



S-Enjoy Service Group Co., Limited
新城悅服務集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 1755

2023

Environmental, Social and Governance Report



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About the Report

The Report is the sixth Environmental, *Social and Governance Report* released by S-Enjoy Service Group Co., Limited that aims to disclose the effort and progress of the Company's adherence to concepts, establishment of management methodologies, execution of activities, and accomplishments pertaining on ESG-related issues in the operation to stakeholders such as investors.

Reporting Scope

The Report covers S-Enjoy Service Group Co., Limited ("S-Enjoy Service" or the "Company") and its subsidiaries (the "Group" or "We"). Unless expressly indicated otherwise, the scope of the Report is consistent with that of the consolidated financial statements of the corresponding period of S-Enjoy Service (stock code: 1755.HK).

Reporting Period

The Report covers the period from 1 January 2023 to 31 December 2023. Unless expressly indicated otherwise, all data herein pertains to this period.

Basis of the Report

The Report is prepared in compliance with the Appendix C2 *Environmental, Social and Governance Reporting Guide*, which applied with effect from 31 December 2023 to the *Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited ("SEHK" or "Hong Kong Stock Exchange") published by the Stock Exchange and the *International Financial Reporting Standards for Sustainability Disclosure S2 - Climate-related Disclosures* ("IFRS S2").

Data Description

The data and cases in the Report are derived from the formal records of the actual operations of the Company. The financial data in the Report are denominated in RMB. In the event of any discrepancy between the financial data and the Company's annual report, the latter should prevail.

Access to the Report

The Report is released in electronic form and available on the Company's official website (<https://www.xinchengyue.com/>) and the Hong Kong Stock Exchange's Website (www.hkexnews.hk).

Contact Us

In case of any suggestions regarding the Report, you may contact us at:

Address: 12th Floor, Seazen Holdings Tower B, No. 5, Lane 388, Zhongjiang Road, Putuo District, Shanghai, the People's Republic of China

Email: info@xinchengyue.com

Report Preparation Principles

- **Materiality**

The Company identified the operation-related material issues to the concern of stakeholders such as investors, which are highlighted in the Report. While reporting the material issues, the Report also focuses on the industrial features of the Company's operation and the geographical features of the region where it operates. For the analysis process and results of material issues, please refer to the "Materiality Analysis" for details. In addition, the Report highlights the environmental, social and governance matters that may have a significant impact on investors and other stakeholders.

- **Accuracy**

The Report endeavors to ensure the accuracy of information herein. The measurement and calculation of quantitative information elucidates the scope of data, basis for calculation, and assumptions to mitigate the risk of misguidance due to calculation discrepancies. The quantitative information and notes are described in "ESG Data Performance Table" herein.

The Board of Directors warrants that the contents of the Report are free from misrepresentations, misleading statements, or material omissions.

- **Balance**

The Company's performance shall be reviewed on an objective basis, and data disclosed shall cover both positive and negative information about the Company.

- **Clarity**

The Report is presented with English. The Report includes tables, diagrams, and other information to supplement the textual content, facilitating a comprehensive understanding by stakeholders. To expedite access to information, the Report incorporates "Contents" and "Benchmarking Index Table" of ESG Reporting Guide.

- **Quantification and Consistency**

The Report discloses key quantitative performance indicators and discloses the historical data wherever possible. The Report collects statistics and discloses same indicators during different reporting periods in a consistent manner. Whenever the statistics or disclosure manner changes, such change will be explained clearly in the notes hereto, so that the stakeholders are permitted to conduct a reasonable analysis and thereby evaluate the ESG performance level and trend of the Company.

- **Integrity**

The Report's disclosure scope is consistent with that of the Company's consolidated financial statements.

- **Timeliness**

The Report is an annual report covering the period from 1 January 2023 to 31 December 2023. The Company is committed to promptly publishing the report after the conclusion of the reporting year, thus providing stakeholders with timely information for decision-making purposes.

- **Verifiability**

The cases and data in the Report are derived from the original records or financial reports of the actual operations of the Company. The Company uses the HiESG performance management system to manage the ESG quantitative performance in previous years. The source and calculation process of the disclosed data are all traceable and can be used to support the external assurance inspection.

Board Statement

The year of 2023 marks a historic crossroad. The global political and economic pattern is undergoing profound changes. The issues such as technology progress, environmental protection and social fairness become the focus of global attention. Under the social background, property service industry, as a link among communities, property owners and cities, shows its increasingly outstanding materiality.

S-Enjoy Service is well aware of its important responsibilities and missions. It has always paid close attention to the guidance of national policies, actively responded to the national strategies of "Carbon Peaking and Carbon Neutrality", positively acted against political hotspots, continuously improved the service quality and efficiency, and led the high-quality property service through the full-life cycle with the concept of sustainable development.

Standardising governance and promoting prosperity. Under the general background where the "14th Five-year Plan" has been implemented deeply, S-Enjoy Service further improves the framework against the sustainable development management objectives, defining the responsibilities and work deployment of all management departments and ensuring steady objective advancement. At the same time, the Company pays close attention to the change of governments' policies concerning the real estate market regulation and continues to enhance the corporate risk identification and internal management innovations to ensure the compliance of business operation and lay a solid foundation for the long-term prosperity of the Company.

Building a green and low-carbon homeland. Considering its own actual businesses, S-Enjoy Service carries out green operation services in three pillar sectors, namely green community, green office and green dining space. The Company summarises and presents its climate change management system in accordance with the climate-related information disclosure framework of International Sustainability Standards Board (ISSB) *International Financial Reporting Standards for Sustainability Disclosure S2-Climate-related Disclosures (IFRS S2)* and thereby improves its toughness and capability in response to climate change. In addition, the Company implements the fine management, strictly monitors and meticulously reviews the energy consumption of equipment within all areas under its management, strives to reduce the energy waste at each link, and increases the investment in energy conservation and emission reduction as well as green technology, promoting the green transformation of property service industry and creating a healthy and livable residential environment for property owners and employees.

High-quality harmony and joint development. S-Enjoy Service adheres to the corporate mission of "Happy Home, Happy Life", constantly improves the dual chain-driven development model of "Grand Community + Grand Logistics", continuously optimises the customer service system by digital and smart platforms such as the Orange Club App, focuses on the key service sectors needed by end customers and government and enterprise customers, and adopts the logic of "discovering greater values and providing comprehensive services for one customer", constantly reinforcing diversified professional services.

Improving employees' self-worth and assuming responsibilities. Committed to providing employees with a transparent and barrier-free communication environment, S-Enjoy Service listens to the employees' suggestions through multiple channels, actively resolves their claims, and practically protects the occupational health and safety as well as legitimate rights and interests of each employee. The Company is also concerned about the employees' development and growth. It provides more learning opportunities and training resources for employees, making every employee grow and enjoy the happiness in S-Enjoy Service. We will positively fulfill the social responsibilities of an enterprise and participate in the social public welfare, making our contributions to the prosperity and progress of the society.

In the future, S-Enjoy Service will continue to adhere to the principle of "People-oriented and business-oriented" and constantly make innovations in service modes and management principles closely following national policies and market changes. We will continue to deepen the strategic layout of "Grand Community + Grand Logistics", continuously expand new service sectors, and improve the service quality, providing property owners and partners with high-quality and efficient services and achieving "Happy Home, Happy Life".

Qi Xiaoming

Chairman and Chief Executive Officer

01 About S-Enjoy Service

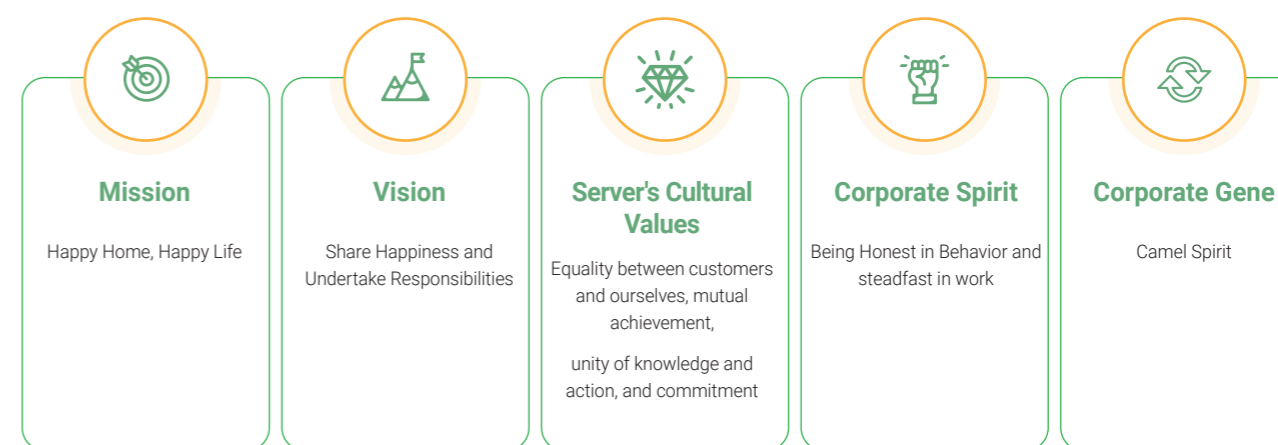
About the Company

S-Enjoy Service has provided property management services in China for more than 27 years. The Company is a comprehensive property management service company with nationwide presence, and boasts good reputation and high quality growth. The Company has been ranked as one of the top 100 property management service companies in China for consecutive years, and ranked 11th among the top 100 property management service companies in China in 2023.

S-Enjoy Service sticks to the dual chain-driven development model of "Grand Community + Grand Logistics" with the services covering basic property management services, community life and asset services, catering services, elevator services and smart community services, etc., targeting residential and commercial buildings, office buildings, parks, hospitals, schools, public buildings and other integrated urban complexes. As of the end of 2023, S-Enjoy Service provided happy ecological services in about 1,360 projects for nearly one million households.

Establishment Year	1996
Company Name	S-Enjoy Service Group Co., Limited
Headquarters Address	12th Floor, Seazen Holdings Tower B, No. 5, Lane 388, Zhongjiang Road, Putuo District, Shanghai, the People's Republic of China
Stock Code	1755.HK
Service Markets	201 cities including Beijing and Shanghai

Value Propositions of S-Enjoy Service



Honors and Social Recognition

Awards	Awarding Institution
Awards related to sustainable development	
2023 Role Model Enterprises for Social Responsibility in Property Services	EH Consulting
2023 Leading Property Service Companies in ESG Sustainable Development	Cric Property Management, China Property Management Research Institution
Awards related to property services	
Top 11 of 2023 China Top 100 Property Management Companies	China Index Academy
2023 China IFM Service Excellent Companies	
2023 Top 10 Listed Company of Property Management Service	Cric Property Management
Top 10 of 2023 Leading Listed Property Management Enterprises in Development Potential	
2023 China Top 10 Leading Property Management Companies ESG Sustainable Development	
Top 11 of 2023 China Property Management Companies	
2023 China Leading Property Management Companies in Value-added Services Operations	
Top 9 of 2023 China Listing Property Management Companies	
2023 China Top 10 Property Service Companies with Super Service Capability	
Top 11 of 2023 China Property Management Companies	
2023 China Leading Property Management Companies in terms of Service Quality	
2023 China Leading Property Management Companies in terms of Brand Value	
2023 China Property Service Leading Enterprise in Hospital Property Service	EH Consulting
2023 China Property Service Leading Enterprise in Campus Property Service	
2023 China Property Service Leading Enterprise in Industrial Park Property Service	
2023 Leading Property Management Company in Eastern China in terms of Competitiveness	
2023 China Leading Property Service Enterprise with Most Influencing Employer Brand	
2023 Leading Property Management Company in Eastern China	
2023 China Quality Property Service Enterprise of Shanghai in Service Ability	
2023 China Residential Property Service Benchmark Project - Chongqing Xincheng Langjun Metropolis	
2023 China Hospital Property Service Benchmark Project - Peking University Binhai Hospital (Tianjin Fifth Central Hospital)	
2023 Listed Companies of China Property Management Service (Ranking the 10th Place)	


Awards	Awarding Institution
2023 China Top 100 Property Management Companies (Ranking the 11th Place)	Cric Property Management, China Property Management Research Institution
2023 China Leading Enterprise in Property FM Facility Management	
2023 Top 10 Enterprises in Hospital Property Service Capability	
2023 Top 100 of Most Valuable Brand of China Property Management Service	
2023 East China Top 30 Branded Property Management	
2023 Residential Benchmark Project in Service Ability: Shanghai Xincheng Shuangwan Garden	
Top 10 of 2023 Top 100 Property Service Enterprises in East China	
Awards related to economic benefits	
2023 Top 5 Listed Companies in Investment Potential of China Property Management Service	China Property Management Think Tank & China Property Research Institute
2023 Top 10 Listing Property Management Companies with Most Long Term Investment Value in China	EH Consulting
Awards related to smart services	
2023 China Property Service Smart Service Benchmark Enterprise	EH Consulting, Jiahe Jiaye
2023 Leading Digital Ability of China Property Services Companies	Cric Property Management, China Property Management Research Institution
Awards related to catering services	
2023 China Innovative Listed Property Management Companies - Catering Service	China Property Management Think Tank & China Property Research Institute
2023 Top 10 China Property Management Enterprises with Development Characteristics (Catering Service)	EH Consulting
2023 China Benchmark Property Service Enterprise in Characteristic Property (Catering Service)	
2023 Special Quality Project of Shanghai - Building A Restaurant in the West Area of Shanghai Hongqiao International Airport	
2023 Excellent Brand of Catering Service	Leju Finance
Awards related to human resources	
2023 Outstanding Award in Human Resources Management	51job.com
2023 China Property Service Employer Brand Influence Benchmark Enterprise	EH Consulting







02 Sustainable Development Management

Sustainable Development Management Objectives

S-Enjoy Service supports the United Nations Sustainable Development Goals ("SDGs"). By identifying SDGs that are most relevant to our business, we have formulated the short, medium and long-term objectives for the sustainable development management of S-Enjoy Service.

Sustainable Development Management Objectives of S-Enjoy Service

Dimensions	United Nations Sustainable Development Goals (SDGs)	Indicators	Short-term goals (2025)	Medium-term goals (2030)	Long-term goals (2050)	Progress in 2023
Concentric Governance	  	---	Prohibit commercial bribes and stick to "zero tolerance" against fraud behaviours			During the Reporting Period, there was no illegal event such as commercial bribery or fraud for the Company
		---	Carry out materiality assessment every year to understand stakeholders' concerns on various ESG issues in a timely and comprehensive manner and the importance to the Company's business development, and actively respond to them			The Company carried out a materiality assessment in the 2023 ESG report
Serving Customers as Top Priority	     	---	Continue to deepen the development strategy of "Grand Community + Grand Logistics" and improve the construction of the "Five-level Service System for All Age Groups in Four Seasons" to protect the health and safety of owners and consumers			During the Reporting Period, 22,240 activities were organised
		Food safety incident rate	Maintain a food safety incident rate of 0% every year			During the Reporting Period, there was no food safety incident
People-oriented	   	Injury rate per thousand employees	With 2022 as the baseline, the injury rate per thousand employees decreased by more than 5% from the baseline	With 2022 as the baseline, the injury rate per thousand employees decreased by more than 15% from the baseline	With 2022 as the baseline, the injury rate per thousand employees decreased by more than 50% from the baseline	During the Reporting Period, there were 54 work-related incidents, involving 54 persons in the Company and with the injury rate per thousand employees decreasing by 63.68% from the baseline
		Employee training coverage	Maintain 100% employee training coverage every year			Employee training coverage ratio of 100%

Dimensions	United Nations Sustainable Development Goals (SDGs)	Indicators	Short-term goals (2025)	Medium-term goals (2030)	Long-term goals (2050)	Progress in 2023
Low-carbon Operation	 	Intensity of GHG emissions	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 5% from the baseline	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 10% from the baseline	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 50% from the baseline	During the Reporting Period, the intensity of GHG emissions of the Company was 24.69 tCO ₂ e/ RMB million, decreasing by 21.72% compared with the base year
		Comprehensive energy consumption intensity	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 5% from the baseline	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 10% from the baseline	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 50% from the baseline	During the Reporting Period, the Company's comprehensive energy consumption intensity was 44.42MWh/ RMB million, decreasing by 20.64% compared with the base year
		Water consumption intensity	With 2022 as the baseline, the water consumption intensity decreased by more than 3% from the baseline	With 2022 as the baseline, the water consumption intensity decreased by more than 8% from the baseline	With 2022 as the baseline, the water consumption intensity decreased by more than 50% from the baseline	During the Reporting Period, the water consumption intensity of the Company was 804.44 tonnes/ RMB million, decreasing by 33.34% compared with the base year
Harmonious Construction	   	Number of free activities for vulnerable groups (elderly, children, etc.)	Maintain at over 2,000 times a year	Maintain at over 4,000 times a year	Maintain at over 10,000 times a year	During the Reporting Period, 12,500 free activities for vulnerable groups were held

Sustainable Development Governance Framework

S-Enjoy Service set up a four-level sustainable development management framework composed of the Board of Directors, Environmental, Social and Governance Committee (the "ESG Committee"), ESG Working Group and business units, actively promoting the implementation of ESG-related work and comprehensively improving the ESG management level and performance.

The Board of Directors, as the highest decision-making body, is responsible for the overall sustainable development direction, supervision of various ESG matters of the Company, and in charge of the Company's ESG development, strategy and reporting. The ESG Committee and the ESG Working Group under Board of Directors are responsible for promoting the implementation of the ESG strategies and key tasks decided by Board of Directors, coordinating the active cooperation of various business units, formulating and implementing specific strategies, and ensuring the effective implementation of the Company's ESG work. The business units serve as the executive bodies and are responsible for the implementation of ESG work and report the progress of work to the ESG Working Group in time.

Sustainable Development Governance Framework of S-Enjoy Service

Department	Responsibilities
Highest decision-making body: Board of Directors	<ul style="list-style-type: none"> Board of Directors reviews the results of the annual materiality assessment Ensuring the establishment of appropriate and effective ESG risk management and internal control systems, and integrate ESG risks into the risk management system of S-Enjoy Service Considering and approving the long-term strategic objectives of S-Enjoy Service, and regularly monitoring the process and progress of achieving the objectives to ensure the implementation of various objectives in the daily operation of S-Enjoy Service
Supervisory and guidance organisation: ESG Committee	<ul style="list-style-type: none"> Coordinating the materiality assessment process, supervising the Company's communication channels and methods with stakeholders, and reviewing the Company's ESG responsibilities, visions, strategies, frameworks, principles and policies to ensure and implement the continuous implementation of the ESG policies approved by Board of Directors Formulating the long-term strategic objectives of S-Enjoy Service and submitting to Board of Directors for consideration and approval, supervising and regularly reviewing the achievement of ESG objectives, and reporting to Board of Directors Reviewing major ESG trends and related risks and opportunities, updating ESG policies when necessary and ensuring that they keep pace with the times, and comply with applicable laws and regulations, regulatory requirements and international standards Reviewing the Company's annual ESG report and recommending it to Board of Directors for approval, while recommending specific actions or decisions for Board of Directors consideration to maintain the integrity of the ESG report
Coordination and communication organisation: ESG Working Group	<ul style="list-style-type: none"> For major issues or new issues planned to be carried out, the ESG Working Group will focus on discussing the internal ESG impact analysis at the annual ESG meeting Discussing and formulating the ESG work plan for the next year according to the ESG meeting, coordinating and implementing specific ESG work, supervising and assisting various departments to complete ESG goals according to the plan Identifying ESG-related risks and opportunities, regularly tracking the future development trend of ESG and changes in relevant laws and regulations, regulatory requirements and domestic and foreign standards, and reporting to the management Coordinating the preparation of annual ESG report
Executive body: Business units	<ul style="list-style-type: none"> For general matters, the Office of Board of Directors, the Human Resources and Administration Department, the Customer Service Department, the Operation Management Department and the Brand Culture unit are responsible for the internal ESG impact analysis of five parts, namely corporate governance, human resources, customer service, environmental protection and social construction Implementing various specific ESG strategies for the year, and carrying out the collection, statistics and analysis of ESG data and information Continuously collecting various work suggestions and completing work records, and regularly reporting to the ESG Working Group to improve ESG work through cooperation at all levels

Stakeholder Engagement

The support and trust of stakeholders are critical to the sustainable development of the Company. The Company sincerely listens to the suggestions of stakeholders, enhances the communication and exchange with them through multiple channels, responds to their expectations and requirements with responsible practices, and make efforts to achieve the cooperation, mutual benefit and win-win between government and regulatory authorities, shareholders and investors, customers and owners, employees, suppliers and partners as well as the society and the public.

Issues Concerned by Stakeholders and Communication Channels

Stakeholders	Issues of Concern	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> Response to climate change Energy management Water management Emissions and waste management Sustainable management of resources Compliance governance Corporate governance Integrity culture and business ethics 	<ul style="list-style-type: none"> Information disclosure Institution inspection Circulation of official documents Policy implementation Action in response to climate change Environmental management system
Shareholders and investors	<ul style="list-style-type: none"> Compliance governance Corporate governance Risk management Integrity culture and business ethics 	<ul style="list-style-type: none"> General meeting Performance briefings Offline conference Investor communications activities Investor hotline
Customers and property owners	<ul style="list-style-type: none"> Response to climate change Product and service quality management Customer health and safety Data security and privacy protection Smart services 	<ul style="list-style-type: none"> Customer satisfaction survey After-sales service and complaint channels Customer data and privacy management Customer communication activities ESG information disclosure Offline door-to-door visit
Employees	<ul style="list-style-type: none"> Employee recruitment and employment Occupational health and safety Employee training and development Employee rights and benefits 	<ul style="list-style-type: none"> Activities of employee benefits Employee training system Assessment and promotion of employees Workers' congress and labour union Occupational health security measures
Suppliers and partners	<ul style="list-style-type: none"> Data security and privacy protection Supply chain management Compliance governance Risk management 	<ul style="list-style-type: none"> Supplier training Open bidding and tendering meetings Strategic cooperation negotiations Communication and exchange visits
Society and the public	<ul style="list-style-type: none"> Emissions and Waste Management Community Contributions Green Operation 	<ul style="list-style-type: none"> Public welfare projects ESG information disclosure Society exchange and promoting activities Environmental management system

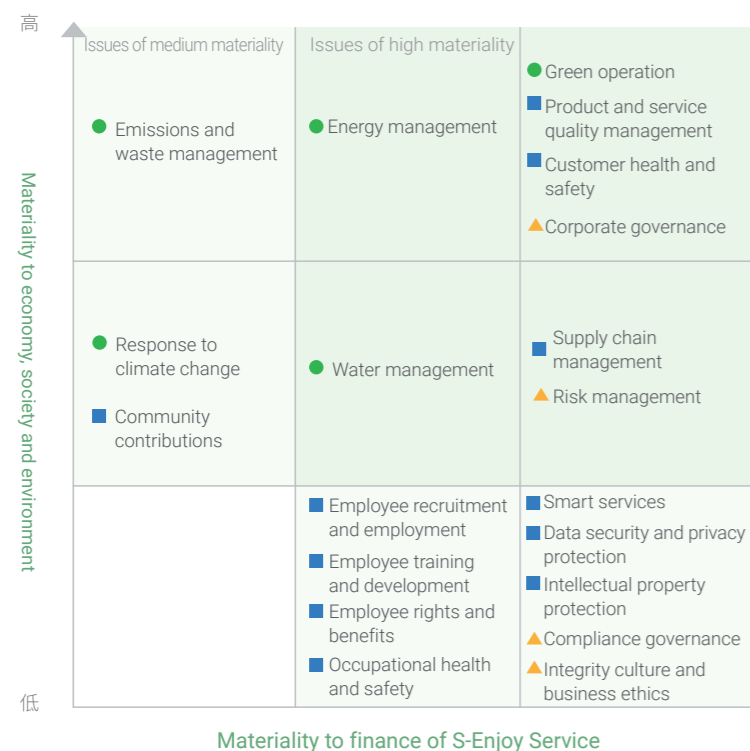
Materiality Analysis

S-Enjoy Service checked the ESG issues in compliance with *the Environmental, Social and Governance Reporting Guide*, which applied with effect from 31 December 2023, and domestic and foreign policies and standards while considering the concerns of the Company's internal and external stakeholders, results of peer benchmarking analysis, and characteristics and strategic directions of the Company.

Materiality Analysis Process

Identification	Interpret macro policies and industrial hotspots, specify the policy orientation and development opportunities for S-Enjoy Service to fulfill its responsibilities, and utilise the indicators of stock exchange and peer benchmarking to identify the industrial key issues concerning the property management industry
Assessment	Continuously communicate with stakeholders and internal and external experts during the daily business activities, assess the impact materiality of relevant issues based on the Company's development strategy and ESG practice, determine the main concerned issues of this year and implement the targeted management
Prioritising	Communicate with internal and external experts, consider the characteristics of property management industry and main concerns of the important information users, determine the issues to be reported from two dimensions of "Materiality to economy, society and environment" and "Materiality to finance of S-Enjoy Service" and prioritise such issues
Reporting	Disclose highly material issues in the report upon the inspection, review and approval of the list of material issues by the Office of Board of Directors

2023 Material Issue Matrix of S-Enjoy Service



Note 1: Titles of environmental, social and governance issues are green, blue and orange respectively.

Note 2: Issues of high materiality refer to those that have a major impact on the Company's activities and businesses, and also those highlighted in the Company's 2023 ESG management. Issues of medium materiality refer to those that are important to the Company but have been almost solved and the Company will continue to attach attention to such issues.

Note 3: Except for 8 issues of high materiality, other material issues will also be moderately described and disclosed in the Report.

Adjustment Description of 2023 Material Issues of S-Enjoy Service

Material Issues in 2022	Material Issues in 2023	Description
Waste management	Emissions and waste management	Optimise the descriptions of issues and merge two issues with overlapping content
Emission management		
Biodiversity conservation	---	Delete the issue as it is not material for the Company's development
Respecting human rights	Employee recruitment and employment	Adjust and optimise issues in response to the employment indicators in <i>Environmental, Social and Governance Reporting Guide of SEHK</i>
Fair and impartial labour standards		
Service quality	Product and service quality management	Optimise the description of issues, disclose the product and service quality issue, and highlight the food quality and safety of catering service
Customer satisfaction		
Health and safety	Customer health and safety	Split the issue and describe the health and safety of customers and employees separately based on the characteristics of property service industry
	Occupational health and safety	
---	Employee rights and benefits	Add the new issue of employee rights and benefits, which has been adopted by peers
Empowering industry development	---	Delete the issue as it is not material for the Company's development
---	Supply chain management	Add the new issue of the supply chain management in response to the supply chain management indicators in <i>Environmental, Social and Governance Reporting Guide of SEHK</i> , which has been adopted by peers
---	Corporate governance	Add the new issue in response to the governance part in <i>Environmental, Social and Governance Reporting Guide of SEHK</i>
Sustainable development management	---	Delete the issue as it is not material for the Company's development
---	Green operation	Add the new issue of green operation according to the requirements of policies and peers' issues
Local social contribution	Community contributions	Optimise the issue description based on industrial characteristics to focus on contributions to community services

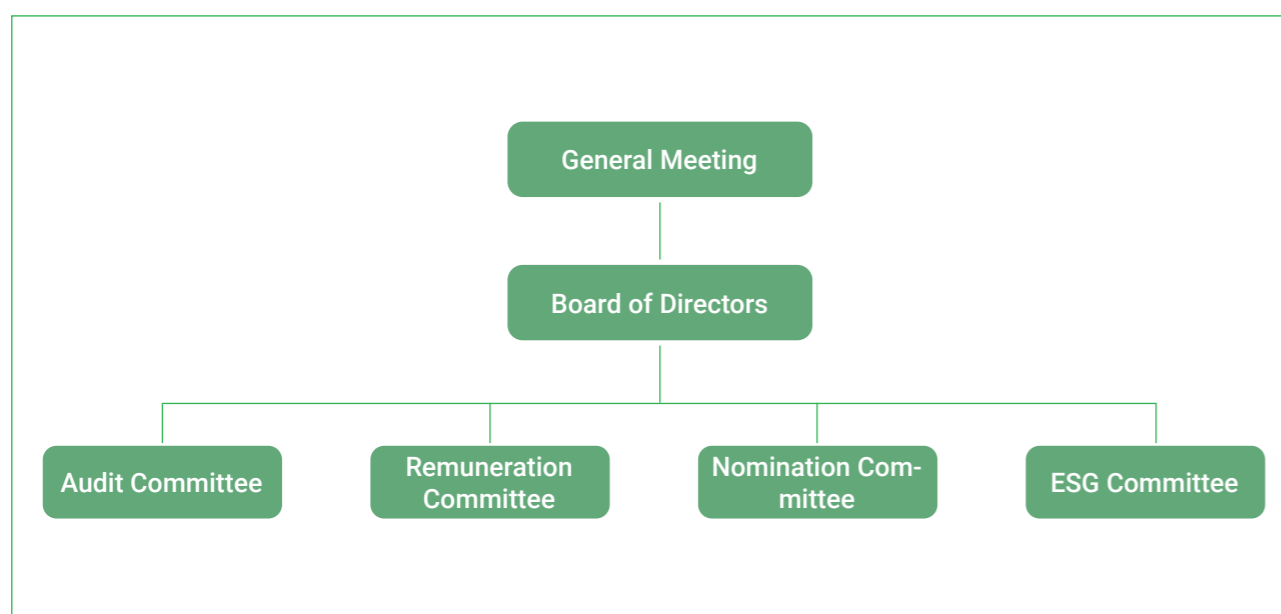
03 Standardising Governance and Promoting Prosperity

Corporate Governance

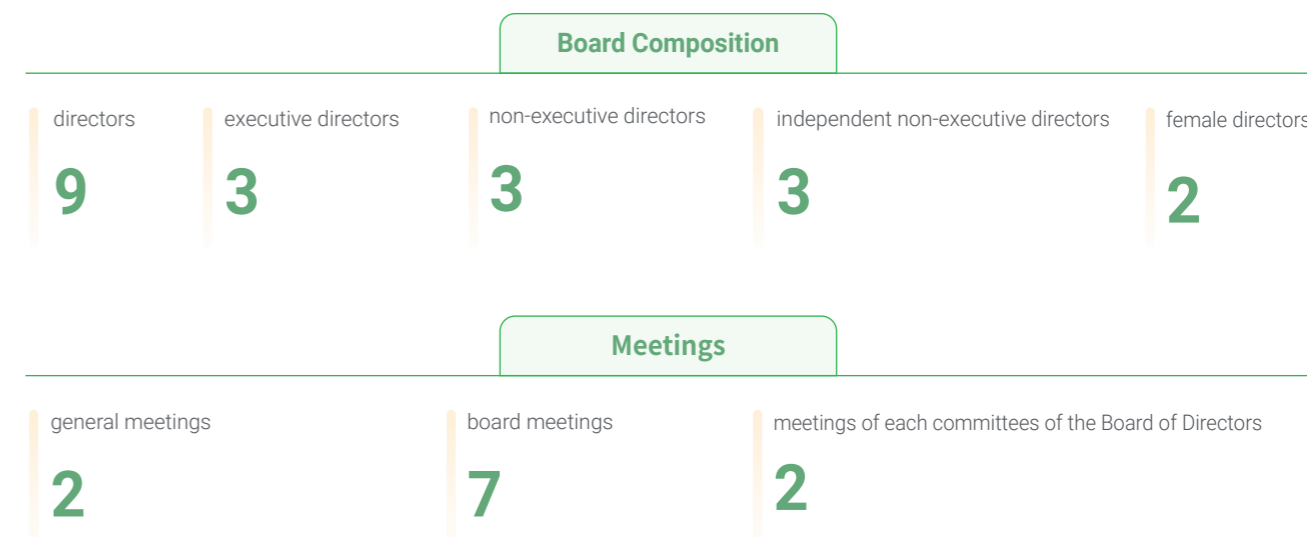
S-Enjoy Service strictly complies with requirements of laws and regulations, including the *Civil Code of the People's Republic of China*, *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Corporate Governance Code and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* as well as normative documents, improves the governance framework and system, and continuously promotes the governance level and risk prevention capability.

In compliance with the provisions of the *Second Amended and Restated Memorandum and Articles of Association of S-Enjoy Service Group Co., Limited*, the Company defines the operation standard of General Meeting of Shareholders, Board of Directors, summarises the responsibility clauses of relevant organisations to further reinforce the compliance and comprehensiveness of governance framework and members' duty performance, and selects, appoints and removes the Company's directors. In 2023, the Company changed the directors. As at the end of the current Reporting Period, the Company's Board of Directors consisted of 9 directors, including 2 female directors.

In addition, the Board of Directors has four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee. Board of Directors has clearly defined the responsibilities of each committee. The Company fully recognises the importance of Board diversity and implements a diversity policy. All Board appointments and selections will be based on meritocracy, including but not limited to age, cultural and educational background, professional experience, skills and knowledge. The performance criteria are based on operation standards, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on Board of Directors.



Board Composition and Convening of Meetings of S-Enjoy Service in 2023



To optimise the governance structure and improve the decision-making efficiency, S-Enjoy Service formulated an equity incentive mechanism against the members of middle and senior management, urging them to actively participate in the governance and decision-making and make contributions to the Company's long-term development with more professional and responsible attitude.

Compliance Governance

S-Enjoy Service, strictly complying with relevant compliance governance provisions of the *Company Law of the People's Republic of China*, *Corporate Governance Code* and *Property Charge Management Rules*, has formulated the management systems such as *Internal Control Management Measures of S-Enjoy Service (2023)*, *Internal Control Management Rules of S-Enjoy Service (2023)* and *Ten Regulations for Finance of S-Enjoy Service (2023)*, which effectively improves the Company's compliance governance capability.

To reinforce the compliance management, the Company has established a compliance review mechanism. It takes compliance review as a necessary procedure for the formulation of rules and regulations, decision-making on major issues, signing of major contracts, operation of major projects, large-scale procurement and sales and other operation and management behaviours as well as related financial, information technology and other professional matters.

Compliance Review Mechanism of S-Enjoy Service

Category	Form	Frequency
Joint inspection	The Financial Management Centre of S-Enjoy Service organises the personnel of regional branches/subsidiaries to implement the quarterly joint inspection independently or together with other functional centres of the headquarters	3 times every year in Q2, Q3 and Q4 respectively
Monthly self-inspection	The Financial Department of regional branches/subsidiaries shall submit monthly inspection plans, and organise regional branches/subsidiaries to implement the inspection and rectification independently or together with other functional departments of such regional branches/subsidiaries	Monthly
Special inspection	Apart from the joint and monthly inspections, the Financial Management Centre of S-Enjoy Service issues the single special inspection tasks following the Company's management requirements	---
Audit supervision	According to the supervision requirements of the Company's Audit and Supervision Department, the Financial Department of the headquarters and regional branches/subsidiaries set up a special team to carry out an in-depth inspection on site	---

To ensure the effectiveness of compliance review, the Company's legal department performs the compliance inspection and assessment every quarter according to business conditions, and prepares and submits detailed compliance reports, facilitating the Company's management to know about the compliance performance and make corresponding decisions.

Risk Management

S-Enjoy Service attaches great importance to the Company's risk management. Based on the industrial characteristics and the Company's actual conditions, it formulated relevant management systems such as *Property Legal Risks and Countermeasures*, *Internal Control Management Measures of S-Enjoy Service (2023)* and *Internal Control Management Rules of S-Enjoy Service (2023)* and set up the "top-down" and "bottom-up" risk review process.

Risk Review Process of S-Enjoy Service

Top-down	Core risks are divided into 5 categories (see <i>Core Risks and Response Measures of S-Enjoy Service</i>). Each type of risks has corresponding responsible departments. The review channels include flight inspection, joint cross-inspection, policy comparison, review and analysis, etc
Bottom-up	The Company has established the "three lines of defence" (see <i>Risk Management System of S-Enjoy Service</i>) for risk management, which clearly defines the risk control functions of regional branches and project frontline, functional departments at the headquarters, and the audit and Supervision Departments. When regional branches and project frontline identify potential risks in actual work, they will report to the headquarters in a timely manner, and the headquarters will respond to the actual situation and optimise risk management related systems and models

Core Risks and Response Measures of S-Enjoy Service

Risk categories	Response measures
Strategic risks	Assess various business risks and form an analysis report on the business environment
Market risks	Output bi-weekly reports on the market environment every two weeks to convey the front-line implementation of preventive measures
Operational risks	Perform risk point analysis on projects on a weekly basis, form a list of risk projects, and follow up on risk projects in stages
Legal risks	Formulate the <i>Property Legal Risks and Countermeasures</i> , and prepare the annual report on property service risk and prevention
Financial risks	Strictly implement the <i>Internal Control Management System of S-Enjoy Service</i> , conduct joint cross-checks on a quarterly basis and prepare a written report

In combination with the established and improved risk management system, the Company has incorporated ESG risks into the scope of overall risk identification, assessment and management. As the core of the risk management system, the Audit and Supervision Department carries out internal third-party audit and supervision on the Group on behalf of the shareholders and Board of Directors of the Group. It is responsible for identifying, preventing and controlling the risks involved in the operation and management and functional management departments of subsidiaries, collecting and handling various reports, and performing duties without restrictions to conduct direct investigation and supervision when necessary.

Risk Management System of S-Enjoy Service

Lines of defence	First responsible person	Description
First line of defence: Frontline business units	Regional/project leaders	Directly address business risks, identify various risks, and promptly report and manage them
Second line of defence: Functional unit review	Leaders of functional centres/ departments	Support frontline business departments by providing professional judgment and compliance oversight
Third line of defence: Audit, inspection, and supervision	Chairman Head of the Audit and Supervision Department	Supervise, audit, and inspect the work of the first two lines of defence

Risk Management System of S-Enjoy Service



Integrity Culture and Business Ethics

Management of Business Ethics

S-Enjoy Service rigorously complies with laws and regulations, including the Criminal Law of the People's Republic of China, the Bidding Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, and Anti-Money Laundering Law of the People's Republic of China, and formulated the management systems such as the Internal Control Management Policy, Internal Audit Standards, and Audit Management Process to eradicate corrupt behaviours within the Company.

In terms of the employee management, the Company has established relevant management systems such as the Code of Professional Conduct of Employees to require that employees shall perform their work duties in compliance with laws and in good faith, and shall not violate the code of conduct for personal reasons, and strictly prevent bribery, extortion, fraud and money laundering.

S-Enjoy Service requires employees to meet strict discipline and ethical standards, and signs the Letter of Commitment of Integrity with all new employees. Additionally, the Company organises employees and directors to complete professional ethics review, integrity and emotional knowledge research at least once every two years in combination with such activities as core value assessments every year, achieving 100% coverage of employees. Meanwhile, S-Enjoy Services uses the results of ethical review and integrity and emotional knowledge research to guide the daily audit work.

As the core department of the Company's management of integrity culture and business ethics, the Audit and Supervision Department and the Human Resources and Administration Management Centre cooperate with each other to complete the sorting of violations and review the rewards and punishments of relevant responsible persons.

Functions of Departments Related to Business Ethics Management

Department	Functions
Audit and Supervision Department	As the main department of the Group for monitoring fraud and violations of regulations and disciplines, the Audit and Supervision Department proposes punishment opinions on relevant responsible persons and responsible units based on the nature and severity of the problems, which will be implemented by the Human Resources and Administration Management Centre after approval by the superior
Human Resources and Administration Management Centre	The Human Resources and Administration Management Centre of the headquarters, branches and subsidiaries, regional branches and comprehensive departments of professional companies are responsible for implementing the punishment decisions and follow-up punishment measures for relevant responsible persons and responsible units

S-Enjoy Service conducts regular internal audits to enhance and continuously optimise the anti-fraud system. The audit and supervision process is divided into planning, implementation, and reporting stages. Throughout implementation, routine and specialised audits are conducted, with audit findings shared through reports and case studies. Collaborating with partners, the Company aims to create an environment where officials do not dare to be, are not able to be, and do not want to be corrupt, demonstrating a firm stance of "zero tolerance" against fraud behaviours.

Through daily inspections, special investigations on reported clues and inspections of regional branches, the Audit and Supervision Department ensures that the audit work is completed every one to two years in areas prone to fraud, embezzlement, misappropriation and unfair competition, such as procurement bidding, community operations, operations, and expansion, achieving 100% full coverage of front-line audit.

S-Enjoy Service has implemented a robust feedback mechanism for handling complaints and reports, aiming to continually enhance the efficiency and standardisation of the feedback process. In 2023, the Company revised the Complaint Report Management Policy of S-Enjoy Service (2023) to provide clear and refined guidelines, along with an improved confidentiality system to protect the privacy and safety of whistleblowers.

S-Enjoy Service Privacy and Safety Protection Measures for Whistleblowers

- An avoidance system shall be prepared for individuals related to whistleblowing information
- Measures shall be taken to keep strictly confidential the personal information and whistleblowing content of whistleblowers, and whistleblowing materials are listed as confidential management. Audit investigators shall properly safeguard and use confidential information, which shall not be available for personnel unrelated to investigations
- In the audit and investigation work, except for special investigators, other person shall not explore or discuss the work-related information, and the personnel participating in the special investigation shall not disclose the content of the special investigation work to any person
- No institution or individual shall obstruct or suppress the whistleblower's report and retaliate against the whistleblower with any cause
- Once the retaliation is verified, it will be dealt with seriously in accordance with the relevant regulations of the Company. Where a crime is constituted, it will be transferred to the judicial authority for handling in accordance with the law

Customer Complaint and Reporting Feedback Process of S-Enjoy Service

Dedicated storage	<ul style="list-style-type: none"> Within 24 hours of receiving complaints and reports, a designated employee is responsible for the storage of the incidents, screening effective reporting clues and submitting them to the head of the audit and supervision department
Clue submission	<ul style="list-style-type: none"> The head of the audit and supervision department (or their authorized person) shall review and judge whether the reported clues are true and effective within 2 working days, and if effective, assign personnel to handle the reported clues
Personnel investigation	<ul style="list-style-type: none"> Assigning specific personnel to conduct investigation on clues and complete the initial inspection report within 3 days

S-Enjoy Service Complaint and Whistleblowing Acceptance Channels

<p>Telephone</p> <p>021-32522898</p>	<p>Email</p> <p>whistleblower@xinchengyue.com</p>	<p>WeChat</p> <p>lianzhengxincheng</p>
<p>Mailing address</p> <p>Audit and Supervision Department, Seazen Holdings Tower A, No. 6, Lane 388, Zhongjiang Road, Putuo District, Shanghai</p>		

Advocacy of Integrity Culture

In 2023, S-Enjoy Service conducted various training programmes at both functional and regional levels, including management seminars, pre-audit and post-audit integrity and compliance training sessions. These initiatives aimed to further improve the integrity awareness among all employees and achieve multiple coverage for key positions.

During the Reporting Period:

- S-Enjoy Service conducted **60** face-to-face integrity training sessions for nearly **10,000** participants, and online learning sessions for **15,000** participants;
- The integrity training sessions covered **100%** of employees;
- The integrity training sessions covered **100%** of directors.

In addition, August every year is designated as the Integrity Culture Awareness Month of S-Enjoy Service. In 2023, the Company intensified its efforts to cultivate integrity among all employees through engaging activities such as "Check-in with Warning Phrases", "Frontline Courses", "Integrity Knowledge Quiz", "Debates", "Knowledge Mini-classrooms", and "Integrity Lecturer Certification". Continuously innovating its integrity promotion methods, the Company utilised diverse formats including integrity posters, integrity websites, WeChat official accounts, and integrity handbooks to foster a holistic and positive atmosphere of integrity and transparency.

During the Reporting Period, the Company did not have any penalties from regulatory authorities for violations of relevant laws and regulations of fraud, bribery, extortion, cheat, and anti-money laundering.

04 Building a Green and Low-carbon Homeland

Response to Climate Change

S-Enjoy Service, in accordance with the International Sustainability Standards Board (ISSB) "IFRS S2", has structured and presented its climate change management system from four main aspects, i.e., governance, strategy, risk management, and indicators and targets, to enhance its resilience and capabilities in response to climate change.

Climate Change Management System of S-Enjoy Service



Analysis of Climate-related Risks and Opportunities for S-Enjoy Service

Climate-related risk/opportunity type		Description of risk/opportunity	Response measures
Climate-related risks	Policy and legal risks	With the introduction of "Carbon Peaking and Carbon Neutrality", the Company might encounter tightening regulations and policies regarding energy and the environment, which are expected to increase operational costs	<ul style="list-style-type: none"> Stay abreast of and adhere to pertinent regulatory laws and statutes, ensuring that all business operations adhere to regulatory requirements by standardising workflows and operational processes. Regularly compile data on greenhouse gas emissions to promptly address any associated mandates. Establish and enhance an emergency management framework specifically tailored to address climate events.
	Market risks	With increased focus on energy conservation and emission reduction from property owners and emission reduction demand in the value chain of upstream/downstream enterprises, the Company may face pressure regarding the carbon emission reduction	
	Reputation risks	With the growing public attention towards low-carbon economy and climate-related issues, failing to respond to climate change appropriately may pose reputation risks to the Company	
	Acute physical risks	Numerous operational sites of S-Enjoy Service located along the southeastern coast of China are susceptible to frequent facility damage and service disruptions caused by typhoons	
	Chronic physical risks	The Company faces potential risks to its normal operations and production due to the impacts of chronic climate-related disasters, including rising temperatures and sea levels	
Climate-related opportunities	Energy-saving and environmental services	As the importance of energy efficiency and environmental conservation continues to grow, property service companies have the opportunity to provide a range of related services, including energy-saving upgrades and waste management solutions. By catering to these needs, they can enhance customer satisfaction and elevate their brand reputation	<ul style="list-style-type: none"> Incrementally increase the utilisation of renewable energy sources, such as solar power, in operation. Actively explore smart property services leveraging Internet of Things (IoT) and energy management strategies based on sophisticated big data analytics.
	Energy transition	Integrating renewable energy sources into operations can be advantageous for reducing long-term energy expenses	
	Innovative service models	Climate change presents new service models and innovative opportunities for the property service industry	

Drawing on the assessment results of climate change risks and opportunities, the Company has set short-, medium-, and long-term objectives for reducing intensity of GHG emissions. Furthermore, the Company regularly updates stakeholders on the progress of these objectives to ensure transparent information disclosure.

Indicators	Short-term goals (2025)	Medium-term goals (2030)	Long-term goals (2050)	Progress in 2023
Intensity of GHG emissions	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 5% from the baseline	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 10% from the baseline	With 2022 as the baseline, the intensity of GHG emissions decreased by more than 50% from the baseline	During the Reporting Period, the intensity of GHG emissions of the Company was 24.69 tCO ₂ e/RMB million, decreasing by 21.72% compared with the base year

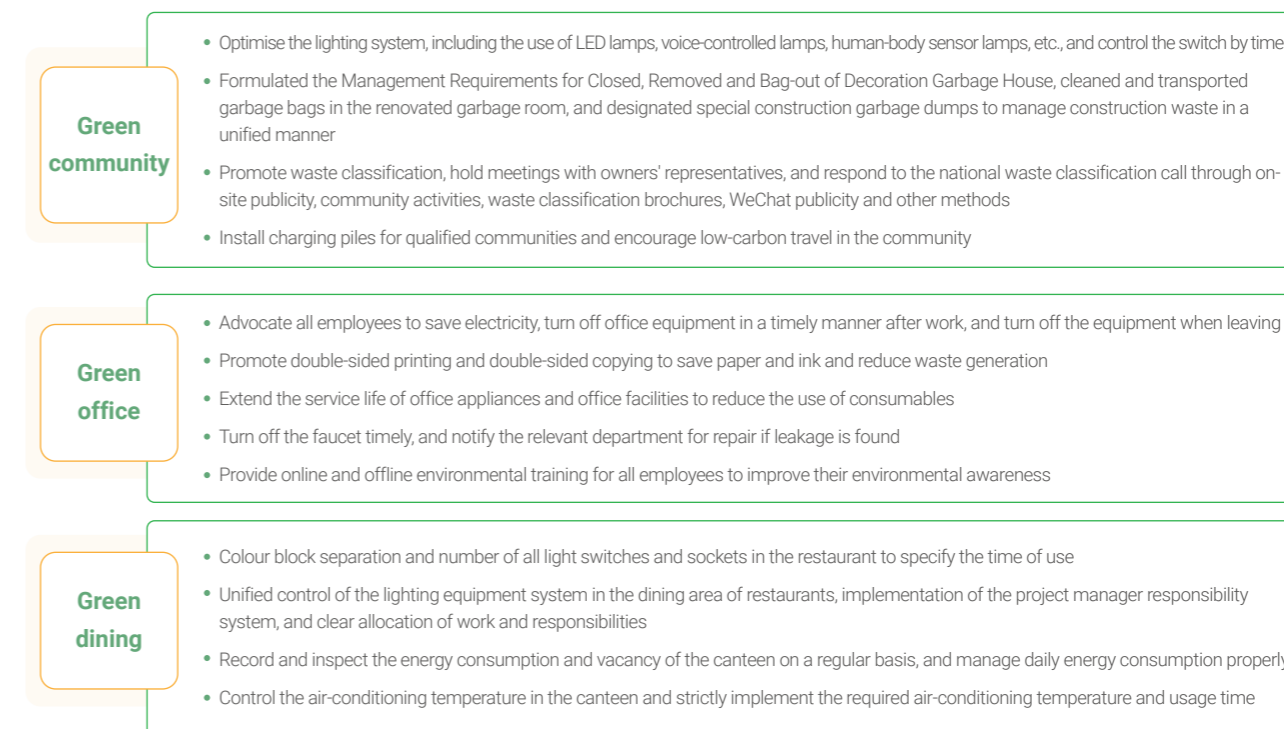
Green Operation

The major operations of S-Enjoy Service do not have a significant impact on the environment and natural resources. The Company, as a responsible corporation, is committed to mitigating the potential environmental impact of its operations. Incorporating its operational practices, S-Enjoy Service has pioneered the concept of green operation. The initiative focuses on three core aspects, i.e., green communities, green office and green dining. The Company implements the fine management, strictly monitors and meticulously reviews the energy consumption of equipment within all areas under its management.

In order to strengthen the environmental management, coordinate and manage the Environmental, Health and Safety ("EHS") performance, the Company has built an EHS system and established the EHS committee. Led by the chairman and chief executive officer of S-Enjoy Service, EHS committee has set up multiple functions such as customer service operation, finance and human resources, and established a green operation management system with full participation from regional branches to the headquarters of the Group.

Identifying energy and resource wastage issues during operations, the Company is actively proposing improvement measures to strive to reduce the energy waste at each link and contribute to the achievement of the Group's energy conservation and emission reduction objectives.

Three Pillars of Green Operation of S-Enjoy Service



By implementing a range of initiatives under its green operations, S-Enjoy Service has not only demonstrated its commitment to environmental responsibility but also established itself as a model for promoting green and sustainable development within the industry. During the Reporting Period, the Company did not have any penalties from regulatory authorities due to violations of relevant laws and regulations of environmental management.

Energy Management

S-Enjoy Service primarily relies on electricity consumption during its operations. The Company strictly abides by national and local relevant laws and regulations, such as *the Energy Conservation Law of the People's Republic of China*, and has established management systems including the *Management Measures for Electricity Conservation*, *Management Requirements for the Energy Consumption of S-Enjoy*, *Energy Consumption Control Manual*, and *Energy Saving and Consumption Reduction Work Guidelines* to continuously enhance its energy management system, strengthen energy management measures, and achieve energy conservation and consumption reduction objectives.

Energy Management Framework of S-Enjoy Service

Operation Management Centre	<ul style="list-style-type: none"> Responsibilities: To oversee the energy conservation and consumption reduction, comprehensive resource utilisation, and energy indicator evaluation across the Company as the energy management organisation
Energy-saving Management Group	<ul style="list-style-type: none"> Responsibilities: To organise and coordinate the Company's energy conservation initiatives.

The Company has developed a set of practical energy management measures to achieve its energy conservation and emission reduction objectives. These measures encompass seven key areas and involve comprehensive energy conservation renovation projects to reduce the energy consumption in the Company's daily operations.

Motor vehicle garages	flexibly adjust the number of lamps which required to ensure that the lighting effect remains unchanged, so as to reduce energy consumption
Non-power driven vehicle garages	set up light-control lamps in ramp and garage to reduce unnecessary lighting power consumption
Office area of the building	use lamps controlled by human sensing, post energy-saving signs on the wall of lamps, and encourage to turn off the lights when needed
Industrial parks	set effective and regular time control according to the lighting needs of different scenarios in the park
Tower building	clarify the energy consumption interface and install timers for public lighting on office floors except for emergency lighting
Energy-saving equipment	adopt low-energy equipment, including energy-saving and consumption-reducing air conditioners
Operation standards	refine energy consumption management, and set the opening hours for facilities and equipment such as lighting, water systems, elevators, air conditioners and heaters in public areas and property buildings

For new projects, the Company will establish a metering account *Public Instrument Archive Book* within one month of project acceptance, and designate energy consumption statistical plans to conduct independent and accurate statistics and analysis on customer energy consumption, public energy consumption, business cooperation energy consumption and municipal public energy consumption, and carry out relevant energy-saving transformation projects. The Company sets short-, medium-, and long-term goals for comprehensive energy consumption intensity and regularly discloses the implementation progress of related goals.

Indicator	Short-term goal (2025)	Medium-term goal (2030)	Long-term goal (2050)	Progress in 2023
Comprehensive energy consumption intensity	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 5% from the baseline	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 10% from the baseline	With 2022 as the baseline, the comprehensive energy consumption intensity decreased by more than 50% from the baseline	During the Reporting Period, the Company's comprehensive energy consumption intensity was 44.42MWh/ RMB million, decreasing by 20.64% compared with the base year

Energy Management Certification Status of S-Enjoy Service

Company Name/Operational Site Name	Certification Name	Validity Period of Certification
S-Enjoy Service	ISO 50001: 2018	26 October 2025

Water Management

S-Enjoy Service primarily sources its water from municipal pipelines. Currently, there are no issues or difficulties in accessing suitable water sources at each operational site. Adhering to laws and regulations such as the *Water Law of the People's Republic of China and Management Regulations for Urban Water Conservation*, the Company has implemented a robust water management system, and devised tailored water-saving measures for various usage scenarios.

Water-saving Measures of S-Enjoy Service

Water Usage Scenarios	Water-saving Measures
Daily office water consumption	<ul style="list-style-type: none"> Conduct back-end monitoring of water consumption in the community, set up a master list at the main entrance of the municipal administration in the community, set up submetres according to the area, carry out water consumption analysis, and the data are consolidated into the headquarters of the Group on a monthly basis. The headquarters dynamically adjusts energy-saving strategies based on energy consumption Maintain water equipment regularly to prevent water leakage Raise the awareness of water conservation among all employees, turn off water taps after use and carry out relevant assessments
Water for greening	<ul style="list-style-type: none"> Introduce water-saving equipment in the irrigation process to reduce water consumption
Canteen water consumption	<ul style="list-style-type: none"> Water saving signs are posted in the pool to clarify the use of the pool Promote all employees to build awareness of water conservation, carry out comprehensive assessment, and eliminate waste of water resources. Water level lines are measured inside the pool, and meat defrosting and fruit and vegetable soaking shall not exceed the water level line

Emissions and Waste Management

The main types of emissions and waste generated by S-Enjoy Service include waste water, general waste, and hazardous waste. Waste water originates from daily office, greening, and canteen water consumption. General waste comprises office waste and kitchen waste generated during routine operations. Hazardous waste primarily includes waste toner cartridges and waste ink boxes in a small amount.

The Company strictly abides by relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Management Measures for Urban Household Waste*, and has formulated the *Office Management Guidelines and the Waste Removal Management Regulations of S-Enjoy Service (2023)*. It implements the "reduce, reuse, and recycle" principle across its operational sites, aiming to regulate waste disposal and recycling processes, foster green office practices, minimise general waste generation, and enhance waste utilisation rates. During the Reporting Period, the Company did not encounter any instances of illegal or non-compliant events related to emissions and waste management.

Emissions and Waste Disposal Methods of S-Enjoy Service

Category	Waste Type	Disposal Method
Waste water	Domestic waste water	Flow into the municipal pipelines for treatment
General wastes	Office and kitchen wastes	Entrust third-party entities for environmentally friendly disposal
Hazardous wastes	Waste toner cartridges and waste ink boxes	Entrust third-party entities for environmentally friendly disposal

In order to minimise the generation of kitchen waste, the Company has devised a procurement strategy for its catering services, focusing on purchasing in precise quantities to reduce waste at its origin. Furthermore, stringent quality control measures are implemented for ingredients, along with techniques such as staggered cooking and portion-controlled preparation to decrease ingredient wastage. Additionally, the provision of smaller portion dishes and encouragement of customers to take only what they require are among the measures employed to prevent unnecessary waste.

The Company conducts anti-waste culture and carry out "Clean Your Plate" campaign among employees through various means such as slogan promotion, screen displays, and training sessions to deepen employee awareness and encourages them to practice thriftiness in both work and personal life. These efforts aim to contribute to the efficient utilisation of resources and sustainable development.

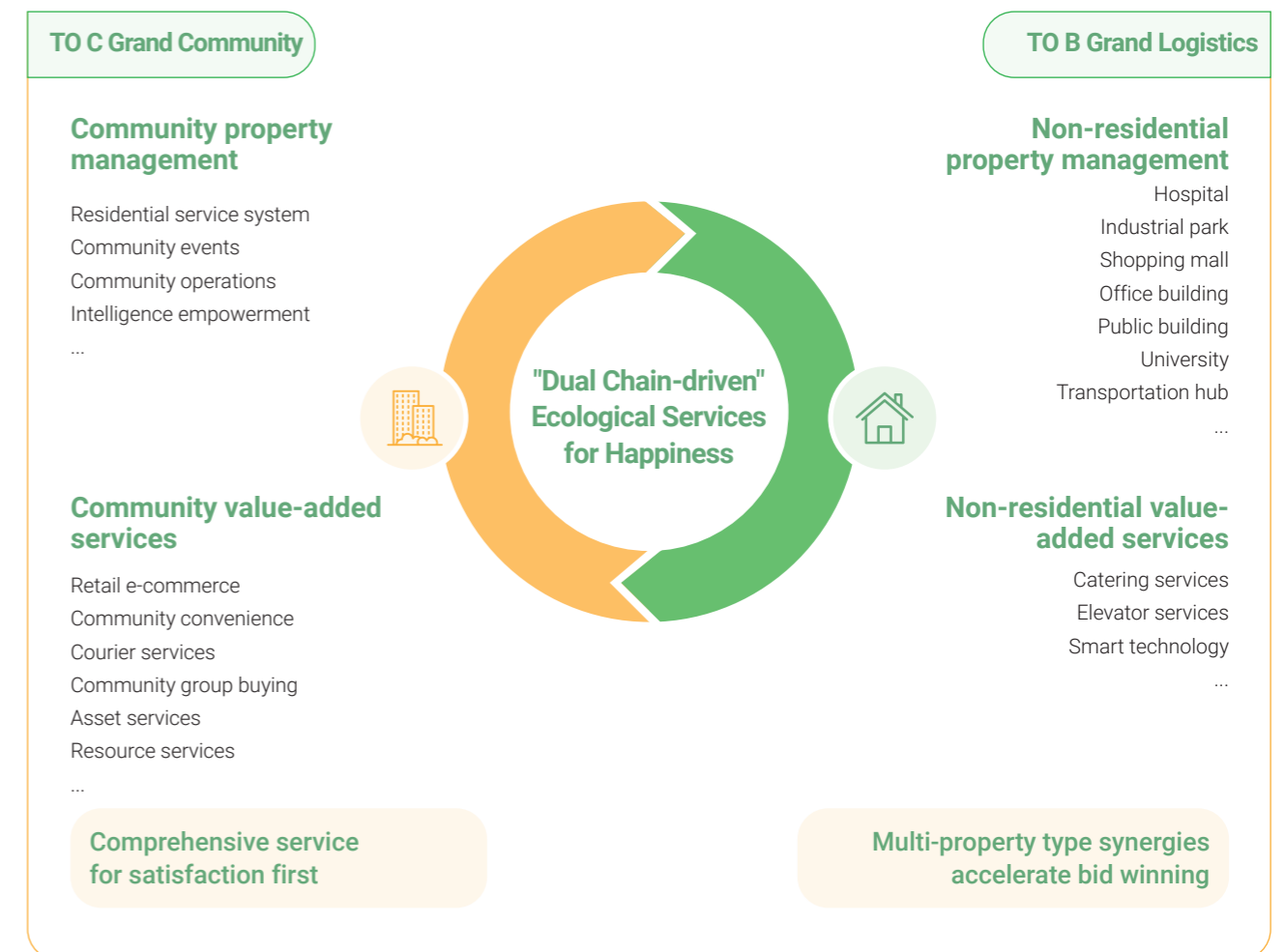
05 High-quality Harmony and Joint Development

Product and Service Quality Management

Enhancing the Customer Service Quality

S-Enjoy Service adheres to the corporate mission of "Happy Home, Happy Life", proposes the dual chain-driven development model of "Grand Community + Grand Logistics", focuses on the key service sectors needed by end customers and government and enterprise customers, and adopts the logic of "discovering greater values and providing comprehensive services for one customer", constantly reinforcing diversified professional services.

Ecological Service System for Happiness of "Grand Community + Grand Logistics"



2023 Management Initiatives for "Grand Community" Service Side of S-Enjoy Service

Measures	Achievements
Quality standards	<p>Service design capabilities across diverse scenarios:</p> <ul style="list-style-type: none"> A set of visual quality inspection standards: 9 homecoming touchpoints, 34 standards, and 10 red lines, all geared towards enhancing customer perspectives and ensuring quality homecoming experiences A comprehensive green maintenance manual: 1+2 management toolkit, consisting of a manual covering 10 categories and 29 operation standards; and 2 maintenance control tools: a maintenance frequency tracking sheet and an annual calendar for green maintenance Quality case library: By compiling internal exemplary quality management experience, we aim to foster a collective ability among all employees to reflect on, innovate, and improve quality. This initiative facilitates rapid sharing, replication, and application of service concepts across regions and projects, supported by the integration of 138 outstanding cases across 24 major categories Landscaping node case library: We have summarised 14 landscaping node enhancement examples across 8 common project scenarios, enhancing our landscaping capabilities
Quality management	<p>Mechanisms are in place to ensure the effective implementation of service standards:</p> <ul style="list-style-type: none"> Simultaneously deepen the long-term three-level quality inspection mechanism of "headquarters, regions, projects", creating benchmark projects nationwide that excel in both "quality control" and "customer satisfaction"
Quality reputation	<p>Continuous service innovation to meet customer demands:</p> <ul style="list-style-type: none"> Initiatives like the "Neighbour's Day" and other owner-themed events, spanning nearly 200 cities nationwide, serve to continuously invigorate "happy communities"

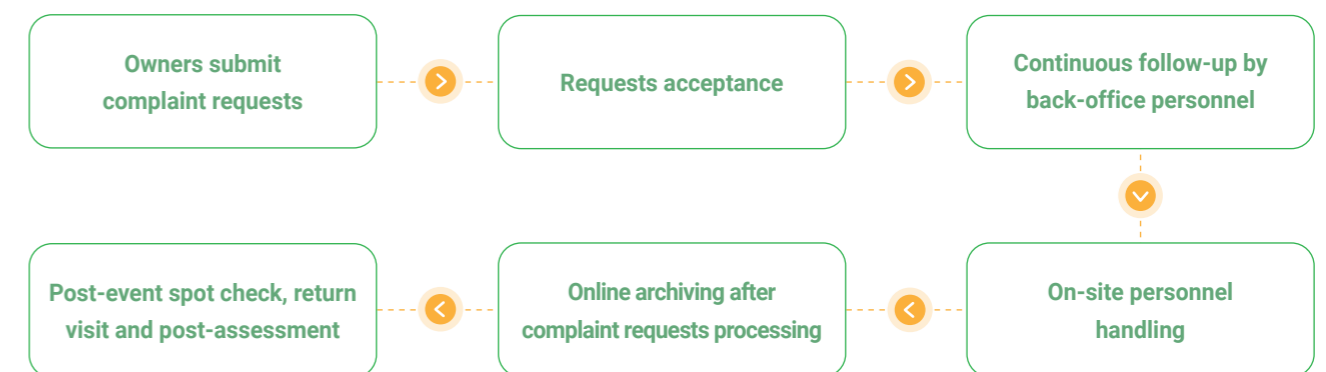
2023 Management Initiatives for "Grand Logistics" Service Side of S-Enjoy Service

Measures	Achievements
Strengthen the resilience of professional service development	<ul style="list-style-type: none"> Continue to expand into densely populated core areas, such as: hospitals, industrial parks, and schools
Uphold the "regional focus strategy"	<ul style="list-style-type: none"> Consistently enhance the management density in key urban clusters like Beijing-Tianjin-Hebei, the Bohai Rim, and Sichuan-Chongqing, broaden the scope of business formats and coordinate the establishment of professional service tracks
Deepen the systemic expansion model of "property management + catering"	<ul style="list-style-type: none"> Continue to expand 'property management + catering' projects, achieving comprehensive logistics and catering service deployment across all business sectors

Customer Communication and Satisfaction

S-Enjoy Service adheres rigorously to laws and regulations like the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant provisions. We have formulated the *Guidelines for Customer Reception*, the *Operation Guidelines for Orange APP Butler Work Orders*, the *4008 Customer Service System Operation Management Measures* and other systems to actively respond to customer complaints and feedback. Through various channels such as on-site reception of the property centre, butler enterprise WeChat, service hotline, Orange APP, mailbox, etc., we timely respond to the needs of customers and owners for repair reporting, complaints and consulting, and continuously improve customer service level.

Customer Complaint Response Process



Enhancing customer satisfaction stands as a pivotal objective within commitment of S-Enjoy Service to quality service, which is overseen directly by the Company's Customer Service Centre. Throughout 2023, the Company undertook two rounds of satisfaction surveys, revealing positive outcomes across various facets of property services, with notable advancements observed in satisfaction levels for key projects compared to the previous half-year period.

Responsible Marketing

S-Enjoy Service rigorously adheres to laws and regulations such as the *Advertising Law of the People's Republic of China* and industry standards, embodying principles of responsible, comprehensive, and effective marketing, and report and approval. Protocols for the preparation of promotional materials are established, with enhanced content review processes in place. A three-tier brand communication control system of "Headquarters, Regions, and Projects" is implemented, with periodic verification mechanisms of region and project brand outputs, ensuring the information authenticity and legality and the protection of customers' rights to know. In 2023, the Company did not have any penalties from relevant authorities due to violations of relevant laws and regulations of responsible marketing.

Value-added Services

To meet the diverse needs of customers in their daily lives, S-Enjoy Service offers a range of value-added services to owners and residents.

Value-added Services of S-Enjoy Service

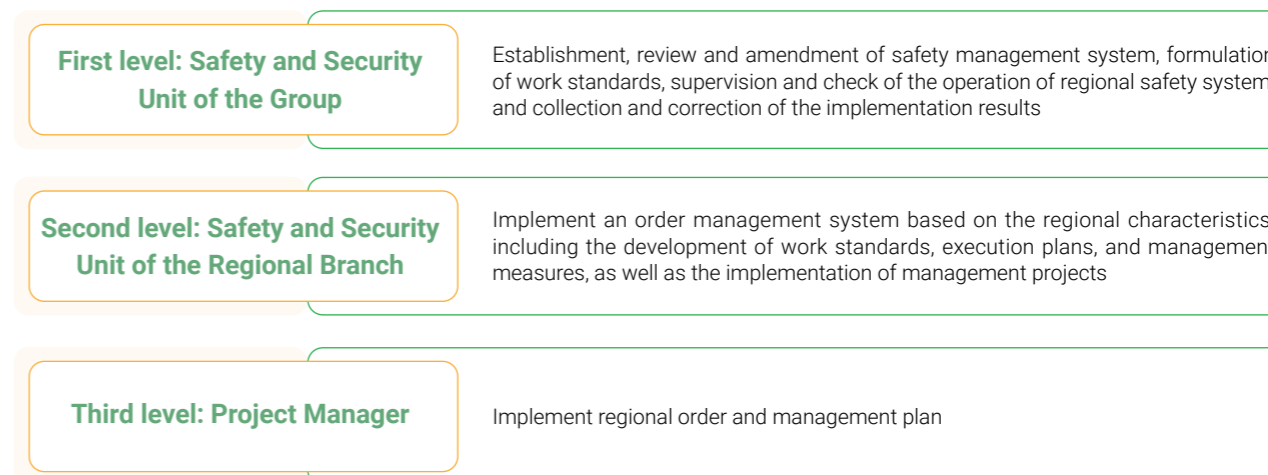
Residential property owners	Community life services	Community e-commerce: Orange App	The Orange App integrates smart parking, retail services, and smart home into the community space. It offers online shopping, charging, parking, door opening, neighbourhood announcements, and butler services, all updated in real-time
		Delivery Locker service: Cloud Box	As of the end of December 2023, Cloud Box has deployed over 11,000 express cabinet across China, covering more than 100 cities and cumulatively serving over 80 million users, with annual parcel deposits and withdrawals exceeding 481 million times
	Community asset services	Decoration: Orange Home	We provide owners with one-stop home living solutions. Currently, our business covers over 200 cities nationwide, serving hundreds of thousands of households
		Parking: Orange Home Parking	Orange Home Parking boasts a dedicated team of over 100 professionals and partners with nearly 200 projects, effectively addressing parking needs for tens of thousands households
Public Resource Management services	S-Enjoy Hub	Community's resources' supervision, operating and maintenance centre for community management, as well as the incubation centre for new business	
Non-residential clients	Catering services		Covering canteens of universities and colleges, enterprises and office buildings and corporate banquet reception services; and catering to an average of over 110,000 customers daily
	Elevator services		Our company boasts a professional team specialising in elevator transportation systems, smart management systems, Internet of Things (IoT) systems, and AI elevator cloud systems as core components. We manage approximately over 40,000 elevators

Customer Health and Safety

S-Enjoy Service maintains a continuous focus on customer safety management, aiming to enhance community safety capabilities through proactive measures. The Company strictly abides by *the Production Safety Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China and other laws and regulations*, and has formulated and implemented internal systems such as the *Safety Management Policy, the Fire Protection System Management Policy, and the Elevator Emergency Rescue Plan*. Through the investigation and inspection of potential safety hazards, the Company protects the safety and health of owners and employees, and creates a harmonious and safe community environment.

S-Enjoy Service has established a three-level safety management system structure of "Group-Region-Project". Based on the actual situation and specific situation of the region, the Group has standardised the safety management order based on specific projects, clarified the safety work responsibility of responsible persons at all levels, effectively prevented potential safety risks, ensured the safety of owners, and effectively maintained the normal order of the community.

Framework of S-Enjoy Service's Three-level Safety Management System



Fire Protection and Emergency Management

To ensure the good performance of the fire system equipment, S-Enjoy Service has appointed responsible persons in branches and project construction respectively, who are responsible for regular inspection, testing and maintenance of the fire system to ensure that safety measures can be implemented at emergency times to protect the safety of owners and employees. The Company conducts fire drills and safety training in various areas to improve employees' fire safety awareness, emergency evacuation and escape ability, and to ensure community safety to the greatest extent.

Facility and Equipment Safety Management

In order to ensure the safety of owners, S-Enjoy Service introduced a new *S-Enjoy Pool Safety Management Operation Guidelines in 2023*, which covers requirements for pools and related facilities and equipment, management protocols during pool operation and closure periods, standards and requirements for pool personnel allocation, and water quality standards. We have also implemented pre-opening risk assessments for the pool to ensure safety and reliability during the operational phase.

In accordance with the *Special Equipment Safety Law of the People's Republic of China*, the Company has formulated internal systems such as the *Safety Management Policy and Elevator Emergency Rescue Plan* to reduce elevator safety risks through emergency drills, in-depth investigation and training. The Company organises regular skill assessments for technical employees, and classifies the assessment results into six levels of T1 to T6, continuously inspecting the skill level of employees, thereby improving the service capabilities of S-Enjoy Service's employees and effectively ensuring the safety of owners' elevators.

During the Reporting Period:

- Approximately **1,300** fire drills were held, approximately **800** flood control exercises were held, covering approximately **35,000** people;
- **3,500** safety inspections before major festivals;
- The Group held 80 elevator training sessions, with a total of approximately **3,807** training hours;

Food Hygiene and Safety

Food hygiene and safety are the priority of catering services. S-Enjoy Service strictly implements food safety regulations, adheres to the management principles of preventing pollution, controlling temperature, controlling time, cleaning and disinfection, and controlling processing volume, and standardises the whole management process. S-Enjoy Service standardises the acceptance and storage work to ensure that all ingredients are traceable and the storage of food is checked regularly; improves the production and processing procedures, clarifies the specifications such as the separate use of raw and cooked tools and the temperature measurement of the dish centre; dedicated personnel are responsible for keeping samples of food and standardising the inspection of food safety.

Food Safety Recall Process and Measures of S-Enjoy Service

Thorough implementation Strict execution	Implement the provisions of the <i>Food Safety Law</i> to recall or cease the sale of food products that do not meet food safety standards
Stopping using Sealing and storing inventory	Purchased food items (including ingredients), food additives, and related products are subject to a national recall
Recall of sold products Notification to consumers	If any processed food is found to be non-compliant with food safety standards, immediate cessation of processing should occur. Sold food products should be recalled, consumers notified, and records of the recall and notification maintained
Handling of recalled food	Efforts should be made to take remedy to the recalled food, conduct harmless treatment, destruction and other measures, and report the situation of recalled food to the supervision departments above the county level
Establishment of recall records	Detailed records of the recall situation, handling process, and reporting should be maintained



During the Reporting Period:

- 155 catering service projects;
- 100% catering training coverage.

In 2023, the Company did not experience any incidents of illegal or non-compliant activities concerning customer health and safety.

Data Security and Privacy Protection

The Company strictly abides by laws and regulations such as the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. Internally, we have established both online and offline information network security protection systems. The Company has formulated and implemented internal policies and systems such as *the Information Security Management Measures* to clarify the overall policy of information security management of "comprehensive protection, dynamic management, prevention-oriented and continuous promotion", and identify and assess information security risks by category. The system clarifies the responsibilities of the Information Management Centre, which is responsible for the safe operation and information security protection of all information management systems, networks and equipment. The Audit and Supervision Department, the Organisation and the Human Development Centre and other departments work together to jointly assume the information security responsibilities of S-Enjoy Service.

The Company's information system has been certified to comply with the "Information Technology Service Management Systems: ISO/IEC 20000-1:2018" (certificate valid until 12 June 2026) and the "Information Safety Management Systems: GB/T 22080-2016/ISO/IEC 27001: 2013" (certificate valid until 30 October 2025).



Information Security Certifications of the Company

S-Enjoy Service attaches great importance to the privacy and security protection of owners in the operation of information systems. Externally, clear confidentiality obligations are explicitly stipulated in contracts with all information-related suppliers. During the provision of services to owners, stringent controls are implemented on individuals and processes that primarily handle customer personal identity information, family members' details, addresses, and related information to safeguard the interests of both the Company and its customers.

Data Security and Privacy Protection Management Measures of S-Enjoy Service

Description	Measures
Permissions	Customer data must have designated reading permissions and passwords. Passwords should not be sent via email
Principles	Customer data should primarily be allowed for excerpting only, and no photocopying, photography, or lending is permitted
Coverage	It is prohibited to disclose customer information without the explicit consent of customers themselves (except for legal obligations)
Privacy	Theft or leakage of customer data or privacy is strictly forbidden
Accountability	In cases where customer information leakage causes losses to the Company, relevant responsibilities will be pursued

In 2023, the Company did not have any penalties from regulatory authorities for violations of relevant laws and regulations of information security and privacy protection.

Intellectual Property Protection

The Company strictly abides by the Patent Law of the People's Republic of China, the Tort Liability Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Advertising Law of the People's Republic of China and other laws and regulations, and has formulated and implemented internal regulations such as the Intellectual Property Management Policy and the Information Security Management Measures of S-Enjoy Service, regularly reviews the effectiveness of the intellectual property management system, and continuously optimises the intellectual property risk prevention mechanism.

As the management department of intellectual property affairs, the Legal Affairs Department clearly requires the use and management process of patent rights, proprietary technologies and technical secrets, trademark rights, trade secrets and copyrights, establishes a sound intellectual property compliance management system and process, intellectual property compliance system, and implements intellectual property risk warning.

S-Enjoy Service carries out the publicity and popularisation of intellectual property rights through training, strengthens the management of intellectual property rights such as patents, trademarks and copyrights, encourages and protects fair competition, fully respects the intellectual property rights of partners, strictly uses the intellectual property rights of partners within the scope of authorization. Meanwhile, we strengthen the monitoring and investigation of infringement of the Company's intellectual property rights, so as to timely discover and deal with infringement and effectively protect the Company's interests.

During the Reporting Period, the Company did not experience any incidents of infringement upon others' intellectual property rights, nor did any of the above matters lead to litigation.

Supply Chain Management

S-Enjoy Service attaches great importance to the standardisation and effectiveness of supplier management, strictly abides by the Bidding Law of the People's Republic of China, the Government Procurement Law of the People's Republic of China and other relevant laws and regulations, and has formulated and implemented internal policies and systems such as the Procurement Management Policy of S-Enjoy Service (2023) and the Supplier Management Policy of S-Enjoy Service (2023), which clarify the responsibilities, division of labour and mode of procurement management, deter mines the management principles and requirements of various links such as supplier registration, certification, inspection, warehousing, shortlisting and evaluation, establishes the standard management actions of each link, and provides relevant system training for employees to ensure the comprehensive, effective, fair and just procurement and supplier management process.

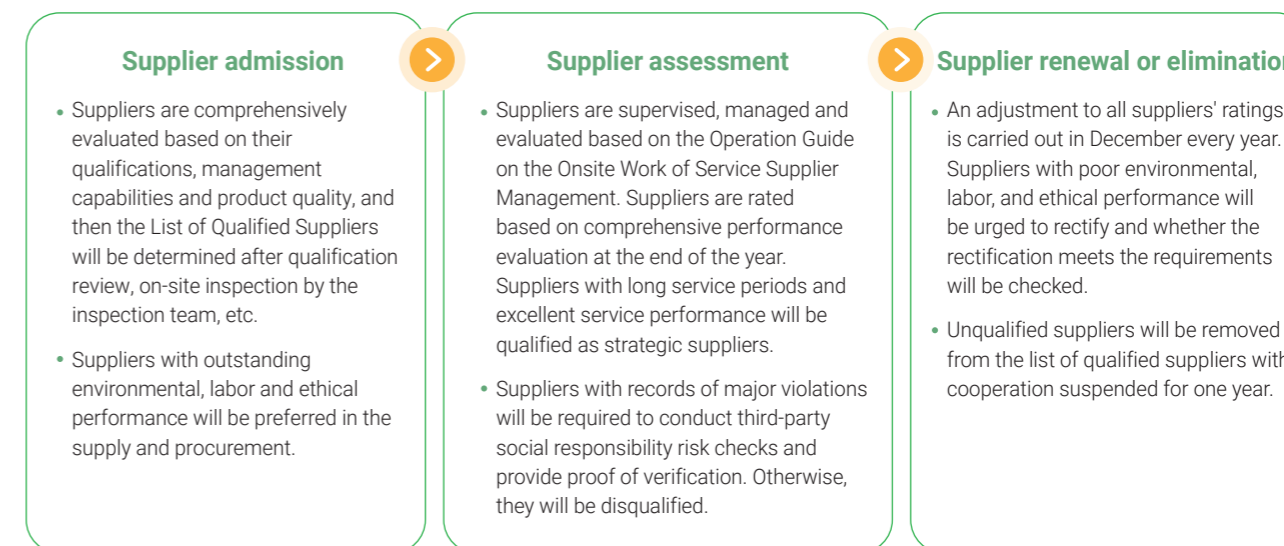
Responsibilities for Procurement Management of S-Enjoy Service

Department	Responsibilities
Financial Management Centre of the Headquarters - Procurement Management Unit	<ul style="list-style-type: none"> Formulate, interpret, and modify regulations, and supervise their implementation Draft bidding documents, organise bid issuance, respond to inquiries, and conduct bid openings in the headquarters and receive bid submissions; review the audit of bidding documents for regional business Review procurement plans and bidding processes to ensure accurate and complete descriptions of attachments; ensure clear separation of duties among bidding team members; verify that the number of qualified suppliers meets business needs; ensure that evaluation and bidding methods comply with regulations; ensure overall compliance in the procurement process Handle the signing and archiving of procurement expenditure contracts for the headquarters Conduct regular random audits of the procurement processes and outcomes of regional branches Initiate the material and contract acceptance processes of projects on time, and promptly report any discrepancies Oversee the closure of the contract payment process (for cleaning services, landscaping, security, fire safety, automation, and elevator maintenance)
Financial Management Centre of the Headquarters - Cost Management Unit	<ul style="list-style-type: none"> Develop baseline prices for security, cleaning, landscaping, and engineering maintenance services Prepare the commercial bids of business bidding documents and finalize them, as well as participate in commercial negotiations Review bid opening summaries and detailed lists to ensure the completeness and accuracy of factors influencing quotations; establish evaluation and awarding principles aimed at cost savings; verify the completeness of clarifications in the commercial bids; ensure accuracy in the pricing process; and confirm alignment of awarded prices with market trends Review procurement amounts to ensure compliance with budget ranges, conduct audits of procurement prices, and ensure correct agreements on tax rates and payment terms Review engineering quantities and verify labour costs, material expenses, and machinery rental fees; confirm the approved amount and issue online approvals. For cases where maintenance project prices are high, on-site confirmation of the approved amount is required Regularly organise various regional branches to conduct market price surveys Initiate the non-contract acceptance processes of projects on time, and promptly report any discrepancies
Business Demand Function Department of the Headquarters	<ul style="list-style-type: none"> Evaluate and specify business standards for demands (including but not limited to procurement, daily cleaning and green maintenance standards) and determine the quantities. Clearly define supplier performance, professional qualifications, and technical requirements; assess whether the performance and capabilities of shortlisted suppliers meet the requirements; develop the technical bids for headquarters bidding documents and review the technical bids of bidding documents prepared by regional departments Coordinate with suppliers for on-site surveys, introduce the scope of work and surrounding conditions, and sign on-site survey sign-in sheets to confirm attendance for headquarters procurement work, and participate in bid issuance and Q&A sessions Review technical bids
Regional Branch Procurement Handlers	<ul style="list-style-type: none"> Organise the preparation and improvement of regional internal procurement management regulations based on established systems Draft business bidding documents, organise bid issuance, respond to inquiries, and conduct bid openings in the region and receive bid submissions Review procurement plans and bidding processes within the region, as well as review documents to ensure no conflicts of interest between regional suppliers Verify the validity and legality of business licenses and essential qualifications of shortlisted suppliers, checking for any involvement in litigation, execution procedures, or administrative penalties Manage post-bid activities such as clearance, briefing, framework contract signing, and contract alerts within the region Oversee contract signing and archiving within the jurisdiction of the Customer Service Operation in the region Ensure timely initiation of material and contract acceptance processes for projects

Department	Responsibilities
Finance Management Department of Regional Branch	<ul style="list-style-type: none"> Review commercial bids Review bid opening summaries and detailed lists to ensure the completeness and accuracy of factors influencing quotations; establish evaluation and awarding principles aimed at cost savings; verify the completeness of clarifications in the commercial bids; ensure accuracy in the pricing process; and confirm alignment of awarded prices with market trends Review procurement amounts to ensure compliance with budget ranges, conduct audits of procurement prices, verify the compliance of budget accounts and ensure correct agreements on tax rates and payment terms Review engineering quantities and verify labour costs, material expenses, and machinery rental fees; confirm the approved amount and issue online approvals. For cases where maintenance project prices are high, on-site confirmation of the approved amount is required Organise regular price surveys of project market surroundings Review whether settlement processes comply with contract agreements in terms of amounts, tax rates, and payment conditions Take charge of budget additions and adjustments to ensure timely completion of the loop Initiate the non-contract acceptance processes of projects on time
Function Demand Department of Regional Branch	<ul style="list-style-type: none"> Assess and specify business standards and quantities for demands, clarify supplier performance, professional qualifications, and technical requirements; and evaluate whether the performance and capabilities of shortlisted suppliers meet the requirements and complete the preparation of the technical section of bidding documents Coordinate with suppliers for on-site surveys, introduce the scope of work and surrounding conditions, and sign on-site survey sign-in sheets to confirm attendance, and participate in bid issuance and Q&A sessions Review technical bids Execute contracts related to functional expenditures, excluding those overseen by the Customer Service Operation Verify the authenticity, compliance, and validity of settlement documents submitted by suppliers Review the authenticity, compliance, and validity of payment documents initiated by suppliers or projects
Demand Unit	<ul style="list-style-type: none"> Initiate procurement requests promptly Execute contracts related to expenditures, excluding those overseen by the Customer Service Operation Submit acceptance documents and initiate acceptance processes Conduct timely acceptance and warehouse operations for material procurement Initiate payment processes and ensure closure

The Company takes factors such as the suppliers' utilisation of environmentally friendly products and implementation of environmental protection measures into consideration for the admission, encourages suppliers to use more sustainable and environmentally friendly products in daily cooperation with suppliers and conducts regular supervision and inspection on key suppliers. The Company actively promotes the use of green suppliers and environmentally friendly materials, prioritising the selection of green suppliers. Environmental sustainability is regarded as a crucial assessment criterion for supplier products and services, with a strong emphasis on the green environmental grade of materials. The Company places importance on recycling and reusing materials in its routine operations.

S-Enjoy Service Supplier Admission and Management Process



The Company signs the *Clean Cooperation Agreements* and the *Integrity Cooperation Agreement* with its commercial partners to prevent any inappropriate or unlawful behaviour in supplier management. The Company organizes integrity training for procurement personnel and suppliers to increase the accumulation of knowledge on integrity and business ethics, and opens and publicises reporting channels for suppliers, and punishes and publicises violations of discipline.

During the Reporting Period, the number of suppliers of the Company by geographical region is as follows:

Region	2023
Jiangsu	608
Shanghai	228
Zhejiang	269
Anhui	137
Shandong	252
Others	1,105

★ During the Reporting Period:

- The Company had a total of **2,599** qualified suppliers.
- It holds at least one supplier evaluation every year, with supplier coverage rate of **100%**.
- The supplier activity rate for S-Enjoy Service was **15.65%** in **2023**.
- In 2023, S-Enjoy Service provided a total of **113** integrity training sessions to suppliers and procurement personnel, covering **21,559** person-times, with a total duration of approximately **16,170** hours.

06 Improving employees' self-worth and Assuming Responsibilities

Employee Recruitment and Employment

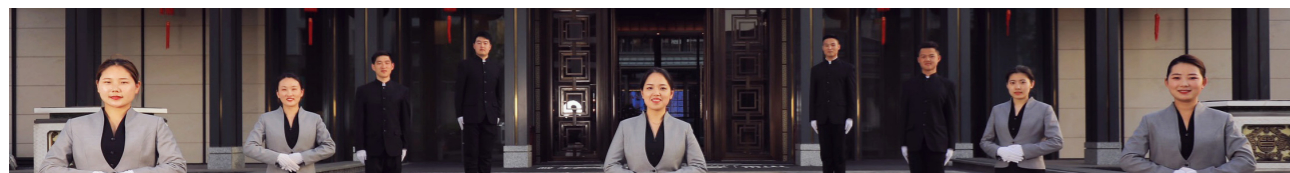
S-Enjoy Service attaches great importance to the standardisation and efficiency of the employment mechanism, and strictly abides by the *Labour Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other relevant laws and regulations. With reference to the international labour standards promulgated by the United Nations International Labour Organisation, the Company has formulated internal systems such as the *Employee Recruitment Management Policy*. In 2023, the Company revised the *S-Enjoy Service Recruitment Management Measures (2023)*, which included optimisations to the employment process, clarification of recruitment violation boundaries, and the addition of anti-corruption checks for managerial positions. These updates were implemented to maintain a continuous assurance of legal and compliant recruitment practices at every stage.

The Company adheres to the principle of "determining positions based on staffing, prioritising internal recruitment before external recruitment, selecting the best candidates and conducting risk prevention and control", recruits talents according to principles of equality, fairness, impartiality and openness and selects the outstanding ones under the same conditions. Meanwhile, the Company strictly abides by relevant laws and regulations such as the *Law of the People's Republic of China on Protection of Minors*, the *Special Protection Regulation of the People's Republic of China on Juvenile Workers*, and the *Provisions on Prohibiting the Use of Child Labour*. The Company strictly prohibits the recruitment of child labour and forced labour. During the reporting period, the Company did not employ any child labour or forced labour that violated laws and regulations. In the event any child labour or forced labour is discovered, the Company will:

- Stop child labour from work and cease all forced labour that the relevant employees are subjected to. In the case of child labour, the Company will send them to hospital for medical examination to ensure that their health is not affected by work, and send him/her to home and pass to the guardian. The costs of medical examination and travel shall be borne by the Group;
- To safeguard its right to receive compulsory education, the Company will keep track of the completion of compulsory education;
- Identify the corresponding mis-operation employees according to the system records, and handle them on a standby basis, and consider re-employment after they have passed the strict internal training and examination;
- Internal staff is held accountable for any child labour and/or forced labour practice.

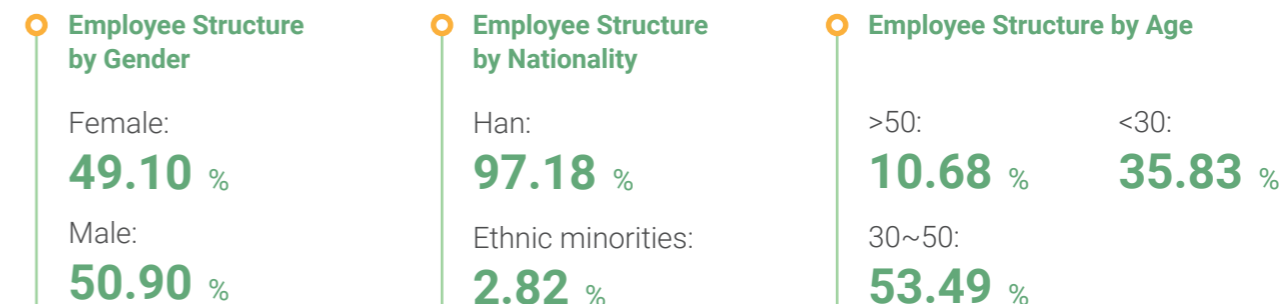
In 2023, the Company formulated a talent recruitment plan, aiming at introducing different types of talents through campus recruitment, internal recommendation, online recruitment and targeted recruitment.

During the Reporting Period, the Company employed **109** graduates. Furthermore, the Company continues to provide the disabled and veterans with employment opportunities by arranging appropriate posts for them and encouraging them to work hard in their respective positions and give full play to their own values. By the end of 2023, S-Enjoy Service had **39** disabled employees and **357** veterans.



S-Enjoy Service prioritises diversity and allows no discrimination with regard to race, gender, colour, age, family background, ethnic tradition, religion, physical condition and original nationality. The Company is committed to fostering a fair and equal workplace environment and building a diverse workforce.

Employee Diversity Performance of S-Enjoy Service in 2023



S-Enjoy Service strictly abides by labour laws in formulating the S-Enjoy Service Resignation and Retirement Management Regulations, which standardise employee resignation procedures. The Company does not restrict employees' rights to choose their employment, and it refrains from terminating or severing labour relations with employees unless necessary. In cases where dismissal is deemed necessary, the Company provides employees with legal economic compensation.

Employee Rights and Benefits

Employee Rights Protection

S-Enjoy Service places a premium on upholding the rights and welfare of its employees, strictly abides by relevant laws and regulations such as the *Labour Law of the People's Republic of China* and ensures that all employees enjoy equal opportunities in compensation and promotion, working hours, holidays, and other benefits and welfare in accordance with international standards like conventions set forth by the International Labour Organisation (ILO).

Employee Rights Protection Norms

Major Aspect	Laws, Regulations and Internal Systems	Support Measures
Employee Rights	<p>Laws and regulations:</p> <p><i>Social Insurance Law of the People's Republic of China</i>, <i>Provision on the Minimum Wage</i> and among others</p> <p>Internal systems:</p> <p><i>Employee Handbook</i>, <i>Employees Leave Management Policy</i> and other internal policies, and implementation of standardised attendance and leave management practices tailored to the characteristics of the property service industry</p>	<ul style="list-style-type: none"> • Employees are entitled to rest days, public holidays, personal leave, sick leave, work injury leave, marriage leave, maternity leave and breastfeeding leave, paternity leave, bereavement leave, annual leave as well as other statutory holidays in China • Pay relevant insurance and various statutory benefits for employees • We strictly abide by legal working hours and implement clear attendance management systems in accordance with national regulations. We set working hours for headquarters, regional companies, and professional companies based on the nature of the work. Irregular working hours and integrated working hours are implemented in special posts in accordance with local policies
Employee benefits	<p>Internal systems:</p> <p>Formulate internal systems such as the <i>Employee Handbook</i> and the <i>Administrative Measures for Welfare Subsidies</i></p>	<ul style="list-style-type: none"> • Provide employees with communication subsidies, meal subsidies, holiday benefits, high-temperature subsidies, heating subsidies, seniority subsidies, transportation subsidies, consolation funds and other benefits

Employee Communication

In S-Enjoy Service, we strive to foster a transparent and inclusive communication atmosphere. Our approach involves implementing a dual-pronged communication mechanism, facilitating seamless interaction both vertically between employees and their superiors, and horizontally among colleagues through platform integration.

To facilitate vertical communication, the Company has instituted an Employee Representative Assembly, governed by the *Employee Representative Assembly System of S-Enjoy Service Group Co., Limited*, and convenes regularly, providing a platform for employees to voice their opinions. Additionally, by establishing diverse communication channels such as employee forums, departmental meetings, General Manager's Mailbox, and Communication with General Manager, we actively engage with employees, address their suggestions, and foster a harmonious environment conducive to mutual growth.

In 2023, S-Enjoy Service rolled out the "Youchengyi Platform", establishing a new channel for bidirectional communication by facilitating feedback and decision-making. Furthermore, the Company persisted in conducting the "Listening to Your XIN Voice" dedication survey and administered through a reputable third-party platform to gauge employee confidence, emotional resonance and positive act tendency. The research encompassed the headquarters, regional branches, and professional companies.

For horizontal communication, the Company leverages its WeChat official account "Banyuewan" as a platform for employee interaction, where stories and role models are shared. In 2023, through the initiative "My Journey with S-Enjoy", employees were encouraged to contribute articles sharing their experiences, fostering a collaborative growth journey between the Company and its workforce.



During the Reporting Period, the General Manager's Mailbox received a total of **130** letters from employees. Additionally, the "Banyuewan One-click Consultation" online platform received **65** pieces of suggestions and feedback. Impressively, the Company achieved a **100%** response rate to these inquiries, with **92%** of the suggestions being addressed within 48 hours.



Employee Care and Concern

S-Enjoy Service is dedicated to providing employees with care akin to that of a family. Through a series of warm-themed events and holiday celebrations, the Company fosters an active work atmosphere, enhances employees' sense of belonging to the company culture, and creates a cohesive and dynamic corporate environment. In 2023, the Company organised a variety of employee activities such as the Mid-Autumn Festival, Women's Day, "Let Happiness Happen" Service Month, and "True Journey" Hiking, which enriched employees' lives and nurtured their physical and mental well-being.

"Let Happiness Happen" Service Culture Month

S-Enjoy Service promotes a culture centred around service, marking November of each year as "Service Culture Month". The special occasion is dedicated to honoring and thanking the frontline employees who contribute to the Company's projects.

In 2023, the Company organised a series of activities centred around four themes: "Happy Birthday Party", "Happy Servers", "Grateful Servers", and "Day of Service". Through birthday celebrations, sharing of service stories, care and support initiatives, as well as employee forums, the Company aimed to nurture employees' emotions and foster unity and harmony for the Company's development.



Birthday party for frontline employees



Visiting gratitude to frontline employees

Renovation For The Satisfaction

Based on the underlying logic of "Only satisfied employees can create satisfied customers" for long-term development, S-Enjoy Service advocates for a server's cultural values of co-creation, consensus, and practice, allowing employees to gain professional respect and value through mutual achievement with property owners. At the same time, the Company reinforces the concept of "equality between customers and ourselves". Through actions like canteen and dormitory renovation, it emphasizes and guarantees our employee care.



Canteen Renovation



Dormitory Renovation

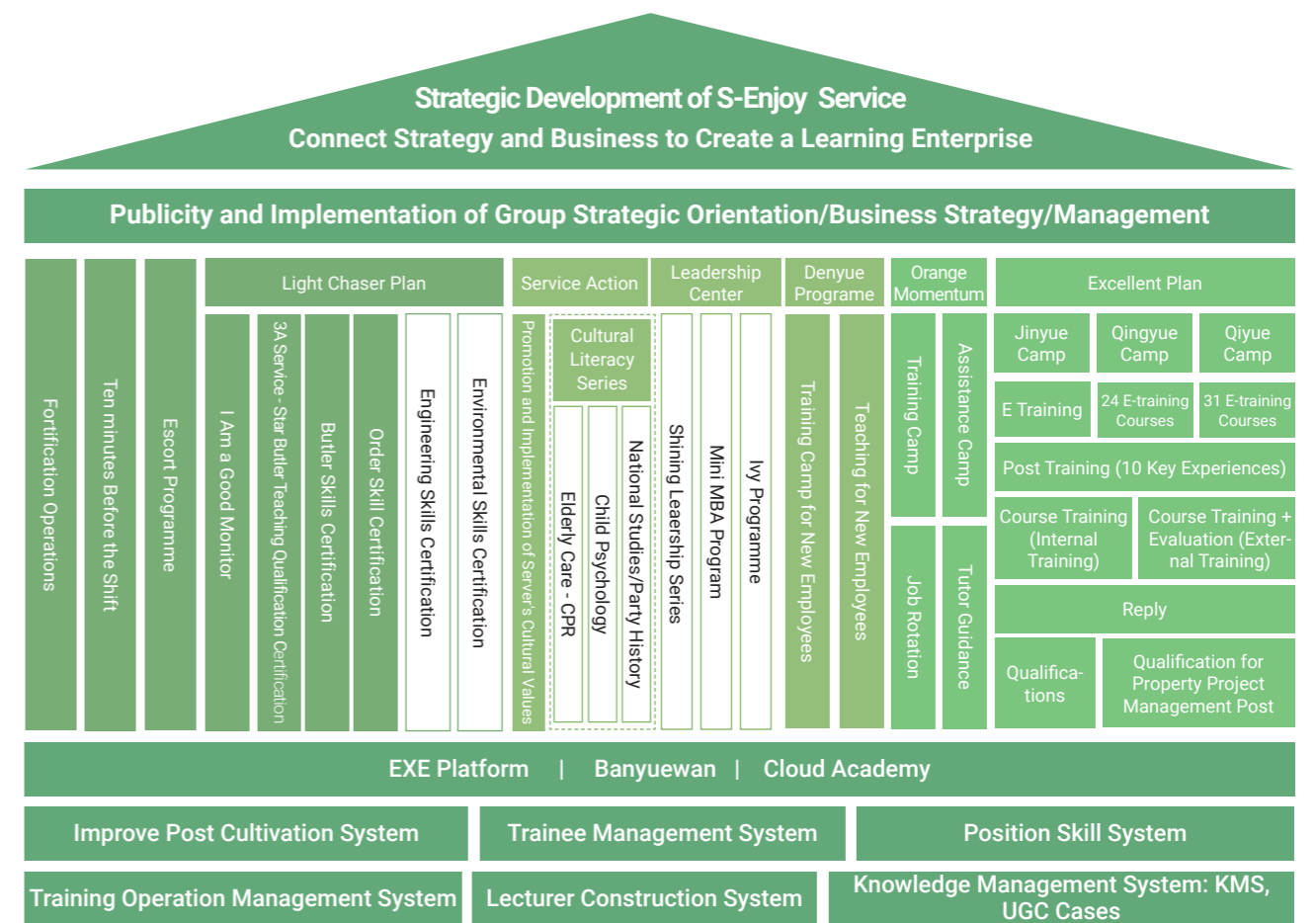


Employee Dormitory Forum

Employee Training and Development

S-Enjoy Service is committed to building an industry-leading learning-oriented organisation. It attaches great importance to the improvement of talent supply chain and internal development capability, and advocates for the holistic growth of its employees. According to the development strategy, the Company has formulated the *Training and Development Management System* and the *S-Enjoy Service Training and Talent Development Management Measures (2023)*, and built a comprehensive training system of both personal and professional growth alongside the Company's advancement from four aspects of employment, probation, transfer, and resignation to assist employees in constantly realising and improving their own values.

Panorama of S-Enjoy Training System



S-Enjoy Service offers diamond training programmes for different businesses and management tiers. Through the "Ivy Programme", "Excellent Plan", "Orange Momentum", "Light Chaser Plan", and "Service Action", it provides comprehensive management skills, professional knowledge, and cultural literacy training to all employees, ranging from corporate executives to frontline service staff. The approach caters to diverse capability enhancement needs across various positions, continuously enhancing the organisation's dynamism.

S-Enjoy Service Diamond Training Product System



S-Enjoy Service employs a diverse range of training methods, including "online + offline learning", on-the-job training, and scenario simulations, to inspire employees' enthusiasm for learning. Additionally, it supplements these with mechanisms such as written exams and oral defenses to ensure effective learning outcomes for employees. Furthermore, the Company continues its "apprenticeship" mechanism to help new employees integrate quickly into the Company. In 2023, the Company implemented specialised employee training programmes such as the "Ten Minutes Before the Shift" and the "Dengyue Plan (New Employee Training)", assisting employees in quickly meeting the requirements of their positions and ensuring comprehensive attention and cultivation for each employee throughout their journey from onboarding to competency and promotion.

During the Reporting Period, the Company conducted diverse training sessions, reaching out to a total of **19,302** participants through both online and offline formats, ensuring a full coverage rate of **100%**. The collective duration of these training sessions amounted to **297,885.00** hours, with an average learning time per capita standing at **15.43** hours.

"Ten Minutes Before the Shift" Training Programme for Grassroots Employees

In 2023, S-Enjoy Service launched the "Ten Minutes Before the Shift" training programme aimed at utilising fragmented time to facilitate learning among grassroots employees and foster a positive learning atmosphere. From March to December, 10 themes were covered, including service culture, legal knowledge dissemination, satisfaction enhancement, and quality management improvement.



Employee Development and Performance

In 2023, S-Enjoy Service established the *S-Enjoy Service Training and Talent Development Management Measures (2023)* to build a three-channel vertical promotion system, standardise promotion criteria for different positions, and clarify career development paths, providing robust support for employees' career growth and development. To meet both individual career growth needs and company vacancy demands, the Company implemented measures such as lateral internal transfers and internal job competitions to enhance reasonable talent internal mobility, helping employees broaden their career development paths.

Regarding the performance evaluation management, S-Enjoy Service routinely undertakes semi-annual and annual talent performance assessments. These assessments serve as the basis for identifying talent and offering opportunities for promotion and salary increases. For positions with industry-specific features, such as butlers, the Company aligns with the butler certification standards system established by the Customer Service Centre to facilitate promotions and salary enhancements.

In 2023, the Company established internal promotion programmes such as the "Project Manager Empowerment Plan" and the "Star Butler Certification System". Additionally, it initiated the "I Am a Good Monitor" grassroots position skills certification programme. These initiatives are aimed at empowering employees for advancement in their careers, with training as the guiding force and skill certification as the foundation for performance assessment.

Occupational Health and Safety

S-Enjoy Service complies with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China*, the *Regulation on Work-Related Injury Insurance*, *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and the *Special Rules on the Labour Protection of Female Employees*. The Company has also formulated and updated internal policies and systems such as the Employee Health and Safety Management Measures, the Safety Management Policy, and the Fire Protection System Management Policy to regulate and implement the safety management of employees' working environment and effectively protect the legitimate rights and interests of employees.

Occupational Health and Safety Certification Status of S-Enjoy Service in 2023

Company Name/Operational Site Name	Certification Name	Validity Period of Certification
S-Enjoy Service	GB/T 45001-2020 ISO45001:2018	10 August 2024

The Company has established a Safety Management Committee to assess the health and safety risks of employees. Safety work meetings are held at least once a quarter. In case of emergency safety accidents, extraordinary meetings will be held to study and solve problems in a timely manner. The Committee is headed by the Chief Operating Officer who is the first responsible person for safety work and is fully responsible for the safety work of the Company. The Functional Departments at the Headquarters are responsible for the safety and quality unit of the Customer Service Centre, the Human Resources Department of the Human Resources and Administration Management Centre, and the budget management unit of the Financial Management Centre. They prepare and arrange work details. The functional departments of each region participate in the implementation of work.

The Company has set up various forms of safety inspection to inspect dangerous and hazardous factors and strengthen safety protection measures, and has established a sound safety control management process before, during and after the event:

Safety Control Management Process of S-Enjoy Service



Throughout 2023, the Company prioritised enhancing employees' occupational health and safety awareness, safeguarding their physical well-being and ensuring their safety in the workplace by implementing various measures, including conducting regular safety education and training sessions, bolstering security infrastructure, and facilitating routine medical check-ups. During the Reporting Period, the number of lost days due to work injury of the Company was 105.5 days, marking a significant decrease of 94.36% compared to that in 2022.

Management Initiatives for Occupational Health and Safety of S-Enjoy Service

Category	Measures
Training	<ul style="list-style-type: none"> In daily operations, the Company continued to carry out three-level health and safety training for employees, namely company-level safety education, project-level safety education and departmental-level safety education Meanwhile, the Company provided many safety and health special trainings, achieving 100% training coverage for new employees
Promotion	<ul style="list-style-type: none"> The Company reduced the potential risk of work-related injuries by adding safety warning slogans in front-line project sites, strengthening the equipment configuration and use control of front-line employees and other measures
Physical examination	<ul style="list-style-type: none"> The Company provides employees with physical examination benefits, with a coverage rate of 93%

Community Contributions

Adhering to the corporate mission of "Happy Home, Happy Life", S-Enjoy Service not only provides quality services to the community but also delves into community needs. Through various multidimensional community activities aimed at promoting "co-construction, sharing, and governance", the Company supports community development to create a warm and inclusive community for people of all ages to enjoy happiness.

In 2023, S-Enjoy Service persisted in its innovation efforts by introducing the *Five-level Service System for All Age Groups in Four Seasons*, which featured a diverse array of community activities. These initiatives were designed to strengthen the bond between residents and the community and foster sustainable development through collaborative efforts between the community and the enterprise.

Five-level Service System for All Age Groups in Four Seasons



Theme Activities	Introduction	Activity Coverage and Frequency
Festivals with Surprises	We pay close attention to traditional Chinese festivals and carefully plan various community activities with unique festival themes to create pleasant surprises for the community	<ul style="list-style-type: none"> Community coverage: Over 300 communities nationwide Cumulative number of events: 7,200 sessions Person-time involved: Over 570,000 individuals
Holidays with Decoration	We focus on traditional Chinese festivals and decorate the community with festive atmospheres during each important holiday to turn the community into a popular attraction for visitors	<ul style="list-style-type: none"> Community coverage: Over 300 communities nationwide Cumulative number of events: 2,200 Person-time involved: Millions of owners
Monthly Convenience Services	Through convenient services, we aim to create diverse living environments and provide more opportunities for experiencing happiness	<ul style="list-style-type: none"> Community coverage: Over 400 communities nationwide Cumulative number of events: 9,600 sessions Person-time involved: Over 760,000 individuals

S-Enjoy Service, in line with the Company's business characteristics, not only organises activities for residents in the community but also continuously supports the construction of community infrastructure, cultural development, and environmental protection. Moreover, it emphasises caring for vulnerable groups such as lonely elderly individuals, thereby fulfilling corporate social responsibility.

Theme Activities	Introduction	Activity Coverage and Frequency
Themed Community Clubs	Under the theme of "community", residents are brought together to rediscover common core values, shared lifestyles, and mutual interests. By establishing various interest groups tailored to different demographics, such as children's growth clubs, sports-oriented Broccoli Sport Club, and the Happy and Relaxing Club, we cater to the diverse needs of residents across all age groups	<ul style="list-style-type: none"> Community coverage: Over 270 communities nationwide Cumulative number of events: 3,240 Person-time involved: Over 160,000 individuals
Community with Good Neighbours	It is held 2 sessions per year. S-Enjoy Service spares no effort in organising large-scale brand events to celebrate national holidays with all residents across the country. These events not only cover communities nationwide but also contribute to enhancing customer satisfaction and establishing brand uniqueness	<ul style="list-style-type: none"> Community coverage: 100% Person-time involved: Millions of households

Spring with Good Neighbours "Good Neighbours · Nature's Delight" Green Initiative

In 2023, in response to the national call for green and sustainable living, S-Enjoy Service launched the "Good Neighbours, Nature's Delight" initiative from World Happiness Day on 20 March to Earth Day on 22 April. The special campaign promoted eco-friendly practices in green offices across nearly 200 cities nationwide.

By fostering a warm and vibrant community atmosphere, disseminating straightforward urban environmental knowledge, and organising a diverse range of engaging green-themed community activities, we deeply engaged with the streets and neighbourhoods where our projects are located. We encouraged them to actively participate in the "co-construction, sharing, and governance" of our green and happy neighbourhoods alongside homeowners.



Green Office · Loving Art Exhibition Hosted by S-Enjoy Service

Autumn with Good Neighbours "Good Neighbours · Get Together" Theme Event Focusing on Elderly and Children

S-Enjoy Service continues its commitment to serving the elderly and children. In 2023, this nationwide event features the "Good Neighbours Get Together" of S-Enjoy Service for children and heartwarming activities such as the "Blessing Poem Contest" for children and the "Golden Wedding" celebration dedicated to honoring the elderly. By utilising the unique role of property management as a community "hub", the Company aims to advance the development of model communities where seniors enjoy dignified aging and children receive nurturing care. The initiative seeks to infuse vitality into every morning and radiance into every evening, while also establishing influential benchmarks for nationwide community activities catering to seniors and children.



Autumn Community with Good Neighbourhood · "Golden Wedding" Theme Activities

ESG Data Performance Table

Economic Performance

Indicators	Unit	2023
Total revenue	RMB 100 million	54.24
Profit for the year	RMB 100 million	5.08
Total assets	RMB 100 million	66.83
Basic earnings per share	RMB	0.52
GFA under management	100 million square meters	2.24

Corporate Governance Performance

Performance Indicators Related to Anti-fraud¹

Indicators	Unit	2023
Number of directors participating in anti-fraud training	Person	9
Proportion of directors covered by anti-fraud training	%	100.00
Number of employees participating in anti-fraud training	Person	19,302
Proportion of employees covered by anti-fraud training	%	100.00
Average duration of anti-fraud training per director	hours/person	1.11
Average duration of anti-fraud training per employee	hours/person	1.23
Number of concluded legal cases regarding fraud practices brought against the issuer or its employees during the Reporting Period	pcs	0

Note 1: The company's anti fraud management system comprehensively covers the key points of anti-corruption management.

Environmental Performance¹

Performance Indicators for Energy Management and Greenhouse Gas Emissions

Indicators	Unit	2023	
Comprehensive energy consumption	MWh	240,941.35	
Comprehensive energy consumption per RMB million of revenue	MWh/ RMB million	44.42	
By type	Direct energy: Natural gas consumption amount	m ³	877,934.69
	Indirect energy: Purchased electricity consumption	MWh	231,447.36
Total greenhouse gas emissions (Scope 1 + Scope 2)	tCO ₂ e	133,908.33	
By scope	Scope 1 Greenhouse gas emissions ²	tCO ₂ e	1,913.90
	Scope 2 Greenhouse gas emissions ³	tCO ₂ e	131,994.43
Greenhouse gas emissions per RMB million of revenue (Scope 1 + Scope 2)	tCO ₂ e/ RMB million	24.69	
Total water consumption	m ³	4,363,279.30	
Water consumption per RMB million of revenue	m ³ / RMB million	804.44	

Note 1: The Company does not generate any waste gas emissions. Waste water is discharged into the municipal drainage system, and waste is entrusted to third-party units for environmental disposal. Currently, the discharge volume and pollutants of waste water and waste cannot be monitored.

Note 2: Scope 1 greenhouse gas emissions refer to the direct energy consumption of natural gas, referring to the guidance document How to Prepare Environmental, Social and Governance Reports Appendix 2: Reporting Guidelines for Environmental KPIs by SEHK (25 March 2022), the Guidelines for Corporate Greenhouse Gas Accounting and Reporting Methods (2022) by MEEP, and the China Energy Statistical Yearbook 2021 (2022) by NBS.

Note 3: Scope 2 greenhouse gas emissions refer to the indirect energy consumption of purchased electricity. The emission factors for electricity consumption at the Company's headquarters and domestic subsidiaries are calculated based on the Notice on the Management of Greenhouse Gas Emission Reports for Power Generation Enterprises for the Period 2023-2025 by MEEP.

Table of Performance Indicators for Emission Management

Indicators	Unit	2023
Total non-hazardous waste	Ton	3,688.52
Total non-hazardous waste per RMB million of revenue	Ton/RMB million	0.68
Total hazardous waste	Ton	0.60
Total hazardous waste per RMB million of revenue	Ton/RMB million	0.0001

Social Performance

Performance Indicators for Employment

Indicators		Unit	2023
Number of employees		Person	19,302
By gender	Number of male employees	Person	9,825
	Number of female employees	Person	9,477
By type	Number of full-time employees under labour contracts	Person	18,764
	Number of part-time employees	Person	538
By age group	Number of employees aged >50	Person	2,062
	Number of employees aged 30-50	Person	10,325
	Number of employees aged <30	Person	6,915
By region	Number of employees working in Mainland China	Person	19,300
	Number of employees working in Hong Kong	Person	2
By rank	Number of senior management employees	Person	18,302
	Number of middle management employees	Person	945
	Number of grassroots employees	Person	55
Employee turnover rate ¹		%	43.30
By gender	Turnover rate of male employees	%	44.66
	Turnover rate of female employees	%	40.09
By age group	Turnover rate of employees aged >50	%	32.98
	Turnover rate of employees aged 30-50	%	42.80
	Turnover rate of employees aged <30	%	46.47
By region	Turnover rate of employees working in Mainland China	%	43.30
	Turnover rate of employees working in Hong Kong	%	0

Note 1: Turnover rate of employees of each category = The number of resignations of employees in this category/The total number of employees in this category at the end of the reporting period + The number of resignations of employees in this category*100%.

Performance Indicators for Employee Training

Indicators		Unit	2023
Total number of employees trained		Person	19,302
Employee training coverage ¹		%	100.00
By gender	Average training duration for female employees	%	100.00
	Average training duration for male employees	%	100.00
By rank	Average training duration for grassroots employees	%	100.00
	Average training duration for middle management employees	%	100.00
	Average training duration for senior management employees	%	100.00
Average training duration for employees ²		Hour	15.43
By gender	Average training duration for female employees	Hour	15.73
	Average training duration for male employees	Hour	15.12
By rank	Average training duration for grassroots employees	Hour	15.68
	Average training duration for middle management employees	Hour	10.93
	Average training duration for senior management employees	Hour	10.55

Note 1: Employee training coverage = Number of employees trained in the category during the Reporting Period/Total number of employees in the category (at the end of the period).

Note 2: Average training duration for employees = Total training duration for employees in the category/Total number of employees in the category (at the end of the period). Training duration data does not include anti-fraud training duration, which is separately listed under anti-fraud performance.

Indicators of Occupational Health and Safety

Indicators	Unit	2021	2022	2023
Number of employees who died as a result of work-related injuries	Person	0	0	0
Proportion of employees who died as a result of work-related injuries	%	0	0	0
Lost days due to work injury ¹	Days	3,406.00	1,870.50	105.50

Note 1: During the Reporting Period, there were 54 work-related incidents involving 54 individuals, all of which were handled in compliance with the relevant provisions of the Occupational Injury Control Regulation.

Performance Indicators for Customer Service

Indicators		Unit	2023
Number of products and service related complaints received		pcs	11,519
Number of complaints received categorized by complaint type	product quality and safety	pcs	8,320
	customer service	pcs	3,199
Complaint handling rate		%	100

Performance Indicators for Supplier Management

Indicators		Unit	2023
Total number of suppliers		Nr.	27,768
Divided by region	Number of suppliers in Mainland China	Nr.	27,758
	Number of suppliers in Hong Kong	Nr.	10
Number of suppliers conducting environmental and social impact assessments		Nr.	19,989
Number of suppliers passing environmental and social impact assessments		Nr.	18,190
Number of suppliers identified as having actual and potential significant negative environmental or social impacts		Nr.	9
Number of suppliers agreeing to improve after environmental and social impact assessments		Nr.	9
Percentage of suppliers agreeing to improve after environmental and social impact assessments		%	100.00
Total number of new suppliers		Nr.	2,599
New suppliers screened with environmental standards		Nr.	2,500
Percentage of new suppliers screened with environmental standards ¹		%	96.19

Note 1: Percentage of new suppliers screened using environmental criteria = New suppliers screened using environmental criteria / Total number of new suppliers.

Performance Indicators for Community Investment

Indicators		Unit	2023
Number of employee volunteer service hours		Person	7,655
Total duration of employee volunteer service		Hour	5,028.57
Total amount of community welfare investment		RMB 10,000	500
Percentage of total community welfare investment relative to revenue		%	0.09
Total amount of charitable donations		RMB 10,000	8

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