound development of the human resources management system. The standards on management of employment, employee relationships, job competitions and performance were updated according to the actual work during the Reporting Period.

We manage employment and dismissal in accordance with the Standard on Management of Employment, the Standard on Management of Employee Relationships and other standards. Our internal management standards have been optimised with reference to the standards of our peers. The Company adheres to the principles of equality, fairness, simplicity and focus in recruitment and acquisition, and prohibits discrimination in all dimensions, providing talent guarantee for its development. After new employees join us, we help them integrate into us quickly through onboarding, orientation system, co-training and other ways. For employees who have left, we regularly find out about their work. Employees who resigned can re-join the Company via standard channels three months after leaving (with reference to employment of new workers), while employees who were fired due to violation of rules and regulations will not be re-employed.

As of 31 December 2023, First Service had 3,304 employees, of which 1,926 were male and 1,378 were female. The age group of 31-50 years old formed the backbone of the Company, with 2,158 employees, all of whom were full-time.

Extensive Recruitment of Capable Persons for Joint Growth

Table: KPIs related to employment

Indicator	Number of employees in 2023	Employee turnover rate in 2023
Employees	3,304	26.23%
By gender		
Male	1,926	25.08%
Female	1,378	27.76%
By age group		
30 years old or below	801	35.04%
31-50 years old	2,158	24.45%
51 or above years old	345	14.22%
By employment category		
Full-time	3,304	26.23%
Part-time	0	–
By geographical region		
Headquarter	71	26.79%
Employees in North China	692	26.11%
Employees in Northwest China	453	27.72%
Employees in South China	523	25.77%
Employees in Central China	548	27.26%
Employees in East China	362	35.18%
First Hotels	149	39.84%
First Living	61	35.79%
Dalian Yahang	218	–
Shandong Shangcheng	227	–

Note: The information of two acquired companies, Dalian Yahang and Shandong Shangcheng, has not been fully entered into the system. As a result, the data regarding their employee turnover rate is currently unavailable.

Extensive Recruitment of Capable Persons for Joint Growth

First Service adheres to a people-oriented approach and provides effective care and protection to its employees. We strive to protect employees' benefits and welfare, including compensation, working hours, equal opportunity, diversity and anti-discrimination. We give equal pay for equal work to ensure the equality between men and women. Child labour and forced labour are strictly prohibited. We ensure that employees of different nationalities, races, genders, religious beliefs and cultural backgrounds enjoy equal employment opportunities and labour security. The Company's human resources-related work standards are open to all employees. At the same time, we listen to employees via 400 call centre, internal forums, quarterly satisfaction surveys, anti-fraud reporting hotline and other channels.

The Company entitles employees to take a personal leave, sick leave, work-related injury leave, annual leave, marriage leave, maternity leave, prenatal check-up leave, breastfeeding leave, funeral leave, seniority leave and other welfare and non-welfare leaves in accordance with the Labour Law and the attendance management standard. Employees can apply for a leave according to their own situation and take a leave after getting the approval. Employees are entitled to holidays during their tenure in the Company according to national laws and regulations.

In terms of preventing child labour and forced labour, Child labour is strictly prohibited at First Service. We make it clear in our operating standards that minors under the age of 16 must not be employed. In the early stage of recruitment, we strictly review the ID cards and household registration information of applicants, to prevent the hiring of minors under the age of sixteen. In addition, the Company reviews its database on a monthly basis to check whether the age of related personnel meets the requirements. To date, the Company has not identified any instances of child labour or forced labour. According to the Company's rules and policies, if any cases of child labour or forced labour are discovered, immediate action will be taken to halt them and sanctions will be imposed on those responsible.

Employee Promotion and Development

In terms of talent training, First Service insists on the "five talents" strategy. A scientific talent training mechanism has been established to train professionals according to the Company's development strategy and business, which will enhance its core competitiveness. Great emphasis is placed on employees' training. In 2023, the Company completed 14,168 offline training sessions with a total of 7,180 training hours and 6,244 participants. The training covers safety education, work standards, professional competence, general competence, management ability, etc., with an aim to promote the growth of employees, empower the business, and improve the efficiency. As of 31 December 2023, the Company uploaded a total of 361 courses to its training platform called "First Service Green Science and Technology Management Institute", with more than 872,500 minutes of learning for employees.

Extensive Recruitment of Capable Persons for Joint Growth

Table: Summary of First Service's Training Data for 2023

Training hours for all levels of employee in the Company	Unit	Data in 2023	Data in 2022
Average training hours for leadership and management	Hour/person	219	196
Average training hours for middle-level management	Hour/person	201	180
Average training hours per employee	Hour/person	208	186
Average training hours for male staff	Hour/person	208	186
Average training hours for female staff	Hour/person	208	186
Percentage of leadership and management trained	%	100	100
Percentage of middle-level management trained	%	100	100
Percentage of female staff trained	%	100	100
Percentage of male staff trained	%	100	100

First Service is committed to providing employees with clear channels for promotion and development. The Company launches a series of training programmes for employees, with the aim of achieving the common development with employees and enhancing its core competitiveness. First Service upholds the principle of incentivising employees, to increase flexibility and break rigidity in remuneration. Performance appraisals and skill assessments are conducted to align the overall performance of the Company or its departments and the individual performance and competence of staff with salary levels to incentivise employees. At the same time, a comprehensive incentive package has been developed, comprising short-term, medium-term and long-term incentives, to enable staff to create and share value with the Company. Furthermore, employees assigned to work overseas receive various benefits, including assignment grants, housing subsidies, quarterly home leave and reimbursement of travelling expenses, with the aim of enhancing work efficiency.

In terms of promotion, employees can be promoted to a higher position via competition. The Company has laid down the Standard on Management of Jobs, in which employees are promoted according to the 12-level position hierarchy, divided into management positions and professional positions, through job evaluation, performance appraisal, competition and so forth. In 2023, 171 of our employees were promoted in total. In the future, considering the needs for core talents across various organisations, 50% of backup project managers slated for reserve will be sourced internally.

Extensive Recruitment of Capable Persons for Joint Growth

Safeguarding the Health and Safety of Employees

First Service attaches great importance to the health and safety of employees. We strictly comply with the relevant laws and regulations, including the Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China, based on which we take a series of measures to ensure the health and safety of employees. Employees are required to undergo a medical examination when joining the Company to ensure that they are physically fit for the job. At the same time, the Company arranges a free annual physical examination for employees who have been on the job for more than 1 year to check their health conditions in time.

The Company purchases work injury insurance for its employees in accordance with the Regulations on Work-related Injury Insurance to ensure that they are covered for medical treatment and financial compensation in the event of accidents or occupational diseases at work. Regarding the prevention of work-related injuries, we regulate the operations of our staff and intensify safety awareness campaigns. We also encourage our employees to participate in safety training to enhance their occupational safety skills and emergency response capabilities. Moreover, we ensure that work-related accidents are promptly reported and accurate applications for work-related injuries are submitted for approval.

First Service implements a workplace safety management regime along with an emergency response mechanism to ensure staff compliance with safety regulations and clarify their responsibilities and obligations. The Company conducts safety and health supervision on a regular basis, organises standardised supervision of regional companies and projects, identifies and rectifies hidden dangers, and takes safety publicity training initiatives. For high-risk operations, we require suppliers to hold relevant certificates. For instance, confined space operations require a confined space certificate, and external wall maintenance requires an aloft work certificate and the purchase of commercial insurance. Moreover, prior to construction, we mandate construction briefing sessions to communicate about and train on construction safety, thus minimising risks throughout the process.

First Service pays close attention to the impact of climate on employees. High-temperature subsidies are given to employees and heatstroke prevention and cooling supplies are distributed to them in summer. In winter, the Company provides thick and warm gear and shortens shiffting time for outdoor workers to ensure their health and safety.

In the future, the Company plans to enhance its corporate health management mechanism by establishing a robust occupational health management regime, which focuses on preventing occupational diseases and formulating occupational health standards. Special attention will be given to the mental health of staff, and psychological support and care will be provided for staff. Additionally, we will conduct safety training on a regular basis, acknowledge and reward staff for their positive safety deeds and achievements, and ensure the health and safety of all employees. It's worth noting that the Company has maintained a clean record with no reported accidents of work-related deaths in the past three years.

Extensive Recruitment of Capable Persons for Joint Growth

Table: Statistics on work-related injuries and deaths at work

Indicator	Data in 2023	Data in 2022	Data in 2021
Lost days due to work injury	445	1,785	522
Number work-related deaths in each of the past three years	0	0	0
Ratio of work-related deaths in each of the past three years	0	0	0

Safeguarding Employee Rights and Benefits While Providing Support

According to the Standard on Care for Employees, the Company offers a diverse range of staff care measures to motivate employees and enhance their sense of belonging. Tailored to various stages of career development within the Company, these care initiatives may include: entry care, birthday care, marriage care, family care (including bereavement support, care for families in difficulty and donations), maternity care, festival and holiday care (celebrating with staff various festivals and holidays such as the New Year's Day, International Women's Day, Dragon Boat Festival and Mid-Autumn Festival), Chinese New Year care (the Company's general manager office members distribute red envelopes and pay visits to staff on duty on the Chinese New Year's Eve), anniversary care, health care (including health check-ups and high-temperature subsidies), rewards care (offering additional care such as warm spring and warm winter initiatives).

Furthermore, the Company organises a national event on the intelligent business's culture in both the first and second halves of each year. Additionally, the labour union establishes various interest societies, allowing employees to engage in recreational and team-building activities during their spare time.

Green Operation, Low Carbon and Environmental Protection

Controlling Emissions to Make Water Clear and Sky Blue

First Service places significant emphasis on fostering harmonious development between humans and nature, prioritising the control of pollution emissions. The Company strictly complies with the relevant laws and regulations, including the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China, based on which it has laid down a range of standards, including the Standard for Energy Management, the Standard for Management of Hazardous Substances and Non-hazardous Substances, the Standard for Water Cleaning and Maintenance, and the Standard for Professional Environmental Management Process and Standardisation, in order to establish a sound emission and discharge management mechanism and ensure the effective management of exhaust gas, wastewater and waste. In addition, the Company has formulated and implemented standards, including the Standard for Professional Environmental Management Process and Standardisation, the Standard for Management of Hazardous Substances, and the Standard for Management of Non-hazardous Substances in order to better control pollutants.

The Company implements a three-level management and control system for environmental management, in which the operations management centre of the headquarter plays a leading role, while the operations management department of a regional company coordinates or the environmental management department of a service centre is responsible for the overall implementation.

- Headquarter: Formulating, improving and optimising the environmental management system, arranging regional companies to promote the implementation of the standard system, conducting monthly evaluation on the implementation, overseeing contract performance every six months, and completing the rectification of discovered problems every year;
- Regions: Monitoring and managing contract performance for projects every month according to the Company's processes and standards, organising regular training on the environmental management of projects to correct errors, drawing up rectification plans and overseeing the completion of rectification;
- Projects: Responsible for conducting environmental management for service centres, overseeing and evaluating environmental management for subcontractors, formulating environmental contingency plans according to the characteristics of projects and organising training and implementation.

The Company continuously promotes the concept of energy conservation, consumption reduction and environmental protection to reduce emissions from the source. Promoting the management of emissions and discharges and waste and environmental protection is our long-term goal, with which we will finally realise a circular economy and embark on the path of sustainable development.

- Management of greenhouse gas emissions
The air emissions generated during the operation of the Company mainly come from natural gas combustion, building heating and hot water heating. In addition, the air emissions are the waste gas emitted by company cars and employees' cars. A series of measures have been taken to reduce air emissions and greenhouse gas emissions: Gas-fired boilers have been upgraded for energy conservation to increase the utilisation rate of resources and reduce air emissions. Employees are encouraged to take buses, subways and other green means to go on a business trip and commute between their homes and

Green Operation, Low Carbon and Environmental Protection

places of work. In 2023, efforts to enhance the process of gathering data on the Company's gasoline and natural gas consumption were underway. Since the collection and calculation of direct greenhouse gas emissions have not been finalised yet, we plan to gradually develop the necessary procedures and disclose the relevant data in the upcoming years. In 2023, the Company's indirect greenhouse gas emissions were mainly carbon dioxide, which was generated from purchased electricity. Indirect greenhouse gas emissions amounted to 38,811.25 tonnes of carbon dioxide equivalents with the greenhouse gas emission intensity of 0.61 kg carbon dioxide equivalents/square meter of properties under management, representing a significant improvement from the 1.61 kg carbon dioxide equivalents/square meter of 2022. The Company has successfully achieved its emission reduction target. In 2024, the Company plans to further reduce the intensity of greenhouse gas emissions from the 2023 emissions intensity, which will be implemented through more stringent emissions management documents and initiatives.

In 2023, to achieve the target of emission control, we laid down or updated a number of internal control standards that are stricter than national and local standards according to our own situation, including the Standard for Energy Management, the Standard for Professional Environmental Management Process and Standardisation, the Standard for Management of Hazardous Substances and Non-hazardous Substances, and the Standard for Water Cleaning and Maintenance.

To further reduce the greenhouse gases and wastes discharged, we have adopted a variety of measures to control pollutant emissions and discharges, including upgrading old equipment to improve the secondary utilisation rate and processing and reusing recyclable emissions and discharges to reduce the production of pollutants. We will monitor pollutants by ourselves or entrust a qualified third party to monitor the pollutants through online monitoring, internal monitoring, external monitoring and other methods, with the aim to achieve effective monitoring and timely adjustment of the level of pollution and prevent excessive discharge of pollutants.

- Wastewater management

The Company primarily generates domestic wastewater, consisting of food waste water, washing water, flushing water and household cleaning water, all of which are discharged through municipal pipelines that separate rainwater from sewage. The rainwater within the industrial parks where the Company operates flows directly into the municipal rainwater pipelines. Our wastewater management measures are mainly recycling design schemes about the treatment and collection of reclaimed water and rainwater.

During the Year, some projects realised the coverage with the rainwater collection system, and used landscape water and rainwater after collection and treatment for toilet flushing and irrigation. According to the coordinated directive from Beijing Water Authority, First Service's Beijing Qingyuan Dongli project completed constructing the "sponge city" rainwater harvesting system and put it into use in 2023.

By fully collecting all kinds of water sources for irrigation and cleaning after secondary treatment, we improve the secondary utilisation rate of water sources, and realise the efficient recycling of wastewater.

In terms of wastewater treatment, the Company's headquarter has conducted research on the treatment of wastewater in panel membrane bio-reactor grease traps. The technology can effectively degrade the wastewater in grease traps to make it colourless, tasteless and odourless. It can purify the wastewater, reduce the cleaning of the grease traps, cut operating costs and reduce wastewater pollution. In the future, we will pay ongoing attention to wastewater discharge, improve wastewater utilisation technology, and realise efficient recycling of wastewater.

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- Waste management

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

The hazardous waste defined by the Company according to the National Catalogue of Hazardous Wastes is the waste that causes direct or potential harm to human health or natural environment and should be specially recovered and disposed of by qualified disposers. The hazardous waste generated by property owners during property management includes used batteries, waste toner cartridges and ink cartridges, used oil, used coolant, waste ink and paint, waste cleaning agents (including packaging containers), waste oil resistant gloves (finger cots), waste oil rag, waste fluorescent lamp tubes, waste pen refills, waste hazardous chemical containers, and waste drugs. The non-hazardous waste generated by property owners during property management includes waste plastics, waste paper, waste wires, scrap metal and other substances suitable for recycling and resource utilisation, as well as construction waste, slag, vegetable and fruit waste (vegetable roots, leaves, pericarp and seeds, etc.) and other non-recyclable wastes that need to be transported and disposed of by qualified environmental sanitation departments. As a process to collect data about discharges of waste was being further improved in the Year, the Company did not make relevant statistics. We will gradually improve the relevant process and disclose the data in the coming years.

To enhance waste management practices, the Company actively carried out waste sorting activities in the Year. As a result of these efforts, the Foshan Wanguofu project was recognised as the "Waste Sorting Model Project in Foshan" in 2023.

In the future, we will pay more attention to management standards for the emission and discharge of hazardous waste and provide more detailed guidance to projects and workers in understanding and management of hazardous waste. The Company will step up efforts on the formulation of management standards for the emission and discharge of hazardous waste, and strengthen the training of employees. In order to ensure that the disposal of waste will not pollute the environment and cause pollution, the Company will plan zero inventory and shared warehouses for the waste emission and discharge in the process of property management, so as to reduce the backlog and waste, enable the mutual use of second-hand equipment to improve re-utilisation value, and achieve the purpose of generating less waste.

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Energy Conservation and Consumption Reduction, Greenness and Low Carbon

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

The main energy and resources consumed during the operation of First Service include electricity, gasoline, natural gas and water. Gasoline is mainly consumed by company cars, natural gas is mainly used for heating individual projects and canteens in office buildings, and electricity is used in the Company's office work, equipment operation and so on. The water consumed by the Company is all from the municipal water supply network, with no issue in sourcing water. No packaging materials are involved in the operation of the Company.

In 2023, First Service consumed 62,103.83 MWh of electricity and 684,000 tonnes of water, with the electricity consumption intensity of 9.75 MWh/10,000 square metre and the water consumption intensity of 0.011 tonnes/square metre. Both water and electricity consumption intensity dropped significantly compared to 2022, indicating the positive results from the Company's efforts in energy conservation and emission reduction. In 2024, the Company plans to further reduce the indicators related to electricity and water consumption intensity under management based on the 2023 indicators, which will be implemented through the promotion of water and energy saving initiatives and facilities.

Table: KPIs related to energy and resource consumption

Indicator	Data in 2023	Data in 2022
Electricity consumption (MWh)	62,103.83	56,169.52
Electricity consumption intensity (MWh/ 10,000 sq.m.) of properties under management	9.75	26.40
Water consumption (tonne)	683,970.18	661,259.57
Water consumption intensity (tonne/sq.m.) of properties under management	0.011	0.031

Notes:

1. The scope of disclosure of KPI data related to energy and resource consumption for 2023 covers the office areas of the Company's various business segments, as well as the public areas of property projects under management (excluding projects that charge property management fees on a commission basis).
2. The Company consumes water from the municipal water supply, and there is no problem in accessing suitable water sources.
3. Packaging data is not applicable to the Company's business.

Green Operation, Low Carbon and Environmental Protection

First Service seeks to achieve more efficient energy use and green and low-carbon development that saves energy and reduces emissions. The Company actively responds to the government's pledge to accelerate the green and low-carbon development made for the 14th Five-Year Plan, in a bid to contribute to carbon neutrality and peak carbon dioxide emissions. The Company's goal in energy and water management is to improve the efficient utilisation of energy and water resources, and to maximise the environmental and economic benefits of energy and water resources under the premise of satisfying business activities.

In terms of electricity conservation, we require projects to prioritise the utilisation of energy-saving construction equipment and tools, reasonably use the natural conditions in the construction site for lighting and ventilation, and prioritise the consumption of natural resources. In the office areas, we adjust the temperature of air conditioners depending on the weather, turn off air conditioners in time when no one is present, and close the doors and windows when air conditioners are working. In non-working hours, on weekends and during holidays, security guards patrol the office areas every hour to ensure that lights and air conditioners are turned off in unmanned areas. Only one elevator works in non-working hours. For projects equipped with equipment to meet cooling and heating needs, the headquarter will test the operating state of the system equipment in the cooling season and heating season, troubleshoot the operating problems in time, and improve the operating efficiency to reduce unnecessary energy consumption.

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

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

In addition, First Service emphasises green and energy-saving publicity, and initiated the "Earth Hour" activity day to guide staff and property owners to enhance their awareness of energy saving.

Conserving Resources and Cutting Down on Consumption

As the nature of First Service's business is property management, its business activities do not involve high consumption of natural resources or have a significant impact on the environment.

The Company is well aware of the possible impact of its day-to-day business operations on the environment and implements three-level control (headquarter, regions and projects):

- Headquarter: Formulating, improving and optimising the environmental management system, arranging regional companies to promote the implementation of the standard system, conducting monthly evaluation on the implementation, overseeing contract performance every six months, and completing the rectification for discovered problems every year.

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- Regional companies: Monitoring and managing contract performance for projects every month according to the Company's processes and standards, organising regular training on the environmental management of projects to correct errors, drawing up rectification plans and overseeing the completion of rectification.
- Projects:
 1. Responsible for the specific implementation of environmental management in service centres;
 2. Responsible for the supervision and evaluation of the environmental management of each subcontractor;
 3. Responsible for formulating environmental emergency response plans according to the characteristics of projects, and organising training and implementation.

The Company carries out and manages work by clarifying corresponding responsibilities for different levels, and pays more attention to and takes more actions to solve environmental problems. We will step up efforts to improve our environmental management system and comply with all applicable environmental laws and regulations, hoping to contribute to the common environmental protection cause of mankind.

Addressing Challenges Posed by Climate Change

The Company has been paying attention to the opportunities and challenges brought by sustainable development and climate change, as well as the latest development policies of green buildings and healthy buildings. With the full popularisation of green buildings, the Company will continuously improve the system of basic-level green building technologies and study the implementation path of high-star green building technologies in the future. In response to the challenge of carbon neutrality, we actively undertake the corporate social responsibilities for addressing climate change, take effective measures to address the challenges brought about by climate change, and seize the historical opportunity of developing a low-carbon economy, hoping to occupy the strategic commanding heights of future competition among enterprises and achieve our own sustainable development.

In terms of the management of green buildings, we will rely on our self-developed AI operation cloud platform and unattended system, and make use of the Internet of Things, big data and AI technology to realise the "digitalised" and "intelligent" energy management in the projects under management, so as to significantly improve the management level and energy saving potential. As far as energy conservation and carbon reduction are concerned, continuous efforts will be made to develop a ground-source heat pump system to achieve interseasonal energy storage for the air conditioning system of buildings, in a bid to significantly reduce the use of fossil energy in energy consumption of the air conditioning system. Meanwhile, the research and development on AIRDINO No.3 net zero-energy consumption prefabricated building system will continue, and we will publicise healthy buildings and healthy communities based on concepts and standards of healthy buildings.

With regard to climate change, the Company attaches great importance to the extreme weather risks arising from climate change. We have started to pinpoint climate changes that could pose threats to our operations, such as snowstorms, heavy rain, floods, droughts, lightning and typhoons. Looking ahead, we will use our experience in green building management to better identify and address these risks.

Caring for the Community and Giving Back to Society

Since its establishment in 1999, First Service has been committed to giving back to society and fulfilling its CSRs. While making steady progress in business expansion and operation improvement, the Company has considered how to assume its CSRs using its corporate strengths in recent years. Upholding the philosophy of "Technological Living, Homelike Service", we spare no effort to integrate our quality services into the community and hope to promote more advanced service concepts to public welfare.

In 2023, we got actively involved in social welfare programmes, such as making donations to education initiatives, all of which were well received by the public. First Service strives to build a harmonious community culture and improve the quality of life and happiness of property owners through various cultural activities. A complete management system for cultural activities has been set up. The Standard for Community Cultural Activities under the "Love My Home" Campaign was released and revised. The headquarter established the operations management centre, regional companies set up the operations management department, and the customer service division of each service centre assigned a person in charge of community cultural activities. The organs at all levels cooperate with each other to hold static and dynamic community cultural activities every year to enhance the positive interaction with customers and enhance customer satisfaction.

In the future, First Service will pay ongoing attention to the evolving needs of society. Committed to sparking hope through public welfare initiatives, we will organise a series of public benefit activities every year, thus exploring new forms and objectives to fulfil our CSRs. In 2024, community cultural activities under the "Love My Home" Campaign will be themed on greenness and environmental protection, and Party building, and conducted on a monthly and quarterly basis. A review will be conducted on cultural activities in communities on a quarterly basis, which will be shared in regions. Regional companies will regularly conduct a spot check on community cultural activities and customer awareness rate, after which the headquarter re-checks them. At the same time, we will also launch the "Urban Neighbourhood" campaign in 2024, aimed at facilitating dialogue among the government, property owners and properties to explore ways of enhancing community well-being.

➤ Donation to support education

In 2023, Jincun Primary School and Taoyuanbu Primary School at Jiye Township, Qingxu County, Taiyuan, Shanxi were officially designated as education support bases by First Service. The Company extended its support to these schools by offering free lectures, providing school supplies and basic necessities, and making financial donations to the students. On 8 and 9 December, First Service held the 2023 Warmth Box Adventure donation ceremony at the two primary schools, the money raised was used to purchase 161 thermal four-piece sets, which comprised padded coats, hats, scarves and gloves, and the remaining money was donated to the schools via the Little Colourful Elephant Space Dream Fund. On top of the financial donations, a variety of clothes, stationery and books were collected during the ceremony. Additionally, 12 volunteers delivered 19 classroom lessons over two days, and organised two birthday parties and one sports meeting for the students on site. The Warmth Box Adventure campaign not only ensures that the children's winters are warm, but also adds colour to their childhood while supporting their learning.

Appendix

The ESG Reporting Guide Content Index

Aspect	Issue	KPI	Status of implementation
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 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation, Low Carbon and Environmental Protection
		A1.1 Types of emissions and respective emissions data.	Green Operation, Low Carbon and Environmental Protection
		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).	Green Operation, Low Carbon and Environmental Protection Explained
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Explained
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Explained
		A1.5 Description of the emission target(s) and steps taken to achieve them.	Green Operation, Low Carbon and Environmental Protection
		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.	Green Operation, Low Carbon and Environmental Protection
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation, Low Carbon and Environmental Protection
		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).	Green Operation, Low Carbon and Environmental Protection
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operation, Low Carbon and Environmental Protection

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Aspect	Issue	KPI	Status of implementation	
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation, Low Carbon and Environmental Protection	
		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.	Green Operation, Low Carbon and Environmental Protection	
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Company's business	
	A3	The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation, Low Carbon and Environmental Protection
			A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation, Low Carbon and Environmental Protection
	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.	Green Operation, Low Carbon and Environmental Protection
			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.	Green Operation, Low Carbon and Environmental Protection
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.	Extensive Recruitment of Capable Persons for Joint Growth
			B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Extensive Recruitment of Capable Persons for Joint Growth
			B1.2 Employee turnover rate by gender, age group and geographical region.	Extensive Recruitment of Capable Persons for Joint Growth

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Aspect	Issue	KPI	Status of implementation
	B2 Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Extensive Recruitment of Capable Persons for Joint Growth
		B2.1 Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	Extensive Recruitment of Capable Persons for Joint Growth
		B2.2 Lost days due to work injury.	Extensive Recruitment of Capable Persons for Joint Growth
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Extensive Recruitment of Capable Persons for Joint Growth
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Extensive Recruitment of Capable Persons for Joint Growth
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Extensive Recruitment of Capable Persons for Joint Growth
		B3.2 The average training hours completed per employee by gender and employee category.	Extensive Recruitment of Capable Persons for Joint Growth
	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.	Extensive Recruitment of Capable Persons for Joint Growth
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Extensive Recruitment of Capable Persons for Joint Growth
		B4.2 Description of steps taken to eliminate such practices when discovered.	Extensive Recruitment of Capable Persons for Joint Growth

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Aspect	Issue	KPI	Status of implementation
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Homelike Service, Harmony and Win-win
		B5.1 Number of suppliers by geographical region.	Homelike Service, Harmony and Win-win
		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.	Homelike Service, Harmony and Win-win
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Homelike Service, Harmony and Win-win
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Homelike Service, Harmony and Win-win
	B6 Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Homelike Service, Harmony and Win-win Operational Compliance and Integrity in the Workplace
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Company's business
		B6.2 Number of products and service-related complaints received and how they are dealt with.	Homelike Service, Harmony and Win-win
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Operational Compliance and Integrity in the Workplace
		B6.4 Description of quality assurance process and recall procedures.	Not applicable to the Company's business
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Homelike Service, Harmony and Win-win

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Aspect	Issue	KPI	Status of implementation
	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.	Operational Compliance and Integrity in the Workplace
		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.	Operational Compliance and Integrity in the Workplace
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operational Compliance and Integrity in the Workplace
		B7.3 Description of anti-corruption training provided to directors and staff.	Operational Compliance and Integrity in the Workplace
	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.	Caring for the Community and Giving Back to Society
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for the Community and Giving Back to Society
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Caring for the Community and Giving Back to Society



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

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