



Excellence

卓越商企服務集團有限公司

EXCELLENCE COMMERCIAL PROPERTY & FACILITIES  
MANAGEMENT GROUP LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 6989

# 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# ABOUT THE REPORT

This report is the fourth environmental, social and governance (“ESG”) report (the “Report”) released by Excellence Commercial Property & Facilities Management Group Limited (the “Company”, “Excellence CM”, “we” or “us”). It adheres to the principles of materiality, quantification and consistency to comprehensively illustrate the Company’s management approach and work performance in ESG aspects during the period from 1 January 2023 to 31 December 2023, and focuses on the concerns of stakeholders. Unless otherwise stated, the information presented in the Report represents data performance in 2023.

## SCOPE OF THE REPORT

The Report mainly covers Excellence Commercial Property & Facilities Management Group Limited and its branches and subsidiaries. Environmental data covers the self-developed projects of Excellence Group under the management of the Company.

## BASIS OF PREPARATION OF THE REPORT

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in the Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

## PRINCIPLES OF PREPARATION

**Materiality:** We identify major ESG issues through materiality assessment, and relevant process and results have been disclosed in the Report;

**Quantification:** Quantitative environmental and social information with historical data has been presented in the Report with descriptions of its purpose and impact, and comparative information will be provided in subsequent ESG reports;

**Consistency:** We use a consistent statistical approach of disclosure. In the Report, we have maintained the same statistical approach of disclosure for the information disclosed in the previous report. For the initial disclosure, we will adopt a consistent approach for ESG information disclosure in subsequent years to facilitate meaningful comparisons year by year.

## ACCESS AND RESPONSE TO THE REPORT

The Chinese and English versions of the Report can be downloaded from the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website. The Report is published in both Chinese and English. In case of any inconsistency, the Chinese version prevails.

## CONTACT US

For any comments or suggestions on the ESG performance of the Company, please email us at [IR@exceam.com](mailto:IR@exceam.com).

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# INTRODUCTION OF THE COMPANY

## ABOUT EXCELLENCE CM

Established in October 1999, Excellence Commercial Property & Facilities Management Group Limited is a leading commercial real estate service operator in China, which is dedicated to the provision of customised one-stop comprehensive operation and management services for customers and offers full-life cycle asset maintenance and full-chain overall service solutions.

With its management experience accumulated over two decades, the Company has formed a well-established comprehensive commercial property service model: focusing on commercial properties as its primary development path to achieve a diversified combination of full range of businesses covering high-end commercial office buildings, commercial complexes, high-tech industrial parks, government buildings and residential apartments. The Company offers real estate consulting, asset operation and management, equipment and facilities management, comprehensive administrative logistics and other services. The Company has expanded value-added businesses to boost profit growth, innovated high-end business services, focused on the development and practice of commercial real estate, and developed a complete business chain of real estate life-cycle operation and management services, in order to achieve the management goal of preserving and increasing the value of its assets. The Company has also established new pilot projects for medical services, urban services and government building services, in an effort to enhance overall competitive edges and accelerate business development by promoting the Company's large-scale operation through merger and acquisition and cooperation.

Excellence CM is a holder of the national first-class property management qualification, and a standing director unit of China's property management industry. As a leading enterprise in the field of commercial property services in China, the Company has been intensively developing the field of commercial property services for over two decades, and has continuously innovated intelligent means through its in-depth understanding of the major market areas of property services and customer needs. While providing customers with professional basic management services, it offers customers with overall solutions for customised real estate full-life cycle services and full-chain comprehensive facility management services so as to achieve users' comprehensive value expectations. At present, the Company provides services for a number of Fortune 500 companies including many well-known high-tech, Internet and financial enterprises, and has successfully established itself as an international high-end business enterprise real estate operation service provider, which has been well received and unanimously recognised by the industry.

With years of successful experience in the field of high-end commercial property services, the Company has developed a well-established comprehensive commercial property service operation model. The Company has also been certified with ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 50001 Energy Management System and Other Management System Certification successively. Its standardised workflow, well-established management system and solid precipitation of management provide strong support and assurance for the daily operation of existing projects and the undertaking of new projects. The Company introduces advanced service concepts constantly to dock with international standards. The Company has been successively certified as a platinum member of the International Building Owners and Managers Association (BOMA), a member of the International Facility Management Association (IFMA) and a member of the Royal Institute of Chartered Surveyors (RICS).

# INTRODUCTION OF THE COMPANY

## RESULTS FOR THE YEAR

For the year ended 31 December 2023, our contracted GFA was approximately 77 million sq.m.<sup>1</sup>, representing an increase of approximately 10% as compared to those as at 31 December 2022, with the GFA under management of approximately 64 million sq.m.<sup>2</sup>. As of 31 December 2023, our business has expanded from Shenzhen to 60 cities in China. Most of these cities are located in the most economically developed area, such as the Greater Bay Area, the Yangtze River Delta Region and regional key cities in China. Among them, the Greater Bay Area<sup>1</sup>, the Yangtze River Delta Region<sup>2</sup> and other regions<sup>3</sup> accounted for 38%, 24% and 38% of the GFA under management, respectively.

Contracted GFA	77 million sq.m.
GFA under management	64 million sq.m.
Business coverage	2 countries and 60 cities
Proportion of the GFA under management in the Greater Bay Area	<b>38%</b>
Proportion of the GFA under management in the Yangtze River Delta Region	<b>24%</b>
Proportion of the GFA under management in other regions	<b>38%</b>
Operating income in 2023	RMB3,993.31 million
Proportion of commercial properties	67%
Proportion of public properties	15%
Proportion of residential properties	18%

- 1 Cities in which we provided property management services to properties in the Greater Bay Area including Shenzhen, Guangzhou, Zhuhai, Huizhou, Dongguan and Zhongshan, etc.
- 2 Cities in which we provided property management services to properties in the Yangtze River Delta Region including Shanghai, Nanjing, Hangzhou, Suzhou, Jiaxing, Yangzhou, Nantong, Wuxi and Taizhou, etc.
- 3 Cities in which we provided property management services to (i) properties in other regions in China, including Beijing, Xi'an, Qingdao, Zhengzhou, Chongqing, Chengdu, Wuhan, Tianjin, Jinan, Shijiazhuang, Changsha, Fuzhou, Nanchang, Jinjiang; and (ii) projects in India.

# INTRODUCTION OF THE COMPANY

## AWARDS AND ACCOLADES

No.	Title of the Awards and Accolades	Awarding Unit
1	2023 Top 20 of China Property Management Companies	CRIC Property Management, China Property Research Association
2	China Leading Enterprise in terms of Office Property Services in 2023	CRIC Property Management, China Property Research Association
3	2023 Benchmark Project of Commercial Property Management in China – Excellence City of Shenzhen	CRIC Property Management, China Property Research Association
4	2023 Top 20 Listed Company of Property Management Service in China (TOP 12)	CRIC China
5	2023 TOP10 Leading Listed Company with Development Potential of Property Management Service in China	CRIC China

## CERTIFICATE OF HONOR



\* Please see Appendix for the rest part of the Company's awards and accolades for 2023.

# STATEMENT OF THE BOARD OF DIRECTORS

As a leading property management company in China, Excellence CM's major development goal is to assist customers in achieving their visions. In 2023, Excellence CM continued to leverage its core competitiveness in the sector, focusing on and cultivating the commercial property segment. In addition, we continued our efforts in third-party business development to maintain resilient business growth. We kept cultivating strategic customers to broaden channels and deepen urban concentration through market changes in the region. Excellence CM has insisted on the customer-first approach, focused on customer experience and needs, and continued to pay attention to the improvement of internal operational efficiency. Excellence CM will continue to strengthen our competitiveness and enhance the overall risk-resistance capability by building up diversified sectors and utilising our professional operational capabilities in the commercial property sector.

The Board is continuously concerned about the Company's ESG issues, and is responsible for overseeing and promoting the Company's strategy and ESG issues. The Company is capable of identifying, evaluating and determining ESG risk factors, regularly reviewing and updating ESG issues, putting corporate social responsibility into practice, constantly improving management efficiency and customer experience, and facilitating the Company to improve its efficiency.

In the future, Excellence CM will always adhere to its customer-oriented approach and development strategy of "focus on growth" and "enhancement in organisational efficiency", and better incorporate environmental and social concepts into its business operations and development to contribute to the sustainable and steady development of the Company and the society.

This Report discloses in detail the progress and effectiveness of the ESG task of Excellence CM in 2023. The Board and all directors of Excellence CM assure that this Report contains no false information or misleading statements or material omissions and that they are jointly and severally responsible for the truthfulness, accuracy and completeness of its content.

# CHAIRMAN'S MESSAGE

Dear stakeholders,

As a leading commercial property management company in China, good market reputation and excellent brand effect are our competitive advantages. Excellence CM has been developing through mutual achievements with our customers, and has accumulated a set of sustainable business models in the commercial property service sector. We pay attention to the needs of all stakeholders and growing value experience to continuously enhance the synergies with all stakeholders, increase the cooperation between all parties, and work together for common development.

Steady steps to a new chapter. In 2023, we continued to strengthen our investment in ESG, and are committed to building technology-based core competitiveness. We maintained stable operations, fully advanced digitalisation process, created an innovative, human-machine integrated and highly compatible information technology platform, improved management efficiency, achieved further upgrading in the direction of smart property management, and built our brand strength. We continued to improve the governance system and enhance the governance effectiveness; attach great importance to the development of an honest culture and advocate business integrity and compliance.

Fulfill corporate social power with kindness. We are committed to public welfare. Over the years, Excellence Charity has been adhering to the public welfare concept of “taking from the society, giving back to the society” and fulfilling its corporate social responsibility. We actively encourage the participation of customers, employees and the community, and gradually form a fixed model of promoting public welfare activities, so as to convey love with excellent actions and light up the world with acts of kindness.

Cohesiveness and sustainability. We attach great importance to the overall development of employees, protect their rights and interests, actively build a comprehensive human resources system, continue to implement personnel training plans, and convey the correct corporate culture to enhance the stability of key personnel. We create a comfortable office environment for employees. We launch rich and diversified training activities to empower employees and continuously export strategic talents and professional project teams with excellent characteristics.

Excellence CM has always practiced the concept of low carbon in its daily operation. Through refined management and the support of technologies, we facilitate customers to conserve energy, reduce emissions and lower consumption, and realise cost reduction and efficiency enhancement. Excellence CM continues to call on its employees, customers and the public to contribute to carbon reduction and make excellent contribution to the society through green office and low carbon life.

Steady operation and growth. Looking to the future, Excellence CM will continue to uphold the philosophy of sustainable development, maintain close communication with stakeholders, deepen the integration of corporate strategy and social environment, and create excellent value with stakeholders in meeting social needs and overcoming common challenges.

*Chairman of the Board and Chairman of the Strategy and ESG Committee*

**Li Xiaoping**

April 2024



# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

## 1.1 CORPORATE GOVERNANCE

Corporate governance serves as the cornerstone of the Company's culture. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as its own corporate governance code. Excellence CM has established a clear corporate governance structure with the Board, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and ESG Committee. Each of these committees performs its duties and operates effectively in strict compliance with the Listing Rules and the terms of reference of the committees, forming a good governance structure. For details on corporate governance, please refer to the Corporate Governance Report in the Company's 2023 Annual Report. In 2023, we updated the information disclosure management system in accordance with the Articles of Association, the SFO, the Listing Plan and other documents to further strengthen the management of information disclosure affairs, improve the quality and transparency of information disclosure, and protect the legitimate rights and interests of the Company, shareholders, creditors and other stakeholders.

### Risk Identification and Management

The Senior Management is responsible for managing the Company's risk management procedures, to ensure compliance with the risk management policy after considering the environmental changes and risk taking capacity of the Company. The Company has also promulgated *the Information Disclosure Management System* for internal use, in order to establish awareness of information disclosure among the employees and management of the Company and to regulate and manage the behaviour of information disclosure.

- To timely review and update the risk management policy based on the operating and risk structure of the environment, industry and the Company, to ensure its pertinence and efficiency, and make recommendations about the changes in risk management policy, if necessary, to the Audit Committee for review;
- To ensure supplementary relationship between the risk management procedures and annual strategy & business planning procedures of the Company;
- To design and establish a whole set of risk management methodology for providing appropriate tools to identify, evaluate and manage the business risks;
- To establish a company-wide reporting system and ensure that the Senior Management, the Audit Committee and the Board are aware of all significant risk matters and business risks;
- To ensure that necessary management controls and oversight procedures have been taken to monitor the implementation of risk management policy and the risk management methodology;
- To approve and control the positioning and trend of major risks, risk management strategies and risk management priority rating;
- To review and discuss the Company's overall risk structure, major emerging risks, risk management activities and principal business strategies and plans by discussing with the Senior Management on a regular basis in order to evaluate their impact on the Company's overall risk positioning. For details on the risk management of corporate governance, please refer to the Corporate Governance Report in the Company's 2023 Annual Report.

# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

## 1.2 COMMERCIAL ETHICS

The Company is committed to the implementation of business integrity and strictly abides by *the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Audit Law of the People's Republic of China* and other laws and regulations. The Company has formulated *the 10 Red Line Rules of Excellence CM* to maintain business integrity. The Company continues to strengthen the risk management system construction, improves corporate internal control, and has developed the *Audit Management Measures*, which is revised and implemented annually in line with business development. We adopt zero tolerance policy for corruption and are determined to combat any form of corruption, bribery, extortion, fraud and money laundering.

In 2023, the Company updated *the Whistleblowing Management Measures* to improve the duties of the Audit Committee of the Board, the investigation authority, the whistleblowing investigation procedures, the acceptance manner of whistleblowing, and the scope of whistleblowing, etc. In 2023, the Board whistleblowing channel was added by the Company, which is jointly managed by the Audit Department and the Investor Relations Department. The Audit Department regularly reports to the management if confirming the occurrence of any suspected violation of laws and regulations when carrying out a whistleblowing investigation.

After receiving a whistle-blower's report, the Audit Committee will investigate and verify the reported clues according to the report investigation process. If it is confirmed that there is any suspected violation of laws and regulations, we will report it to the management or the Board for approval before deciding how to deal with it. The Company encourages and gives priority to real-name whistleblowing, keeps the information of whistleblowers strictly confidential, and establishes provisions in *the Whistleblowing Management Measures* to protect the rights and interests of whistle-blowers. The Company makes it clear that any unit or individual should not discourage or suppress the reporting of a whistleblower, or retaliate against a whistleblower. Those who retaliates against a whistleblower will be seriously dealt in accordance with the relevant regulations of the Group once verified. In 2023, 11 whistleblowing cases of fraud were received and 6 cases were investigated by the Company. In the event of a violation of the red line rules, the Company will handle and report the case in accordance with its regulations.

Measures for whistleblowing	Whistleblowing Hotline: 18128857565 Handling Department: Property internal control audit team  Email Address: wyjubao@exceam.com  Contact Address: 38A Floor, Tower 4, Excellence Century Centre, Fuhua Third Road, Futian District, Shenzhen, Guangdong Province  Postal Code: 518000
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**Training activities:** In 2023, the Audit Department launched two training activities. In addition, all new employees were required to receive training on the 10 red line rules arranged by the Human Resources Department in order to implement business integrity.

During the year, we conducted more than 3,349 anti-corruption training sessions for our employees. All new employees were required to receive training on the red line integrity system. More than 8,285 employees participated in the anti-corruption training, with a total of over 8,285 training hours. The anti-corruption training coverage rate for employees reached 50%.

In 2023, the Company conducted 1 anti-corruption training session for the management, with the coverage rate of 100%, and 1 anti-corruption training session for directors and supervisors, with the coverage rate of 100%.

# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

## Case: Keeping the 10 Red Line Rules in Mind

The Audit Department promoted the Company's 10 red line rules in the form of classroom lectures for all members of the Business Department, Shenghengda and the Company's procurement staff in order to reduce the possibility of corruptions by virtue of their duties, and further build an honest and fair business environment.



**Internal audit monitoring:** The Audit Department initiated operational audits of the Group's headquarters and two professional companies, namely, Zhuopin and Shenghengda in 2023. Spot checks were conducted on individual items with high risks on the basis of risk assessment. At the headquarters level, functional departments such as the Human Resources Department and the Procurement Department conducted regular inspections of the regions. Each region also carried out self-inspections. Due to the large number of projects, the Audit Department conducted project risk inspections on a random

basis. The Audit Department first analysed the Company's financial and other data, combined the inspection results conducted by the above departments, and audited projects with higher risks through the risk assessment. This year, no significant audit risk project was identified.

## 1.3 ESG GOVERNANCE

The Board of the Company has actively promoted and responded to ESG matters and the implementation of relevant measures. On 19 April 2022, the Board of the Company established the Strategy and ESG Committee, which is one of the committees under the Board. It consists of the Chairman of the Board, executive directors, non-executive directors and independent non-executive directors, and is responsible for supervision, promotion and implementation of the strategic and ESG matters of the Company. The ESG-related responsibilities and powers of the Strategy and ESG Committee under the Board are as follows:

- to assist the Board in setting ESG strategic goals and implementation plans, and also lead the ESG task group at the operational level;
- to supervise the Company's implementation of ESG strategy and the progress of objectives, to evaluate the potential impact of ESG work on the Company's business model and related risks, listen to internal and external feedback on ESG work, and put forward improvement suggestions for the subsequent ESG work;
- to evaluate the effect and impact of the Company's ESG governance, promote the establishment of ESG culture, review the ESG report of the Company;
- to inspect and evaluate the implementation of the above matters, and to make timely recommendations for adjustment.

Meanwhile, the ESG working group is responsible for ESG supervision and coordination, implementing decisions made by the decision-making level, communicating and coordinating ESG related affairs, organising the preparation of ESG reports and reporting to the Board on the implementation of relevant work on an annual basis.

In addition, as executive organisations for specific works, the Company's various functional departments and subsidiaries implement the ESG plan formulated by the task group, effectively record and report ESG-related data, and fully put the ESG-related management work into practice.

# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

## 1.4 STAKEHOLDER ENGAGEMENT

The Company's ESG stakeholders mainly include internal employees, suppliers, customers, shareholders and investors, the government, and the communities where it operates. We take practical actions to contribute to social development with our stakeholders, focus on establishing a smooth and transparent communication mechanism with our stakeholders to enhance their understanding of the Company's development and operational policies, listen to the stakeholders and provide timely and effective feedback on their demands. We are committed to taking care of various stakeholders, providing stakeholders with suggestions, and incorporating their demands into our corporate decision-making.

Stakeholder	Government	Shareholders and investors	Employees	Customers	Suppliers	Community
<b>Target and Concern</b>	<ul style="list-style-type: none"> <li>Respond to national policies</li> <li>Operate according to laws and regulations</li> <li>Pay taxes according to laws</li> <li>Promote employment</li> </ul>	<ul style="list-style-type: none"> <li>Business strategy and financial performance</li> <li>Protect shareholders' rights and interests</li> <li>Business sustainability</li> <li>Corporate transparency</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration and benefits</li> <li>Protection of rights and interests</li> <li>Career development</li> <li>Safety and health</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Timely service</li> <li>Safety of residents</li> <li>Privacy protection</li> <li>Continuously improve service quality</li> </ul>	<ul style="list-style-type: none"> <li>Abide by commercial ethics and state laws and regulations</li> <li>Be transparent and fair</li> <li>Accomplish commitments, and achieve mutual benefits and win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Host community events</li> <li>Participate in community building</li> <li>Invest in community charity</li> <li>Promote community development</li> </ul>
<b>Method of Communication</b>	<ul style="list-style-type: none"> <li>Participate in discussion for formulation of relevant policies</li> <li>Guide and influence public policies actively</li> <li>Dialogue with the local government</li> </ul>	<ul style="list-style-type: none"> <li>Enhance information disclosure</li> <li>Board meeting, shareholders' meeting and investors' meeting</li> <li>Direct communication among shareholders</li> <li>Roadshows</li> <li>Telephone conference</li> </ul>	<ul style="list-style-type: none"> <li>Employee representative of the board of supervisors</li> <li>Staff union</li> <li>Employee representative meeting</li> <li>Employee survey and feedback</li> <li>Enhance information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Communication during the process of service activities</li> <li>Owner survey and feedback</li> <li>Complaint hotline</li> <li>Enhance information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Announce the management rules of the suppliers</li> <li>Contract negotiation</li> <li>Daily business communication</li> <li>Enhance information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue with the local government and organisations</li> <li>Community visits and communication</li> <li>Enhance information disclosure</li> </ul>
<b>Key Actions</b>	<ul style="list-style-type: none"> <li>Implement national policies, abide by state laws and regulations</li> <li>Accept supervision and check-ups</li> <li>Create more labour positions to promote employment</li> <li>Cooperate with government to guide garbage classification</li> <li>File tax returns in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Convene shareholders' meetings regularly</li> <li>Convene Board meetings regularly</li> <li>Convene investors' meetings</li> <li>Disclose statutory issues in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Enhance trainings for employees in respect of culture and skills</li> <li>Improve employees' working and living environment</li> <li>Guarantee employees' rights and interests, and improve their benefits and welfare</li> <li>Guarantee for employees' health and safety</li> <li>Establish a staff union</li> </ul>	<ul style="list-style-type: none"> <li>Normalised and standardised services</li> <li>Conduct regular satisfaction surveys</li> <li>Respond to customer complaints and provide them with feedback in a timely manner</li> <li>Practically protect customer privacy</li> </ul>	<ul style="list-style-type: none"> <li>Set up an open and transparent tendering system</li> <li>Set up a communication platform for suppliers</li> <li>Perfect the supplier selection system</li> <li>Offer equal opportunities to suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Regularly host activities to benefit the community</li> <li>Encourage good deeds</li> <li>Be passionate about public welfare, and give back to society</li> <li>Conduct volunteer activities for employees</li> </ul>

# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

## Investor relations and communication

The Company recognises the importance of effective communication with its shareholders to strengthen investor relations and to keep investors informed of the Company's business, performance and strategies. We also believe in the importance of timely and non-selective disclosure of information about the Company to enable shareholders and investors to make informed investment decisions.

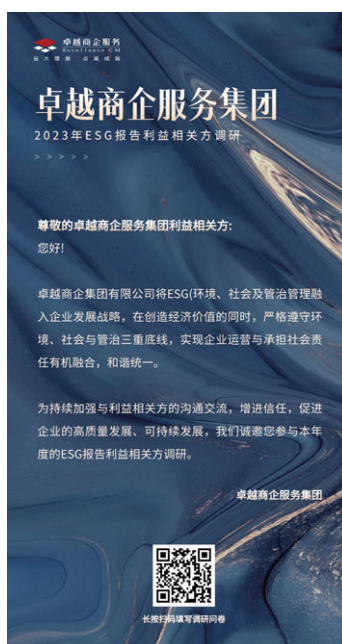
On 23 February 2023, Excellence CM successfully held its first financial institutions project visit activity in 2023. The offline event received extensive attention from institutions. The guests also carried out in-depth and detailed exchanges on the development trend of the property management industry, market trends, and Excellence CM's medium – and long-term strategic development plans.



## 1.5 ANALYSIS OF MATERIAL ISSUES

In 2023, we obtained the materiality assessment from the Company's stakeholders through questionnaires. We continued to promote cooperation with various stakeholders in order to achieve a more accurate and thorough understanding of the demands of various parties, and to provide guidance and direction to the enterprise's business operations and works related to ESG.

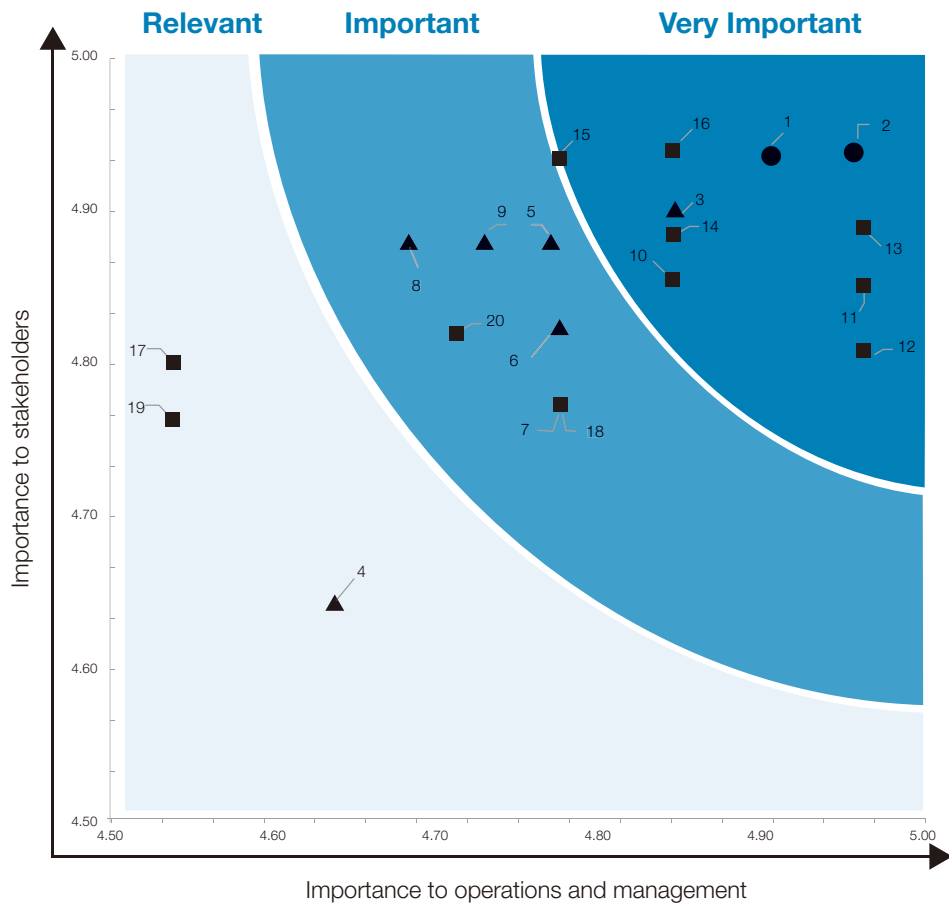
Based on the Company's business model and the trend of ESG disclosure in the industry, we have fully considered the principle of double materiality. After comprehensive evaluation, we have ranked the ESG issues and formed a materiality matrix of issues. Based on the results of the materiality assessment, we have made targeted efforts to emphasise these issues in our ESG management work.





# 1. OPERATIONAL COMPLIANCE, INTEGRITY AND HONESTY

Based on the key concerns of stakeholders over our business operations and ESG, and according to the Environmental, Social and Governance Reporting Guide, we identified a total of 20 issues in 2023, and mainly focused on social aspects such as customer complaints and service quality.



Among which, ▲ refers to environmental; ■ refers to social; ● refers to governance

No.	Issue	No.	Issue	No.	Issue
1	Corporate governance	8	Green property management	15	Customer service quality management
2	Commercial ethics	9	Addressing climate change	16	Information security and privacy protection
3	ESG governance	10	Diversity and equality of opportunity	17	Smart service construction
4	Greenhouse gas emissions	11	Protection of employees' rights and interests	18	Suppliers management
5	Waste management	12	Employee development and training	19	Community communication and integration
6	Water resources management	13	Labour standards	20	Customer health and safety
7	Use of energy	14	Employee occupational health and safety		

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### 2.1 ENHANCEMENT IN QUALITY AND SERVICES

#### Comfortable Lifestyle

The Company has always taken high-quality development as its sustainable development goal and has continued to establish the guidelines for profession and standardisation, all staff participation, innovation for sustainability, and creation of a bright future together. It has established a standardisation system management model in order to provide customers with professional, smart, and full-cycle high-quality services. The Company issues the Annual Targets Responsibility Letter regarding quality, occupational health, environment, energy, and implements the quarterly review mechanism, with the aim of deepening the Company's ESG initiatives.

The "Excellence Friendship" brand has been promoted under the theme of "Happiness Season", "Growth Season" and "Thanksgiving Season" throughout the year, organising exciting and diversified activities and services to arouse the emotional connection and spiritual resonance in the modern city so as to explore a better lifestyle for property owners.

I. In August 2023, the Growth Season of Excellence Friendship was launched with great success during the flourishing season in the blazing sunshine. "Excellence Friendship" led 41 brave youths to join "The Captain" air-land-sea learning camp to bring a happy and fruitful summer vacation to the youths by arranging an exciting growth experience.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### “Excellence Friendship - Fun Urban Orienteering Race of Thanksgiving Season”

II. Jogging, mountain climbing and orienteering have become a new social choice for people in Shenzhen. In March 2023, “Excellence Friendship” launched an urban orienteering race to call on people to improve themselves from the sub-health status and slow down the pace of life through exercise. At the same time, we guided hundreds of old friends in Shenzhen to regain the warmth and happiness between people through face-to-face communication and interaction.



From 17 April to 21 April 2023, Excellence CM took the “World Book Day” as an opportunity to launch a series of reading day activities such as “when the voice meets the book”, with books as a companion and friend to explore the reading journey.

**卓越商企服务**  
**以世界读书日为契机**  
**打造了一场声音与书籍的碰撞体验**

**4.17-4.23**  
**让我们一起来用心感受**

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### Technology Empowerment and Smart Properties

In recent years, digitisation and talent development have been the focus of the core competency building of Excellence CM. The Company has always insisted on the implementation of digital construction to improve the efficiency of business decision-making, facilitate business diversification, and build core competitiveness. Digitisation is a trend for modern property service enterprises. The digitisation of Excellence CM is the digitisation with the goal of lean management, starting with online, advancing to digital, and finally achieving digital and smart operations.

#### ➤ Three platforms to empower new office dynamics

Zhuopin Business, a subsidiary of Excellence CM, has built three digital platforms, including the Enterprise Service Centralised Procurement Platform, the Campus Life Service Life Mall, and the Employee Welfare Platform. Relying on the demand interpretation accumulated from years of customer service, Zhuopin has conducted strict selection of the supply chain and quality operation, and leveraged on its digital capabilities to assist in enterprise administration, and the operation of projects such as offices, industrial parks, and residential buildings, providing the value of its services in multiple aspects such as employee welfare, office centralised procurement, outsourcing of administrative services, supplier management, and business promotion.



#### ➤ FM smart management information platform

We are committed to applying new technologies to our commercial property management services. These new technologies have brought tremendous changes to the traditional labour-intensive property management industry, further enhancing the efficiency of property operation management and service quality through data-driven efficiency. FMC – IoT technology-enabled smart management information platform significantly improves the efficiency of equipment maintenance and customer satisfaction.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### ➤ Establishment of financial shared service centre

On 24 May 2023, the inauguration ceremony of the Excellence CM Financial Shared Service Centre was held in Shenzhen Excellence Houhai Centre. The inauguration ceremony witnessed the establishment of the Excellence CM Financial Shared Service Centre and marked a new milestone in the financial transformation of Excellence CM. The establishment and operation of the Financial Shared Service Centre will promote the integration of financial functions into a financial operation model driven by the three value of strategic finance, business finance and shared finance.



### ➤ Towards the IoT era of buildings

In 2023, Excellence CM integrated hundreds of different sub-systems, hundreds of millions of data nodes, and hundreds of millions of sensors into a unified digital platform for millions of square meters of property under its management, and gradually realised the digital transformation from traditional assets to smart assets through the lightweight twin digital cloud platform (EMOP).





## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### ➤ Smart robots



Excellence CM makes full use of its profound experience in industry management to reasonably optimise and adjust redundant staff and positions on the premise of ensuring consistent service quality. In terms of smart machines, we have continued to explore “smart property” and made a large number of attempts to invest in a great number of smart robot vacuums and smart security equipment, further enhancing service quality and reducing reliance on manpower.

### *Promoting industry development:*

#### ➤ **Pantry Evaluation Regulations Group Standard successfully passed the evaluation and will be issued soon**

Recently, the Light Industry Enterprises Investment & Development Association of China organised a group standard evaluation meeting of *Pantry Evaluation Regulations*, which was successfully held in Beijing in online and offline manners. The *Pantry Evaluation Regulations* is the first group standard on enterprise pantry evaluation at home and abroad, which is of great significance. Excellence CM, as the drafting unit of this standard, will play an active role in the issuance and implementation of the standard, and promote the improvement in enterprise pantry services as well as the healthy development of the industry.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### Intellectual Property Rights and Customer Privacy Protection

With respect to intellectual property management, the Company follows the principle of central management in intellectual property and aims to make intellectual property a valuable asset and enhance corporate competitiveness. As at the end of 2023, the Company had 5 utility model patents, namely, power distribution cabinet for property management, dangerous area alert device for property management, vegetation pruning device for gardening, sprinkler devices for gardening, video monitoring devices for firefighting engineering, and 11 software copyrights. In the future, we will continually strengthen our intellectual property reserves and enterprise competitiveness.



(Patent Certificates)

As to customer privacy, in 2023, we amended the regulations on confidentiality management of information assets to further clarify the Company's requirements for confidentiality management of information assets in information security, regulate the behaviour of employees in the use of information, enable the Company's information assets to be reasonably protected and shared, and safeguard the Company's business operations and reputation. Managers at all levels of the Company (i.e. the highest supervisor of each department/region/institution) are the first responsible person for information security of the department, and the responsible person for the demand side of information bears the same management responsibility as the responsible person for the generation side of information regarding the information assets acquired.

In 2023, we made reference to the *Reward and Punishment Management Measures* to protect the privacy of our employees. For those who report information security violations, we will give verbal and written commendations, cash rewards, etc., and strictly protect their personal information from disclosure. We will refer to the punishment process of the relevant violation levels in the *Employee Handbook* to impose penalties on the violations.

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

We take the following measures to protect customer privacy:

- Storing the information of customer identification in database in the form of ciphertext, and the sensitive customer information is also transmitted in the form of ciphertext.
- Using two or more combined identification technologies such as dynamic password, digital certificate, encrypted USB-Key, biotechnology and device fingerprint to the operation and maintenance hosts to detect user's identity.
- Applying the identity logos and identification to the logged-in users, the identity logos are unique, while the identification information involves complex requirements and is regularly replaced.
- Handling functions for login failure are set in place, and relevant measures such as ending sessions, limiting the times of illegal logins, automatically logging out when the login connection times out should be placed and applied.
- Applying the SSL protocol to ensure the confidentiality of important data during transmission.
- Using the auditing function for the database, protecting the audit records, and scheduling regular backups.
- Passing the national security protection level 3 standard.

We have increased the channels for employees to report information leakage. When identifying a risk of information leakage, employees can reflect it to their department supervisors or the Audit Department. Please report to the Audit Department immediately in the event of any theft or leakage. Reporting phone number: 18128857565, reporting e-mail: [wujubao@exceam.com](mailto:wujubao@exceam.com). No information leakage incidents occurred during the year.

Excellence CM updated *the Zhuopin Smart Platform Data Security Management Guidelines*, stipulating the management system of data encryption requirements and login access requirements for the Alibaba Cloud server. Customers registering for the platform are required to sign a user privacy agreement online in compliance with relevant national Internet laws and regulations. Users can access the platform only after upon agreement. The platform system carries out hierarchical management of the data authority of all users. Zhuopin's smart integrated open platform respects the protection of users' personal information. Zhuopin clearly introduces to customers its handling methods of personal information through the privacy agreement when customers use the services provided by Zhuopin, in order to improve customers' privacy protection and personal data security.

As to customer privacy protection, we will continually optimise the management system on operation and maintenance, regularly check the data, regularly scan the system, check for security loopholes, improve the operation and maintenance management system, and strengthen the supervision on data operation.

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### 2.2 LISTENING CAREFULLY TO SOLVE CUSTOMERS' PROBLEMS

#### Quality Customer Service

The Company is accelerating the construction of the digital corporate services, continuously enhancing the platform, product, supply chain and resource integration capabilities as well as online and offline integration operation capabilities, and improving the value chain of the full scenario corporate services to increase the traffic and customer stickiness. We have established a customer service system consisting of the headquarters' professional procedure documents, professional rules and regulations documents and system professional forms, as well as project localisation operation documents and SOPs. The design of professional system documents includes the three major aspects of customer property, customer relationship and customer service, implementing a three-tier management and implementation mechanism covering professional planning of headquarters, regional supervision and project localisation.

Customers can make enquiries and suggestions or provide feedback in the following ways: Excellence Group Hotline: 400 0086 000; Excellence CM Hotline: 0755-23989106 and commercial line call centre, residential project front desk, Zhuopin online platform and Email: zy400@excegroup.com. The complaint mechanism responds to the 11530 mechanisms for response timeliness, which means to follow up within 1 hour, reply within 24 hours and close the case within 5 days in principle, with the processing results obtained within 30 days. Complaints are classified by specialty, and daily, monthly, and quarterly data reports are carried out to report to the Company.

The satisfaction rate of complaint handling for the year was 100%, with the complaint closure rate of 100%. The rate of 1,000 complaints of the Company's multi-customer segment projects was 0.4, which was in line with the target requirements. A total of 1,618 complaints were received via 400-hotline, and 2,058 complaints were recorded in the FMC complaint record for 2023, which were mainly related to the daily engineering repairs and maintenance, public cleansing, customer service attitudes, quality of housing repairs and third-party business, the comprehensive category of property fees and commercial value-added business. The complaint response rate was 100% with the closure rate of 100%.

Regarding customer complaints, we require projects to complete 100% of follow-up and response, report the complaint closure rate on a quarterly basis, link the closure rate and closure time limit to semi-annual performance, establish rapid feedback on customer complaints, create a nationwide customer complaint feedback WeChat group for immediate follow-up, and publish a daily report on customer complaints for notification. If customers are dissatisfied with our services, the project's property service centre will be primarily responsible for taking the lead in contacting the customers and communicating with them, and gradually escalate to the district and headquarters for follow-up, so as to meet customers' needs within the legal, compliant and reasonable scope of services.

Measures taken by the Company include:

- Update on customer service system document;
- QPI update checking and increased coverage;
- Enhancement in the professional skills examination and test for customer service positions, etc.

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

In 2023, the Excellence CM Group created a grassroots service culture IP in the construction of corporate culture, promoting the service awareness and service level of the general staff, and advocating the good deeds and good comments in the service to the property owners customers, which won the recognition and praise of the property owners and contributed to the high score of customer satisfaction.



Excellence CM continuously launched “Project Manager Service Day”, “Butler Visit”, “Sunshine Community” activities, “Call Centre Platform” services, etc. to manage the first-line positions and explore the service needs and suggestions of property owners and their families in all aspects. At the same time, we have carried out smart community construction, upgraded and implemented service standardisation, and strengthened brand image management to continuously improve the project quality and service experience, so as to provide Excellence community life with more thoughtful and colourful services.



In addition, we have replaced the hardware service. The provision of good services for offices is based on the installation of hardware. According to the needs of customer service and evaluation, we have focused on targeted rectification and improvement of issued raised by building customers. We have successively implemented upgrade and renovation plans for office lobby, building facade and parking lot to enhance the overall commercial aspect of the office building and provide a better commercial service environment.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### Customer Satisfaction of Excellence CM

In 2023, according to the results of a survey conducted by Saiwei Consulting, an authoritative third-party property research organisation, Excellence CM achieved a 100% satisfaction rate for commercial offices and 82% for residential properties. The survey covered the Group's residential and commercial projects, property development projects and real estate asset management projects. The frequency of the survey is twice a year (once in each half-year and once in each year).

In 2023, the satisfaction rating for the Group's own residential properties was 82 points (the semi-annual online survey covered all residents, and the annual survey included sampling surveys involving 2,933 people), which is significantly higher than the 2023 Saiwei residential industry average of 70 points. The satisfaction rating for Group's own commercial properties was 100 points (the semi-annual online survey covered 100% of the residents, and the annual survey included sampling surveys involving 184 people). The Group's satisfaction rating for property development contract fulfilment was 94.3 points (involved 100% of the Party A and 146 people).

In the survey on overall office service satisfaction, Excellence CM's office sector has recorded a property service satisfaction rate of over 99% for six consecutive years, representing its benchmark position in the commercial property service industry, and highlighting Excellence CM's advantages and reputation as the No. 1 brand of commercial property services.



Excellence CM's high-quality services have won customers' long-term trust and reputation, shaping a deeper service capability that is more refined and aligned with customers' needs, and providing opportunities for the development of value-added and personalised services. In 2023, each region of Excellence CM achieved good performance, and was well trusted and recognised by our customers.



Beijing region



East China region



South China FM region



South China PM region

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

The service satisfaction rate of Excellence Property, the residential sector under Excellence CM, continued to increase by 3% compared to 2022, significantly ahead of the industry average (higher than the overall industry benchmark of 14% based on the survey of Saiwei Consulting), and well ahead of first-tier and new first-tier cities, such as Shanghai, Shenzhen, Hangzhou and Chongqing, where Excellence CM has a strong presence.



### Protecting Customer Health and Safety

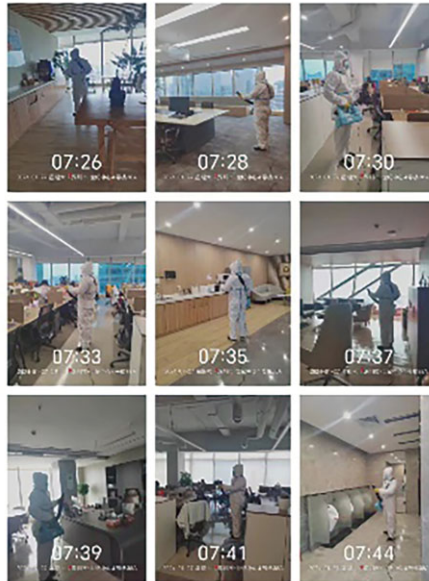
The Company has established a comprehensive EHS management system in strict accordance with ISO45001/ safety production standardisation and other system certification requirements. We have established a total of 6 major management directions: emergency and response, operational safety, EHS integrated management, risk identification, safety responsibilities, and special event management, including a total of 115 management system documents and standards.

We have further optimised the special safety inspection system, updated special safety inspection standards, and launched safety empowerment training for different levels and positions. Through a series of measures, we have promoted on-site hazards inspection and risk identification of projects to effectively reduce the number of safety accidents such as fires, falling objects, and gas accidents, and safeguard the safety of our customers' lives and properties. Through the FMC smart inspection platform, we achieve information control of daily inspection management, manage issues online, enhance the closure and follow-up efficiency of safety hazards, and strengthen on-site safety management capabilities of projects.

## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### ➤ **Regular sanitisation of buildings:**

Excellence CM continues to conduct cleaning and sanitization of the building air system at all floors to create a safe and comfortable office space for all corporate customers, protect the health and safety of customers, and provide a quality life service experience.



### ➤ **Fire drills:**

In 2023, the Company organised 909 emergency drills on fire evacuation, typhoon and flood prevention, and elevator trapping, with a total of 11,195 participants. These drills not only enhanced the emergency response capability, but also verified the effectiveness of the emergency plans and accumulated valuable practical experience for the projects.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### 2.3 GREEN PROCUREMENT TO ACHIEVE HARMONY AND WIN-WIN RESULTS

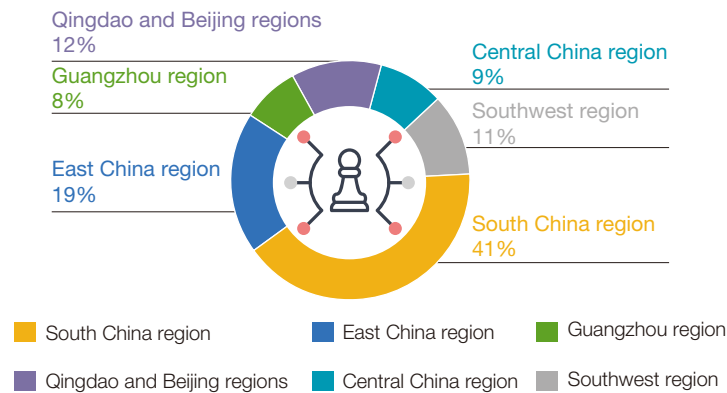
#### Introduction of Suppliers

The Company exercises stringent controls over the selection of suppliers for materials procurement and service outsourcing, and clearly specify the selection of suppliers, procurement process, and certification of purchased products and services in its procurement control procedures. Moreover, the Company continues to consolidate and expand the partnership with its suppliers through good communication to keep supply channels stable and assure the quality of supply.

The categories of our suppliers mainly include property – material, property – engineering, repair and maintenance, property – service and labour outsourcing, insurance and insurance brokerage, IT (information and technology), brand design and event planning, supply chain and others, and Shenghengda EE, Shenghengda Elevator, Zhuopin Business Service business and E Butler business, etc. Suppliers of the Company are categorised into level 1 and level 2 (according to the amount of cooperation and the degree of impact of operational risks, such as cleaning, security, elevator and fire protection).

The Company has a total of 2,721 domestic suppliers. The distribution of suppliers by region is illustrated in the chart below:

**Distribution of the Number of Suppliers by Region (2,721)**



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### Suppliers' access

The Company is committed to creating a more open, fair and collaborative ecological supply chain platform. We have introduced more quality and competitive suppliers to improve service quality, reduce costs and increase efficiency. In line with our direction of business development and our development plan, we reserve the sourcing of supplier resources, create stringent inventory standards of suppliers, and comprehensively evaluate suppliers' price levels, quality assurance, delivery capability, reputation risk and collaboration intention. These suppliers will be preliminarily reviewed and certified by our procurement staff. In 2023, we introduced procurement committees for some of our projects. For those suppliers who pass the preliminary review, we will join hands with experts from various sectors (e.g. environmental experts, security experts, etc.) and departments in demand to form a committee for the inventory in order to conduct comprehensive evaluation, on-site inspections, case studies, and sample tests. The procurement committee provides professional advice and makes decisions. When suppliers are in the bidding process, price verification is carried out through a group decision-making procedure. Suppliers of the Company are categorised into Level 1 and Level 2 (according to the amount of cooperation and the degree of influence of operational risks, such as: cleaning, security, elevator, fire protection, etc.) We also send procurement staff to arrange on-site inspections, formulate plans, organise projects in need and professionals to conduct on-site inspections of suppliers, including verifying the information provided by suppliers, inspecting on-site operations, production, and services, taking photos and related records, and completing the "Suppliers on-site Inspections Report".

### Supplier Contractual Performance and Post-performance Assessment

In 2023, we amended the procurement system and added a new rating system for the performance assessment of strategic procurement suppliers, so as to effectively monitor the service achievements of the strategic procurement suppliers and keep the cooperation between the two parties in a state of continuous improvement. We have set up an incentives mechanism for caring suppliers, involving satisfaction assessment of suppliers. In the event that the satisfaction assessment score is higher than the contracted score, a certain percentage of the contracted amount for that month will be granted as an incentive.

#### *Supplier Performance Assessment:*

- A performance assessment form is in place for each project. According to different aspects, relevant indicators are directly related to the KPI of the procurement.
- When grading the contractual performance, experts are invited to carry out the assessment, and weighted subtraction items are set up. In 2023, we adopted a comprehensive scoring mechanism that includes the score of the professionalism + the degree of contractual performance of the procurement.
- Conduct timely evaluation and assessment before payments or on a regular basis. The assessment results are used as the basis for payment and constitute the data for post-performance assessment.
- In the process of contract performance, if the supplier has better equipment and ideas, the Company also responds positively and help the supplier to promote and improve the equipment.
- The integrity behaviours, safety incidents, and negative impacts of suppliers will be recorded as assessment standards to add or subtract points on the evaluation results.
- The procurement centre will organise communication meetings to track supplier rectification and improvement based on the mid-month assessment.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### *Post-performance Assessment:*

- Suppliers that complete a one-year contract period will be evaluated comprehensively after the performance of the contract, and the average value of the performance evaluation results during the contract period will be recorded as the evaluation result. We will also take into account the satisfaction scores given by Party A or third parties.
- The supplier rating result comes from the average value, and will be applied in contract renewal and supplier selection.
- **Hierarchical management of assessment results:** According to the assessment rating results and taking into account the life cycle factors of suppliers, we have set 75-score as the baseline of qualified suppliers. Among the qualified suppliers, we further rank them according to the scores, which are: excellent suppliers (20%), good suppliers (20%), and qualified suppliers (50%). For the bottom 10% of suppliers, we will set restrictions on their use. Suppliers with a score of less than 75 will be recognised as unqualified suppliers. We conduct timely evaluations and assessments of our suppliers prior to payment or at regular intervals. The results of these evaluations are used as the basis for payment and as the basis for post-performance assessment.
- The procurement centre submits a grading report each year to complete approvals. In the assessment, if there are safety risks, social impacts, bid-rigging and collusion, etc., the suppliers will be blacklisted, and will not be able to collaborate with us within 3 years.

### **Inspection and Evaluation of Suppliers' Environmental and Social Factors**

In respect of the inspection of suppliers' social responsibility and environmental protection, we are equally concerned about suppliers' environmental and social factors. The Company prefers to select green and sustainable suppliers, such as selecting the strategic suppliers for long-term cooperation in the implementation of strategic procurement, in order to achieve mutual benefit and realise a win-win situation for both parties.

In the proposal of the tender, suppliers with proposals on energy conservation and emissions reduction, staff optimisation and service innovation may be used as a reference for proposing the final score that will affect the result of the tender.

During the supplier admission process, we carry out on-site visits to assess the operations of the three systems (quality, environment and safety) of suppliers. During the performance of the contract, we conduct spot checks and assessments on the performance of the contracts, including but not limited to the following: ① product quality and safety; ② employment legality/salary benefits/insurance payments; ③ whether the use of chemical materials conforms to national regulations, whether they have certificates of conformity, and whether inventory management meets EHS requirements; ④ whether there is a label for environmental protection, low carbon and energy conservation, including air-conditioning equipment purchased must achieve Level 1 energy efficiency.

We include an *Environmental/Occupational Health and Safety Protection Agreement* in every contract to jointly fulfill the environmental and occupational health and safety requirements stipulated by national regulations/relevant systems. For example, suppliers are required to pay attention to the employees' occupational health and safety, not to employ child labourers and not to arrange for under-age workers to perform hazardous work, and to equip employees with the necessary personal protective equipment; minimise the adverse impact of the operation process on the jurisdiction, the surrounding environment and protect the health and safety of the operating personnel. Suppliers are also required to identify hazardous sources and environmental factors at the construction site that can lead to environmental pollution and serious safety accidents, formulate control measures and implement supervision. In 2023, the Company hired a total of 353 new suppliers. We conducted audits and evaluations of new suppliers, with an audit rate of 100%.



## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

We have adopted the following measures to identify the environmental and social risks associated with the supply chain involved in the process of suppliers' access and performance:

- Whether suppliers' passing certification standards, performance evaluation standards, performance inspection standards or post-performance ratings in the entire process meets the judgment of compliance with the performance of the contract, there is a timely reporting mechanism if a supplier touches the red line;
- Suppliers are reserved for planned development, with headquarters' central procurement covering the whole country, regions or city territories; 3-5 suppliers of each type in each city are reserved to make sure suppliers are reserved for selection in case of defaults;
- For subcontracting and engineering suppliers, before providing cleaning and greening services, they are required to provide employee health certificates; before providing exterior wall and engineering services, they are required to provide high-rise work certificates; and before carrying out high-risk operations, they are required to provide a certificate of insurance that covers special positions. The procurement centre strictly inspects the equipment for safety construction, inspect the construction materials to see if they pass standards, and supervise and conduct pre-job training for safe construction and safe operation guidance prior to construction or service.

In the process of purchasing materials, the Company chooses environment-friendly products based on the cost budget when selecting specifications and brands for various materials. Environment-friendly products are the preferred choices in selecting decoration materials, cleaning materials, security materials and other materials. For example, we purchase more environment-friendly natural resin paint as decoration materials, etc. We review the qualifications of materials suppliers (requirements on agency certificates, business licenses) in the certification process, and make purchases from those with regular brands. Products and materials are inspected on test reports and qualification certificates after they arrive. Sub-standard products will be returned and exchanged. Moreover, we will determine the warranty period and free replacement or repair during the warranty period.

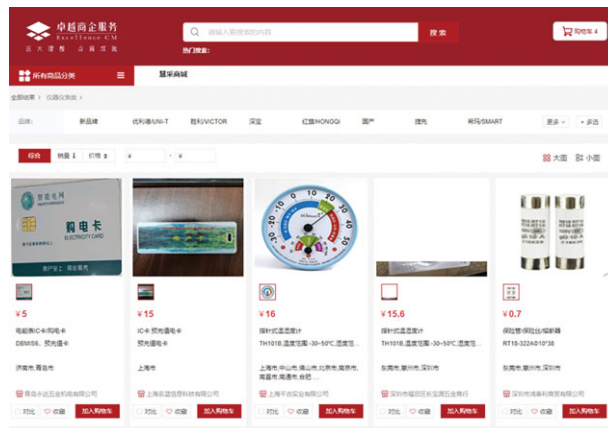
## 2. SERVICE-ORIENTED AND WIN-WIN RESULTS

### ➤ Honest Procurement

We uphold the concept of honest and transparent cooperation in compliance with laws and regulations, maintain an honest environment, abide by professional ethics, create a strict and sustainable win-win cooperation atmosphere, and establish a channel for reporting irregularities directly to the Audit Department (reporting phone, mailbox). During the reporting period, the Procurement Department conducted a self-inspection and self-correction of projects in all regions of the country. Suppliers are required to sign the *Sunshine Cooperation Agreement*, which covers all suppliers.

### ➤ Supplier Training

Excellence CM launched the material procurement mall system in 2022, which was fully utilised and extensively recognised in 2023. During these two years, we have been listening to our customers and upgraded the system to version 2.0. On the mall system, we regularly invite suppliers to conduct testing and training on the mall system. Suppliers have provided feedback on the problems they encountered in the course of using the mall system.



In April 2023, the Company held a strategic procurement supplier briefing session to promote and analyse cases on sunshine cooperation (including the Company's business direction, policies, incentives and supplier red lines rules), in which suppliers put forward suggestions on issues arising from the cooperation. At the same time, the session also announced the Company's business direction, policies, incentives, and supplier red lines rules, in order to provide suppliers with ideas on energy conservation and facilitate suppliers to reflect on the cost reduction and efficiency enhancement plans.



## 3. CARING FOR EMPLOYEES AND THE SOCIETY

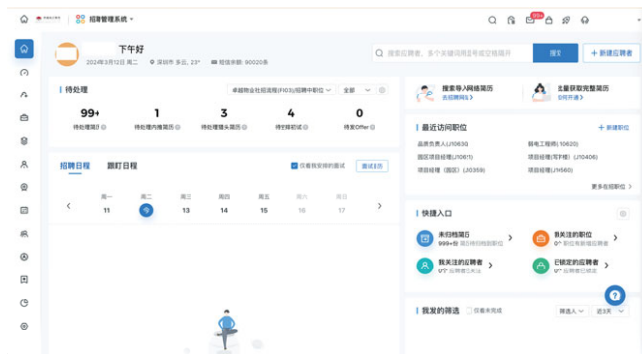
In terms of human resources management, the Company strictly abides by relevant national laws and regulations, including the Labour Law of the People's Republic of China, *the Labour Contract Law of the People's Republic of China*, *the Social Insurance Law of the People's Republic of China*, *Tax Law of the People's Republic of China*, etc. In 2023, we updated the following systems in human resources employment management, including *the Management Measures on Employee Labour Contracts*, *the Management Measures on Employee Files*, *the Management Measures on Compensation and Benefits*, *the Performance Management System*, *the Management Measures on Attendance*, etc., in order to improve the Company's personnel management capability and realise the efficient operation of human resources.

### 3.1 EQUAL EMPLOYMENT AND PROTECTION OF RIGHTS AND INTERESTS

#### Employment

The Company strictly follows the national laws and regulations in recruitment and employment. The system is comprehensive and clear. The Company strictly complies with *the Labour Law of the People's Republic of China*, confirms the identity and age of employees during the recruitment process, and strictly prohibits the recruitment of child labour. We adhere to the principles of openness and transparency, comprehensive investigation and selection of the best candidates, and regulate the recruitment process to ensure that the recruited employees meet the principles and requirements of employment, aiming to introduce talents to the enterprise in a timely manner, and enhance the overall level of human resources. By the end of 2023, the Company has planned for the establishment of a Recruitment SSC Centre for external recruitment, which is aimed at optimising the allocation of recruiting manpower to maximise the effective use of resources. The Company has promoted and utilised the Beisen Recruitment Management System to control the whole process of recruitment, and synchronise the launch of the system in all regions.

#### Display of the Beisen Recruitment Management System

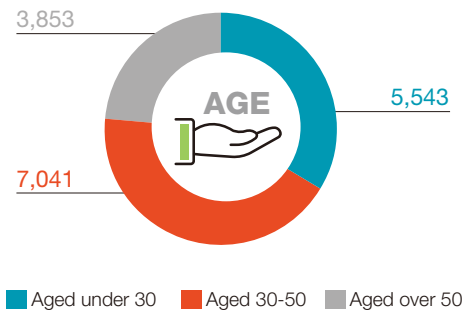


In 2023, we updated our internal referral incentive system. The Company implemented hierarchical and cumulative rewards for general staff referral fees, encouraged employees to get more rewards for recommending general employees to join the Company, and clarified the hierarchical rewards for general staff referral.

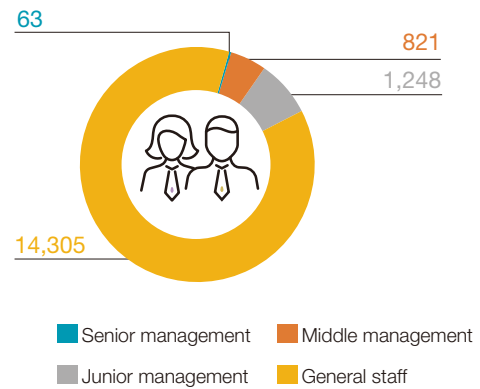
### 3. CARING FOR EMPLOYEES AND THE SOCIETY

The Company has developed in-depth school-enterprise cooperation. As of the end of 2023, we have cooperated with a total of 5 schools: Guangdong Ocean University, Dongguan City University, Wuhan Business University, Nanchang Institute of Science and Technology and Guangdong Polytechnic Normal University. In 2023, Excellence CM was granted a new authorised internship base in the Guangdong Ocean University. This year, the Company had a total of 16,437 employees, all of whom are full-time employees, including 9,692 males and 6,745 females. There were 103 student interns, 55 of whom were retained after graduation. The breakdown and turnover rates of employees are as follows:

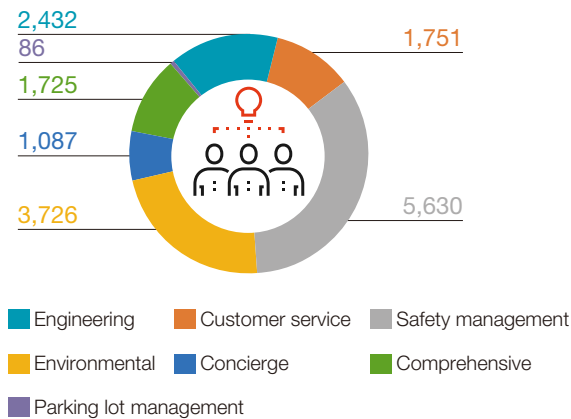
**Breakdown of Employees by Age (persons)**



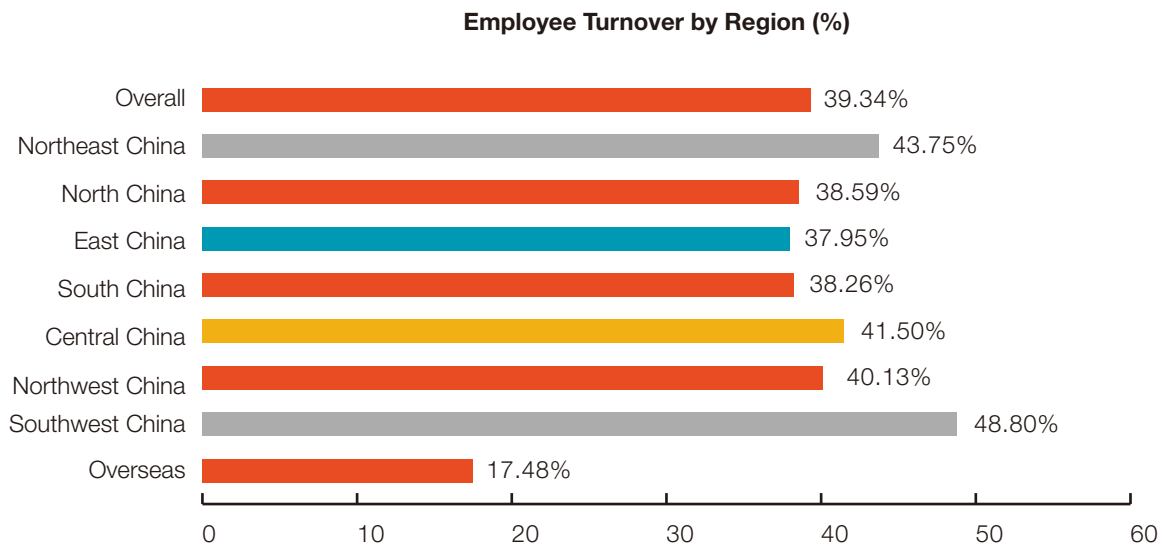
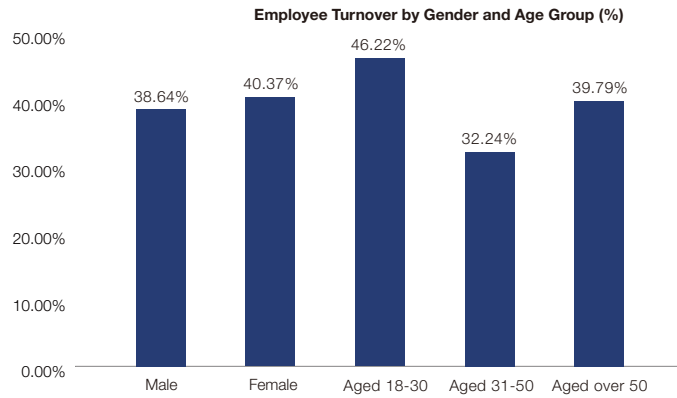
**Breakdown of Employees by Level (persons)**



**Breakdown of Employees by Function (persons)**



### 3. CARING FOR EMPLOYEES AND THE SOCIETY



Note: Turnover rate: number of departures / (total number of employees + number of departures)



## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### Employee rights Protection

We promote diversity and respect differences and do not impose restrictions on age, gender, origin, religion, etc. as long as employees are competent to do their jobs. In terms of holidays and working hours, the Company abides by relevant national laws and regulations. For employees working overtime, we will compensate them with overtime pay or compensatory leave. The Company strictly abides by *the Labour Law of the People's Republic of China*, confirms identity, age and other information in a timely manner during the recruitment process, and strictly prohibits the recruitment of child labour.

In 2023, there were no violations in relation to recruitment and dismissal, compensation and promotion, working hours, rest periods, equal opportunity, diversity, etc., nor were there any incidents concerning child labour, forced labour or other violations of employment and labour rules of the Company. The Company has established *the Attendance, Overtime and Leave Management Regulations*, which covers the leave regulations for all statutory holidays. The working hours also strictly comply with the national labour laws and regulations. We provide employees with competitive remuneration packages such as fees, salaries, allowances and benefits in kind, bonuses, contributions to pension schemes and social benefits, and pay for social insurance such as medical insurance, work injury insurance, pension insurance, maternity insurance and unemployment insurance, as well as housing provident fund for employees.

In 2023, the Company updated *the Management Measures on Compensation and Benefits and Operating Guidelines for Remuneration Adjustments* to optimise the structure and content, and consolidated the two documents for the convenience of reading by employees. The Company has enabled the use of salary concessions to keep the salary level of employees more in line with the market.

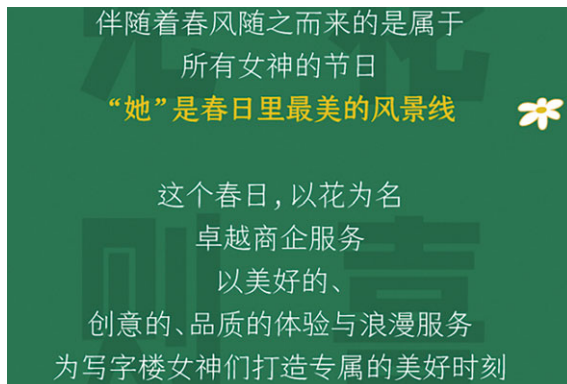
### 3. CARING FOR EMPLOYEES AND THE SOCIETY

#### Employee benefits and care

The Company is committed to providing employees with generous compensation and benefits, fully protect employee benefits, and enhance their sense of happiness and sense of belonging.

In 2023, various cultural and sports activities such as quarterly employee birthday parties, employee appreciation days, Company celebrations and festival events were held at all levels of the headquarters and branches.

With regard to employee holiday benefits, in addition to the holiday subsidies and benefits covering all employees, we also distribute gifts to employees on the Women’s Day, Dragon Boat Festival and Mid-Autumn Festival. The Company provides annual physical examination for all employees, and the coverage rate reaches 100%. The Company has set up employee care hotlines to help employees solve problems in their work and life. In the future, the Company will carry out focused and in-depth employee care in the areas of employment, employee development, employee workplace improvement, female worker protection, organisation vitality, and employee corporate social responsibility.



Women’s Day



Mid-Autumn Festival



Birthday parties

### 3. CARING FOR EMPLOYEES AND THE SOCIETY

#### Case: Building an Employee Benefit Platform to Facilitate Employee Development



During the year, employee satisfaction survey was conducted by each level of the suborganisation. Improvement was made based on the survey results in 2022, and a satisfaction assessment was conducted based on the improvement. In 2023, we advanced a total of 58 action plans for organisational management improvement, among which, the average score of the improvement items in the three aspects of healthy working environment, performance management and fair rewards was over 80. The overall satisfaction of employees was high. For example, the Company implemented an open day activity for managers in Changsha. Through the survey, the Company is able to understand employees’ satisfaction with the working environment, job content, and welfare benefits.



## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### Employee Culture Construction

In 2023, Excellence CM adhered to the belief of “improvement in management led by culture and achievements through concerted efforts”, promoting the construction of organisational culture and atmosphere through special management culture projects and annual cultural activities as a starting point.

We exerted a significant impact on the organisation through the promotion of culture by facilitating the implementation of “six ones”, namely, “one public opinion station” to enhance the publicity of management culture and interaction through the creation of an Excellence CM culture account and a public email; “one cultural campaign” to boost the enthusiasm of organisational culture through popular cultural activities; “one cultural merchants” to transmit culture in a more vivid manner; “one cultural empowerment class” to enable the management culture be deeply rooted in the minds of people; “one cultural microfilm” to record the occurrence of culture with ambient light; “one set” of appraisal mechanism to provide an important support for the empowerment of management culture.



Launch of management culture and signing of order



Launch of employee management culture online



Management culture posters and culture wall

### 3.2 EMPLOYEE TRAINING FOR DEVELOPMENT AND ADVANCEMENT

In order to ensure that the Company has an internal control environment with good human resources, it conveys knowledge and conducts training on professional and technical skills for employees at different levels every year, as well as promotes the improvement of the Company’s business performance. The Company’s management goals in employee training and development are to promote the implementation of corporate strategy, develop and enhance managers’ leadership, cultivate key talents, integrate training resources, and spread corporate culture. On the other hand, our steady expansion in scale and business expansion have led to higher requirements for talent cultivation and reserve. The Company has long attached great importance to talent cultivation and reserve. Through the cultivation of key talents such as the New Wing management trainees, Excellent Talent – project managers, and Excellence Performance – facility managers, the Company has been able to comprehensively support the rapid expansion of its business and continue to enhance the core competitiveness of the Company.

## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### Employee Promotion

In terms of employee promotion, the Company implements *the Management Measures for Talent Development* and *the Promotion Management Measures*. Based on business developments and the readiness of employees, each business department submits a list of personnel for promotion on a monthly basis, which is subject to approval according to the level of promotion. The Company clearly defines the responsibilities of the parties involved in promotion management and the pre-requisites for employee promotion. In 2023, for the promotion management of cadres, the Company has activated the Escort Program to facilitate fast integration and more comprehensive evaluation through different perspectives.

### Staff training

In 2023, the Company optimised and updated the underlying construction of the system in the talent development module. Under the guidance of the Company's excellent hiring philosophy and management culture, the Company formulated the *Promotion Management Measures 2.0*, *the Talent Vitality Policy* and *the Talent Management Measures 2.0* in combination of its business and talent development objectives, to clarify the basis and criteria for talent development and management, standardise the implementation and operation of talent activities, promote the concept of "maximising opportunities for employees" for promotion, and form a stable, healthy and sustainable internal talent supply chain. The Company integrated its latest talent development and cultivation strategy, and carried out unified and standardised management on the whole process of the Company's training work. The Company amended *the Lecturer Management System* to optimise its lecturer system.

No.	Training Program Name	Training Category
1	2023 New Wing Talent Development Program	Talent Development
2	2023 Potential Talent Development Program	Talent Development
3	Excellent Talent Scheme Project Manager Training Camp	Talent Development
4	Excellence Performance Facility Manager Training Camp	Talent Development
5	COE Lecture Hall	Professional Training
6	Compliance and Risk Control Training	Compliance and Risk Control Category

\* Only some of the training cases are shown.



### 3. CARING FOR EMPLOYEES AND THE SOCIETY

The Company has achieved systematic management in talent training, and has implemented the programs in an orderly manner according to the project system. Trainer management direction: including reserve supervisor and reserve manager. Through the creation of a unified talent portrait for each level of talent and the use of competency modelling, employees are able to meet the job requirements of each level to ensure that they are able to demonstrate performance stability in daily workplace scenarios.

The Company's breakthrough from 0-1 in talent management in 2023: In 2023, the Company's management efficiency in talent management was further enhanced through the construction of a talent management system, including talent standards, promotion management, talent management, talent vitality, new wing development path, talent inventory and talent pool. The headquarters empowers each region and business unit by standardising tools and methods to facilitate efficiency, for example, using promotion application forms and batch promotion processes for promotions, and utilising the evaluation figure report to integrate the standard theoretical framework into the tools to reduce errors in actual work.

In 2023, we completed the implementation of the organisation management culture within the Company and launched a management culture of a total of three pillars and twelve capabilities.

- Based on the authoritative talent general competency model, the Company constructed a standardised position competency model for all levels of the Company in the form of talent portrait co-creation meeting, and comprehensively upgraded talent development programs at the company level in terms of the selection of training topics and the design of cultivation models with the support of the position competency model;
- The Company completed the development of the concept of management culture, and completed the implementation of the concept of management culture by means of company-wide and level-by-level publicity and training sessions, thereby realising the standardisation of work behaviour.

### 3. CARING FOR EMPLOYEES AND THE SOCIETY

In 2023, the total investment in employee training amounted to RMB3.97 million, and the investment in employee training amounted to RMB994.05 per million revenue.

Training Indicator		2023 Data
Number and percentage of trained employees by gender	Total number of male employees trained	9,692
	Total number of female employees trained	6,745
	Percentage of male employees trained	100%
	Percentage of female employees trained	100%
Number and percentage of trained employees by level	Total number of senior management trained	63
	Total number of middle managers trained	821
	Total number of general employees trained	15,553
	Percentage of senior management trained	100%
	Percentage of middle managers trained	100%
	Percentage of general employees trained	100%
Training hours per employee	Average training hours per male employee <sup>7</sup> (hours)	64.6
	Average training hours per female employee <sup>7</sup> (hours)	68.8
	Average training hours per senior management (hours)	5
	Average training hours per middle manager (hours)	11
	Average training hours per general employee (hours)	66.3

Talent is the driving force of enterprise development. Excellence CM has established a strategic blueprint for talent cultivation and reserve, continued to build its core competitiveness in the medium and long term, and put an emphasis on manpower modelling.

<sup>7</sup> Training hours per employee by gender does not include senior management.

### 3. CARING FOR EMPLOYEES AND THE SOCIETY

#### **Management Trainees through Campus Recruitment:**

- **New wings talent cultivation project:** The comprehensive upgrade is aimed at creating more high quality and professional young managers through systematic and all-round training. For personnel, we extract the portrait of successful management trainees, produce the core competency model, and refine the output talent portrait; for instructors, we expand the instructor pool, strengthen the screening efforts, follow up on the effectiveness of the teaching, conduct regular instructor-enabling visits, and iteratively optimise the content of the teaching; for the projects, we target 5 phases of cultivation, launch mixed project learning experience, and enrich the course systems and aspects; for the development, we reshape the development path management trainees, reorganise the structure of position assessment, and strengthen the application of the assessment results. In December, by launching a stage-by-stage comprehensive assessment on the aspects of value contribution, development potential and cultural recognition of management trainees, we have enabled those with outstanding capabilities and performance to undergo rapid development and take on greater responsibilities. Among them, the number of management trainees of the class of 2023 who have been promoted after the test and assessment accounted for 86.7% of the total number of management trainees, representing an increase of 16.9% compared with the same period of the class of 2022.



### 3. CARING FOR EMPLOYEES AND THE SOCIETY

#### Reserve Manager:

- **Excellent Talent Scheme:** In 2023, Excellence CM launched the first “Excellent Talent Scheme” Facility Manager Training Camp, which lasted for half a year. Through the integrated and long-term training mechanism, we eventually trained and certified 24 facility managers with professional skills and management capabilities.



- **Excellence Performance Scheme:** It focuses on the project management life cycle of the various key scenarios, with the integration of “researching + learning + practicing + doing” as an innovative training model. All course materials and case materials are 100% developed by us. Students are required to put them into practices directly within the project. This year, a total of 35 outstanding talents stood out, passed the certification, and eventually became the project leader or reserve project leader.



In addition, in 2023, we fully upgraded the reserve supervisors: potential talent and additional reserve directors: pilot program and joyful workplace energy station. The energy station is based on the model of cloud academy + live classes + offline classes, which was completed in June 2023, and launched in July. The project set one theme each month, and completed a total of 6 themes of learning resources to provide all-round coverage, including 12 online courses and 2 live broadcasts, with the aim of completing the coverage of the management culture of the Company through live round-table meetings and live lectures.

## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### 3.3 PROTECTING AND CARING FOR EMPLOYEE HEALTH AND SAFETY

#### Employee occupational health and safety

The concept of the Company's employees health and safety construct a safety protection barrier. The Company carries out the EHS "ten guidelines" policy and insists on zero tolerance for the "safety red line", and implements the "Excellence 123 Safety Management Mindset". This year, the Company released *the Major Safety Incident Reporting System* and *the Special Incident Management Measures* in order to build up the practice of safety culture together. The Safety Department conducted monthly inspections on labour protection equipment and revised *the Comprehensive Emergency Response Plan*. The Company continues to pay attention to the occupational health and safety of its employees, organising regular occupational safety training and taking out commercial insurance for its employees.

We organise and launch one monthly self-inspection of the special position certificates. Each region of each project calculates the changes in the certificate rate and take corresponding control measures.

#### **We strengthen the occupational health and safety of the employees from the aspects as follows:**

1. Develop daily occupational health and safety training, such as high-altitude operation safety training, hazard identification assessment and control training, procedure safety training, traffic safety training, fire safety training, etc.;
2. Allocation and supervision of the use of personal protective equipment, such as helmets, safety belts, insulated safety shoes, ear plugs, protective masks, gas masks, etc.;
3. Supervision of the safety of employees' daily maintenance and repairing operations, and permission and approval system for high-risk operations;
4. Organisation of safety culture activities, occupational health, and safety leadership activities. The Company provides employees with body checks on an annual basis, covering employees from all regions, departments and positions of the Company, which allow the Company to fully understand the health status of employees and the direction for improvement.
5. The COE Department has prepared many promotion materials on EHS safety and production. The organisation's assessment is graded by the level of accidents and related to the staff. The scores of the project will be affected in the event of major safety accidents (special events) that cause a fatality.



### 3. CARING FOR EMPLOYEES AND THE SOCIETY

In 2023, we organised a total of 12 company-level special inspections (an average of 1-2 topics per month), with 3,983 reported issues identified in various regional project inspections and 331 issues identified in the headquarters' spot inspections. A total of 50 regional special inspections and 4,320 project-level special inspections were conducted, with a total of more than 15,000 issues identified. In 2023, we have formulated corresponding implementation standards for 10 categories of safety inspections, focusing on 10 categories of high-risk issues in project operations, such as fire safety, swimming pools, elevators, electricity, buildings, gas, adverse weather, and high fall risks, etc. We have established a three-level safety inspection mechanism (company level, regional level and project level) through the *QM02P01W02-V2.0 Safety Inspection Management System*.

	2023	2022	2021
Number of employees who died at work	2	7	3
Percentage of employees who died at work	0.010%	0.020%	0.022%
Work days lost due to work-related injuries	3,616.75	3,150.25	1,427.00

In 2023, the work injury rate was 0.34%. The Company had no violations in terms of occupational health and safety.

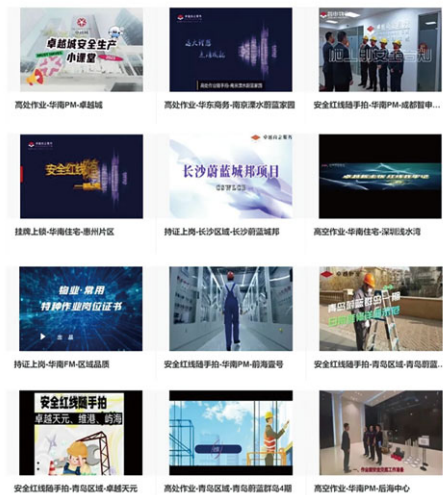
The Technical and Operation Support Centre (COE) of the headquarters has made full use of the Think Tank Management Platform, Cloud Learning Hall and other information-enabled manners to develop and launch a series of professional training courses, such as "COE Lecture Hall", "Safety Weekly Class", "Safety Knowledge Sharing", "Excellent Practice Experience Sharing", "Common High Risk Hidden Hazards and Solutions", etc. At the same time, it also organises online and offline teaching and training courses, in order to further enhance the safety inspection capabilities at all levels and promote zero occurrence of high-risk problems.



### 3. CARING FOR EMPLOYEES AND THE SOCIETY

**Case: Building Safety Awareness among Employees and Safety Red Lines Photo Shooting Campaign**

In the first quarter of 2023, the COE EHS team joined hands with all employees of the Company to launch a meaningful “safety red lines photo shooting” campaign, which covered the entire regions of the Company and projects across the country, focusing on the five safety red lines of “certified special operators, working at height, plate hanging and locking, safety training, and timely reporting of special events”. Each participant is a safety supervisor, recording safety practices or pointing out potential safety hazards through photo shooting.



**Case: Everyone Talks about Safety, Everyone Knows How to Respond to Emergencies**

On the occasion of the 22nd National “Safety Month”, under the leadership of the Company’s Safety Management Committee, the team carefully planned the thematic activity, namely, “Everyone Talks about Safety, Everyone Knows How to Respond to Emergencies” to comprehensively improve the emergency management capability of all of the Company’s employees. A total of 11,508 employees from 471 projects actively participated in the online learning program, laying a solid foundation for building safety awareness and improving risk prevention capabilities.



During the year, we prepared and released the *Hazardous Source Identification Database* for the three industries of FM\PM\residential, organised and launched a comprehensive risk identification and assessment project, strengthened the risk assessment and identification management of each project, and enhanced the safety management skills and level of each project.

## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### 3.4 CARING FOR THE COMMUNITY AND GIVING BACK TO SOCIETY

Since its inception in 1996, Excellence Group has been committed to becoming a socially responsible company, and has been accomplishing this commitment in its business decisions for a long time. Excellence CM follows the example of Excellence Group and has been participating in charity undertakings since 1999 to live up to its corporate social responsibility.

Excellence Group teamed up with Excellence CM to donate a total of RMB680 million and participate in more than 473 charity projects. Along the way, Excellence Charity has started from the simple motive of “doing charity from the bottom of the heart and giving back to the society” to “donation support focusing on the central work of the government” and further to “exploration of the industrial revitalisation model with the corporate operation mindsets and forward-looking perspectives”, through which we have embarked on a path towards public welfare with the characteristics of excellence. Over the past two decades, Excellence CM has been actively engaged in philanthropy and corporate social responsibility, continuing to devote its love to education, rural help, environment, culture, health and public facilities.

#### Community Communication and Integration

##### *Creating a Different Volunteer Activity*

On the morning of 5 September 2023, on the 8th Charity Day of China, “Warming and Good Deeds of Excellence”, a thematic activity of Excellence Charity Month, was successfully held at the Excellence Century Centre in Futian District, Shenzhen. The event was jointly directed by the Futian District Committee of the Communist Youth League and the Futian District Volunteers Association, co-organised by the Excellence Group, the Shenzhen Excellence Group Charity Foundation and the Excellence CM Group, and supported by the Shenzhen Charity Alliance, the Shenzhen Charity Federation, the Shenzhen Project Care Foundation, Shenzhen Evening News, Shenzhen Press Education Group and Shenzhen Deyi Charity Promotion Association. Under the witness of the participants, the Excellence Charity Volunteer Service Team, which consists of more than 40 people, was formally established.



### 3. CARING FOR EMPLOYEES AND THE SOCIETY

#### *Establishing a New Model of “Corporate Charity Channel” for Blood Donations*

On 10 June 2023, the signing ceremony of the blood donation cooperation between Excellence CM Group, Shenzhen Blood Center and Shenzhen Lions Club was successfully held in Shenzhen Futian Injoy with the support of Shenzhen Blood Center and Shenzhen Lions Club. The signing ceremony signifies that the parties will work together to promote blood donation, fulfill the concept of “People First, Life First”, meet the growing demand for clinical blood, and contribute to the high-quality development of Shenzhen’s healthcare industry. The three parties will form close cooperation in resource sharing, brand promotion and social influence to build a new model of “corporate public welfare channel” for blood donation.



#### *The 14th “Red Action” Excellence Charity Blood Donation Day*

On 12 December 2023 the inauguration ceremony of the 14th Red Action was successfully held with the joint efforts of the Shenzhen Lions Club, Shenzhen Blood Centre, Excellence Commercial Property & Facilities Management Group Limited, and the Shenzhen Excellence Group Charity Foundation. According to statistics, the total number of blood donors in this “Red Action” at the Shenzhen Excellence Century Centre reached 82, with 71 successful blood donors and a total blood volume of 26,200 ml, among which 22 heroes from Excellence CM donated 8,400 ml of blood.



## 3. CARING FOR EMPLOYEES AND THE SOCIETY

### Rural Revitalisation Work

2023 kicked off the comprehensive implementation of the spirit of the 20th National Congress of the Communist Party of China, which has made systematic deployment for the comprehensive promotion of rural revitalisation. Under the guidance and support of Shenzhen Rural Revitalisation Bureau, Shenzhen Xinjiang Support Command, Bureau of Civil Affairs of Shenzhen Municipality and other units, Excellence Charity has continued to fulfill its corporate social responsibility and the power of social organisations by supporting Xinjiang and Jiangxi Xunwu with Shenzhen as the base to help the regions in need and set up a demonstration point for rural revitalisation, aiming to provide accurate assistance and facilitate rural revitalisation work.

Excellence Charity has invested a cumulative of nearly RMB6 million in funds (including resources), organised and led more than 100 people in 13 batches to Kashgar and Tashkurgan County, Xinjiang, and Xunwu County, Jiangxi to carry out research and implement various projects. It launched a total of 19 public welfare projects, and served more than 20,000 villagers, the elderly, women, disabled children, students, teachers and educators, achieving outstanding results in its charity business.

#### ➤ *Industry Revitalisation, the First Exploration of the Integrated Development of the “Three Industries*

Excellence CM has kept abreast with the deployment of Shenzhen’s support to Xinjiang, and created the “three industries + three stations + X” public welfare model with Excellence characterises. A base for buckthorn, snow chrysanthemum and black wolfberry: Excellence Charity assisted the increase in the total scale of buckthorn planting in Baldir to 6,500 mu in 2023. Under the industry development planning of “one industry for one village and one product for one village” in Tashkurgan County, Baldir was supported by the Central Government and the local rural revitalisation special funds of RMB2.4 million in 2023. In 2023, we carried out the pilot operation of the Excellence Cultural Tourism, and organised 3 “public welfare + cultural tourism” activities with approximately 50 participants in order to have an in-depth understanding of the resources of cultural tourism and integrate the opinions and suggestions of visitors, thereby laying a foundation for the activation of cultural tourism in 2024.





### 3. CARING FOR EMPLOYEES AND THE SOCIETY

➤ *Focusing on People's Well-being and Improving "Three-Stations" Rural Governance*

The "three stations" social and public services have gradually entered into normal operation, effectively helping the local "elderly and young" residents to solve their livelihood problems, and gradually improving their lives from the material aspect to the spiritual aspect, and eventually to the cultural aspect. The service of "Excellence Baldir Social Worker Station" covers all the elderly in the village, and has launched more than 10 visits, lectures, cultural and entertainment campaigns as well as volunteer cultivation activities, training a team of over 20 volunteers and benefiting nearly 300 people.



Dragon Boat Festival organised by the "Excellence Baldir Social Worker Station"



Visits to pregnant women under the "Excellence Baldir Lucky Mother" program



"Excellence Baldir Lucky Mother" care program



Fun games in Baldir organised by the "Excellence Baldir Culture Station"

### 3. CARING FOR EMPLOYEES AND THE SOCIETY

➤ *Focusing on Industry Revitalisation, Empowering the “Village of Navel Oranges” with Production and Marketing Assistance*

In April 2023, Excellence CM launched the Charity Navel Orange Planting in Xunwu, in which charitable enterprises and the public planted trees in person, conducted regular visits and experienced harvesting. We have set up a platform for the public to participate in the rural revitalisation, explored the integrated model of “three industries”, and provided the mindset of “X” model for rural revitalisation. In 2023, we launched a total of three offline activities. Excellence Charity organised the “Public Welfare + Red Education”, and assisted Changpu County in successfully hosting the first Navel Orange Picking Festival, which resulted in an increase in income of RMB158,700 for orchards as of the end of 2023.



➤ *Education Public Welfare Program*

Excellence CM is committed to talent revitalisation and cultural enrichment, activating the “Beautiful Gardeners” to enhance education. In 2023, we continued to subsidise 3 rehabilitators of the Tashkurgan Disabled Persons Federation, employed 2 staff members with disabilities, and cultivated 2 social workers. The rehabilitators provided cerebral palsy children with 2,116 rehabilitation services throughout the year. In addition, we also motivated 1 rehabilitator to take the professional qualification examination of rehabilitation, as well as 2 employees and 1 social worker to take the junior social worker examination.



“Beautiful Gardeners” Kashgar Regional Educational and Cultural Project



Rehabilitation therapy for children with disabilities by a rehabilitator



## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

Excellence CM has always made it a goal to continuously satisfy customers' needs, advocating the harmonious development of man and the environment, man and nature, responding to and leading enterprises to participate in green and healthy building operation, energy conservation and emission reduction, low-carbon operation, and introducing an international sustainable management system by virtue of the profound experience accumulated in commercial property management, office management and integrated facilities management. Through building a high-end office energy management model, we have established a sustainable operation and management system for commercial properties in terms of indoor air quality, light, odour, smart building management, waste management, energy management and operation, and employee health and safety.

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations that have a significant impact on the Company's development, and continuously improve the awareness of environmental protection by taking a series of practical measures to achieve the expected outcomes.

In terms of the environmental management system, the principal places of business of the Company have passed the ISO 14001:2015 environmental management system certification and ISO50001:2018 energy management system certification. We vigorously promote the implementation of environmental management system by establishing a rigorous structure with a clear division of labour. The functions and duties of these positions are reasonably set in respect of the planning, implementation, inspection, and improvement of the environmental management system, and being measured, examined, and improved in real-time. Currently, the environmental management system is running well.

### 4.1 EMISSIONS CONTROL TO PROTECT THE ENVIRONMENT

Excellence CM has always been adhering to the strategies of low-carbon environmental protection and sustainable development. The Company has passed the requirements of ISO 14001 environmental management system and ISO 50001 energy management system, and is actively and continuously implementing the national low-carbon and environmental protection policies, contributing to the national carbon peak requirements and the Company's sustainable development strategy. We have established Waste Management Rules, Resource and Energy Management Rules, Evaluation and Control of Environmental Factors and other management systems to control emissions, which have been implemented through special inspections, QPI inspections, weekly inspections and daily training. The direct sources of greenhouse gas and exhaust are mainly exhaust from generator maintenance and testing, grease emissions from a small number of residential canteens, as well as emissions from gas boilers. Indirect emissions are from electricity consumed by the operation of facilities and equipment. Every year, the Company conducts publicity on energy saving and consumption reduction in properties to raise the awareness of energy saving and consumption reduction among employees. We advocate green travel, and our projects are basically located in urban areas with convenient transportation. Our employees mostly use subway and bus to travel, thus minimising the emission of vehicle exhaust. Each property management project of the Company is required to set annual energy-saving targets, carry out special tasks for energy-saving transformation in phases, and continue to implement energy-saving measures such as "table clearing and five shutdowns", so as to gradually reduce power waste and control greenhouse gas emissions. In the future, the Company will also develop a sustainable development strategy in response to the call of national policies, step up efforts in environmental governance and pollutant discharge control and take the social responsibilities of low-carbon environmental protection and green properties. During the reporting period, there were no violations with respect to emissions that had a material impact on the Company.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### Management of exhaust gas and greenhouse gas emissions

Our projects under management are mainly commercial office buildings, residential building and a few logistics parks. The direct sources of greenhouse gas emissions are exhaust from generator maintenance and testing, as well as grease emissions from a small number of residential canteens and gas boilers for heating; the indirect source of emissions is caused by using electricity. The Company advocates green travel. Our projects are mostly located in urban areas with convenient transportation, and our employees mostly commute by subways or buses, thereby reducing exhaust gas and greenhouse gas emissions from cars to minimal levels.

#### The Company's Exhaust Gas and Greenhouse Gas<sup>8</sup> Emissions and Intensity

Category	2023 Emissions	2022 Emissions	2021 Emissions	Unit
Sulphur dioxide	18.25	18.08	19.88	kg
Nitrogen oxides	179.1	177.35	195.02	kg
Particulate matter	24.09	23.86	26.24	kg
Direct greenhouse gas emissions	239.07	246.20	255.39	tonnes of carbon dioxide equivalent
Indirect greenhouse gas emissions	81,633.13	69,559.17	59,762.24	tonnes of carbon dioxide equivalent
Total greenhouse gas emissions	81,872.20	69,805.38	60,017.62	tonnes of carbon dioxide equivalent
Greenhouse gas emission intensity	12.79	12.93	14.57	tonnes of carbon dioxide equivalent per 10,000 m <sup>2</sup> of properties under management

### Discharge management

The Company complies with the environmental protection requirements and has formulated *the Garbage and Waste Management Guidelines* and *the Waste Management Regulations*, closely cooperates with the implementation of waste reduction programs, and requires relevant parties to participate in relevant initiatives. We advocate paperless offices, reuse of single-sided paper, and reduce the use of disposable tableware/plastic bags to reduce waste generation.

8 Calculation method of greenhouse gas emissions:  
 Direct greenhouse gas emissions: The Company's gasoline and natural gas consumption is multiplied by the corresponding emission factor. For the emission factor, please refer to ① *China Energy Statistical Yearbook* and ② *IPCC 2006*;  
 Indirect greenhouse gas emissions: The amount of electricity purchased by the Company is multiplied by the corresponding emission factor. For the emission factor, please refer to the *Notice on the Report and Verification of Greenhouse Gas Emissions for Some Enterprises in Key Industries from 2023 to 2025* published by the Ministry of Ecology and Environment;  
 Total greenhouse gas emissions: Sum of direct and indirect greenhouse gas emissions.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

The main hazardous waste involved in the scope of the Company's business activities are: waste toner cartridges, waste ink cartridges, waste lamps, waste paint solvents and other waste. Waste toner cartridges and waste ink cartridges are directly recycled by the supplier. Waste lamps and waste paint solvents are recycled by the institution with hazardous waste disposal qualification or disposed of by party A in compliance with laws and regulations. The quality management department of the Company reviews the list of hazardous wastes each year and updates it according to the National Catalogue of Hazardous Wastes.

- A special hazardous waste warehouse has been set up to collect and store hazardous wastes generated from project operations;
- Priority is given to the procurement of non-mercury LED light fixtures to replace old ones, and to the procurement of environmentally friendly non-hazardous paints and coatings such as water-based paints;

The Company's non-hazardous waste is mainly domestic waste, which is categorized according to the requirements of the local government. We actively cooperate with the local government to launch the publicity of "waste classification" and other related environmental protection contents. For office and domestic garbage generated daily, we first separate the recyclable garbage and have them disposed of by the contracted qualified suppliers. Domestic garbage will be collected in a garbage room, transported, and disposed of by the sanitation department, and registered in terms of quantity. During the process, no secondary pollution such as splashing and scattering is allowed. All decoration waste is cleared and transported by the construction entity.

The Company takes the following measures to facilitate residents to carry out waste classification:

- 1) The property service centre should suggest to the real estate company the allocation of separated bins prior to the entry of new projects, and make effective suggestions on the location, quantity and style of the bins.
- 2) Non-recyclable, recyclable and hazardous waste collection devices should be set up in public areas, the number of which should be based on the standard of convenience for customers. Classification signs should also be clearly labelled.
- 3) Each management office should influence and guide property owners and other staff to put solid waste according to the classification standard through environmental protection publicity activities, and encourage property owners to put hazardous waste in special collection bins.

The Company's projects generate domestic sewage (but no industrial wastewater) mainly for domestic sewage from toilets and tea rooms, cleaning and tool cleaning water, air conditioning condensate, etc. Sewage from toilets and tea rooms and cleaning wastewater are treated in Level III septic tanks and then discharged into municipal sewage pipes for centralised treatment in urban sewage plants, and the Company pays wastewater treatment fees as required. Air conditioning condensate is recycled instead of being discharged.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### **Implementation of waste management training:**

Systematic documents such as “Garbage and Waste Management Guidelines” and “Waste Management Requirements” have been incorporated into the annual training program of each project. Waste management has been included in the assessment criteria of performance appraisal. Training and QPI assessment can enhance the skills of the basic units.

In 2023, the total amount of hazardous waste<sup>9</sup> discharged by the Company was 4.65 tonnes, and the hazardous waste intensity was 0.000727 tonnes/10,000 m<sup>2</sup> of property under management. The total amount of non-hazardous waste<sup>10</sup> discharged was 89,725.65 tonnes, and the non-hazardous waste intensity was 14.02 tonnes/10,000 m<sup>2</sup> of property under management. During the year, non-hazardous waste was mainly domestic waste.

Category	Unit	2023 Emissions	2022 Emissions	2021 Emissions
Hazardous waste	tonnes	4.65	2.35	4.44
Waste lamps	tonnes	3.64	1.27	2.67
Waste paint solvent	tonnes	1.01	1.08	1.77
Non-hazardous waste	tonnes	89,725.65	82,827.90	53,278.00

### 4.2 RESOURCE CONSERVATION, ENERGY SAVING AND CONSUMPTION REDUCTION

In terms of energy use, the Company has established a complete and sound management system. The relevant management measures in effect include: *the Resource and Energy Management Rules, the Energy Evaluation Management Rules, the Regulations on Control of Energy Benchmarks and Performance Parameters, and the Procedures for Identification, Evaluation and Control of Environmental Factors*, etc. Since the establishment of our energy management system in 2019, the Company has set annual responsibility targets for certified areas and projects (headquarters office area, Tower 1 of Excellence Century Centre) every year, and such targets have been successfully completed. By establishing an effective energy management system that is integrated with the latest technology in our daily operations and maintenance activities, the Company strives to continuously improve energy efficiency and pursues excellent energy performance based on the full life cycle of our equipment. The Company’s business does not involve the use of packaging materials for our products.

9 Due to the business nature, the hazardous waste of the Company and those generated by owners of the projects under management are hard to differentiate, therefore, the total emissions of hazardous waste include those generated by owners or tenants of the projects under management. Among which, the waste toner cartridges and waste ink cartridges are not included in the statistics as they are replaced and recycled by suppliers.

10 Due to the business nature, the non-hazardous waste of the Company and those generated by owners of the projects under management are hard to differentiate, therefore, the total emissions of nonhazardous waste include those generated by owners or tenants of the projects under management.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### Energy Management

The Company has launched an efficiency program that includes energy use, incorporating efficiency indicators into the performance assessment of individuals, departments, projects and regions, and has set up special incentive funds to enhance the enthusiasm of the relevant personnel in carrying out their work. At present, energy management has covered all the relevant stock project operating sites. Key energy saving projects include: lighting energy saving, air-conditioning system energy saving, wind turbine and pump energy saving and elevator energy saving.

In terms of energy management, Excellence CM has responded to customer needs by further strengthening the management of time and equipment usage standards, deploying digital platforms and energy facilities renovation, continuously enhancing the optimisation of energy consumption structure in buildings, and promoting the renovation of energy-saving facilities in buildings, in order to achieve the goal of reducing costs and increasing efficiency for customers.

Through building a high-end office energy management model, we have established a sustainable operation and management system for commercial properties in terms of indoor air quality, light, odour, smart building management, waste management, energy management and operation, and employee health and safety. The Company will build an information management platform to realise online analysis and control of energy resources for each project at the company level, promote process control with data management, achieve the goal of green, low-carbon and sustainable operation, and make excellent contributions to the reduction of energy resources. In 2023, integrated energy consumption intensity was 23.17% lower than the previous year.

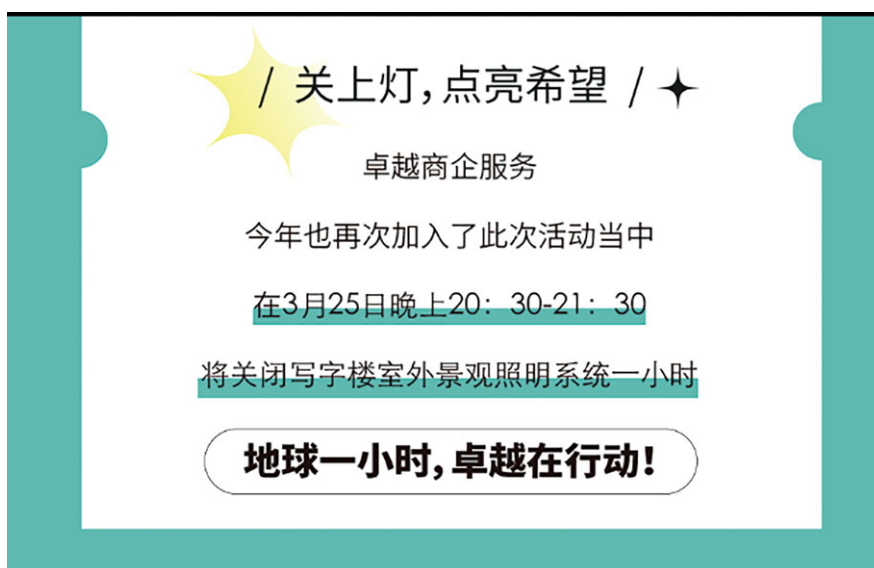
#### The Company's Resource and Energy Consumption and Intensity

Category	2023 Consumption	2022 Consumption	2021 Consumption	Unit
Electricity consumption	143,140,672.23	119,723,186.05	102,860,995.00	kWh
Natural gas	101,775.00	100,782.00	110,819.00	Nm <sup>3</sup>
Liquefied petroleum gas	5,081.00	8,013.00	3,980.00	kg
Water consumption	2,394,036.99	3,605,747.63	5,730,783.00	m <sup>3</sup>
Water consumption intensity	0.04	0.07	0.14	m <sup>3</sup> /each m <sup>2</sup> of property under management
Integrated energy consumption	144,312.94	120,925.61	104,115.77	'000 kWh
Integrated energy consumption intensity	22.55	29.35	25.27	'000 kWh/10,000 m <sup>2</sup> of property under management

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### Case: Implementing Earth Hour to contribute to low-carbon initiatives

Excellence CM invited every resident to shut down for one hour and take action to reduce energy consumption and jointly contribute one hour to the Earth.



### Water resources management

The Company complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Water Law of the People's Republic of China* and other relevant laws and regulations, and has formulated management systems such as the *Resource and Energy Management Rules*, the *Energy Management Guidelines for Residential Projects of Excellence Property*, the *Water Landscape Maintenance Management Guidelines*, and the *Engineering Equipment and Facilities Maintenance Management Guidelines*, which control the water resources from the perspective of resource management, water-saving measures, as well as leakage prevention and discharge reduction, respectively.

The water supply of the Company is mainly municipal water. We advocate the use of reclaimed water, water conservation, etc. to reduce the waste of water resources. The Company implements water-saving measures internally and sets annual water conservation targets. We adopt water-saving measures such as the reuse and transformation of reclaimed water and the use of water-saving toilets. We conduct continuous inspections in daily operations, repair damaged faucets in a timely manner, and prevent wasting water. Excellence CM's operations team enhances energy efficiency by significantly promoting the use of water-saving equipment such as nighttime ice storage air conditioners, crossflow cooling towers, water-saving cleaning equipment, sensor-activated and quick-open faucets, drip irrigation, rainwater harvesting, and other water-saving devices.

During the year, the Company did not have any problems in sourcing water that is fit for purpose. In response to the government's call for water conservation, we expanded water sources suitable for the property management projects in numerous ways, in an effort to achieve energy conservation and environmental protection. In 2023, the properties of Excellence Nathan Road Court (卓越彌敦道名苑), Excellence Queen's Road Court (卓越皇后道名苑), City Centre Garden (城市中心花園), Cote d'Azur Phase 124 (蔚藍海岸124期) and Excellence Victoria Harbour (卓越維港) were honoured with the title of Water Conservation Districts.



## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### Case: Shenzhen Water Conservation Benchmarking for Building a Sponge City

In April 2023, the Water Authority of Shenzhen Municipality formally awarded Excellence Baozhong Times Square (卓越寶中時代廣場) the “Municipal Water Conservation Benchmarking Business Complex” in the “World Water Conservation Day, China Water Conservation Week” event, as one of the first three benchmarking business complexes in Shenzhen to be awarded the honour. This is an important achievement of Excellence CM in ESG practice.



### Green Property Management

At present, Excellence CM's 8 projects under management has been awarded 11 LEED/WELL green building international gold certificates, which not only helps corporate customers achieve the goal of high performance operation strategy and corporate cost control in workplaces, but also responds to the call of the government, social organisations and experts from all sectors to lead the industry and create sustainable urban development, green and low-carbon operations.

Excellence CM has always made it a goal to continuously satisfy customers' needs, advocating the harmonious development of man and the environment, man and nature, responding to and leading enterprises to participate in green and healthy building operation, energy conservation and emission reduction, low-carbon operation, and introducing an international sustainable management system by virtue of the profound experience accumulated in commercial property management, office management and integrated facilities management. Our main service venues have been certified with “ISO14001:2015 environmental management system” and “ISO50001:2018 energy management system”.

In the process of property management, we try to use more energy-efficient equipment, such as LED lights and sensor-based lights, etc. Every year, the headquarters collects energy-saving opportunities from subsidiaries through the region. At the same time, the headquarters selects important energy consumption projects to carry out on-site inspections to assist the regions in further exploring energy-saving potentials and contributing to the achievement of the efficiency targets. In 2023, each program of an efficiency project went through at least two rounds of review by the energy efficiency group. The projects were required to provide all the materials needed for the review as evidence. If necessary, finance, procurement, and human resources were invited to confirm the information to ensure the accuracy of the energy efficiency performance.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### 4.3 EVALUATING AND ADDRESSING CLIMATE CHANGE

The Company actively responds to the national carbon peaking goal and carbon neutrality vision, and uses corporate strength to deal with climate change, build ecological civilization, and promote high-quality development. The Company describes the efforts and the future direction in response to climate change based on governance, strategy, risk management, indicators and targets.

#### Governance

Focusing on the governance of climate-related risks and opportunities, according to the ESG governance structure formulated by the Company, the Company has clarified that on climate change issues, and the Strategy and ESG Committee under the Board has clarified the Company's operation goals and long-term development strategies, made recommendations for major issues, and suggest and supervise the implementation of annual operation plans and proposals. At the same time, the Company has set up an ESG working group to clarify the responsibility for climate change management and target implementation, and to report to the Board on a regular basis.

#### Strategy

Climate-related risks include transition risks associated with a low-carbon economy and physical risks associated with the impacts of climate change. For the risks of climate change identified, the Company has formulated management measures and contingency plans. The Company has formulated *the Identification, Evaluation and Control of Environmental Factors*, *the Energy Evaluation Management Rules*, and other relevant control measures in response to climate change, and has passed the systems of *the Integrated Emergency Response Plans*, *the Emergency Response Plans for Blizzard and Cold Wave*, *the Emergency Response Plans for Typhoons and Floods*, etc. Through risk management and control, the Company has reduced the incidence of risks arising from climate change to the operating process in advance, and ensured the rapid handling of risks through emergency response plans to minimise the impact on operations.

In terms of transition risks, the policy and regulatory risks, with the deepening of the society's understanding of climate change and the implementation of relevant policies, the operating locations may increase energy prices, set energy use caps, expand the coverage of paid greenhouse gas emissions or improving other environmental regulatory requirements will lead to an increase in our operating costs. In this regard, we actively respond to the national strategy, and implement innovative measures to get prepared for the risks brought about by climate change.

In terms of acute physical risks, we focus on the impact of extreme weather on production operations, and identify various natural disasters, extreme weather or adverse weather conditions that operations may face, which are mainly shown on:

- When extreme rainfall, blizzard, cold wave and other conditions which may affect the Company's provision of property services occur, the provision of property services for owners is directly affected by extreme weather events on residential communities, office buildings, industrial parks, etc.;
- In the case of a sudden drop in temperature due to cold weather, due to thermal expansion and contraction, water pipes in residential communities, office buildings, and industrial parks may be at risk of bursting, which may increase the cost of property services we provide.

## 4. GREEN AND LOW CARBON OPERATION FOR ENVIRONMENTAL PROTECTION

### Risk Management

Based on the characteristics of the industry in which the Company operates and the actual situation, we have identified and assessed the management process for climate-related risks. For the risks of climate change identified, the Company has formulated management measures and contingency plans. Through risk management and control, the Company has reduced the incidence of risks arising from climate change to the operating process in advance, and ensured the rapid handling of risks through emergency response plans to minimise the impact on operations. The Company identified that environmental and climate risks may lead to operational and financial risks. In response to the identified climate-related risks, we continue to improve our risk response processes and systems, and conduct safety awareness promotion activities to prevent climate change.



(Active response to typhoon)

### Indicators and goals

In order for the climate change process to be measurable, it is crucial to select appropriate parameters and indicators, and to set responsive targets. The Company actively responds to the national carbon peaking goal and carbon neutrality vision, and uses corporate strength to deal with climate change, build ecological civilization, and promote high-quality development. Combined with the actual situation, the Company has clarified the climate-related risk indicators related to energy use efficiency, water resource efficiency, waste discharge and greenhouse gas emission management. At the same time, the Company will continue to promote the formulation of relevant quantitative targets, formulate energy KPI reward and punishment standards annually, motivate projects and employees to achieve the Company's annual targets, and regularly review the implementation of the goals.

## 2023 AWARDS AND ACCOLADES

No.	Title of the awards and accolades	Awarding unit
1	2023 Outstanding Service Performance of Property Service Enterprises	Guardian Index Academy
2	2023 Outstanding Capital Market Performance of Listed Property Service Enterprises	Guardian Index Academy
3	2023 Outstanding Innovation Performance of Property Service Enterprises	Guardian Index Academy
4	2023 Outstanding Financial Performance of Listed Property Service Enterprises	Guardian Index Academy
5	2023 Outstanding Performance of Property Service Enterprises	Guardian Index Academy
6	Shenzhen Market Quality Credit AAA Grade Enterprise	Shenzhen Association for Quality
7	2023 TOP 100 Property Management Companies in China (TOP12)	CMI Research Institute
8	2023 China IFM Service Outstanding Enterprise (TOP2)	CMI Research Institute
9	2023 China Office Property Management Exceptional Companies	CMI Research Institute
10	2023 TOP 100 Business Performance of Property Management in China (TOP10)	CMI Research Institute
11	2023 China Property Community Value-added Service Excellent Enterprise	CMI Research Institute
12	2023 International Property Management Services Sustainable Development Excellence Enterprise	CMI Research Institute
13	Best Employer – Corporate Development Award	Shenzhen General Chamber of Commerce
14	2023 Top 20 Listed Property Management Companies in China (TOP 12)	China Real Estate Association\E-House China R&D Institute\E-House CRIC
15	2023 Leading Enterprises with Development Potential of Listed Property Management Companies in China (TOP10)	China Real Estate Association\E-House China R&D Institute\E-House CRIC

# Appendix

No.	Title of the awards and accolades	Awarding unit
16	2023 Top 20 of China Property Management Companies	CRIC Property Management\ China Property Research Association
17	China Leading Enterprise in terms of Office Property Services in 2023	CRIC Property Management\ China Property Research Association
18	2023 Excellent Benchmark Project of Property Management in China – Shenzhen Excellence Century Centre	CRIC Property Management\ China Property Research Association
19	2023 (Industry) Influential Brand	2023 12th China Finance Summit Organising Committee
20	China Leading Enterprise in terms of Commercial Property Services in 2023	EH Consulting, EH Property Research
21	2023 China Property Services Featured Property Benchmarking Enterprise (High-end Commercial Services)	EH Consulting, EH Property Research
22	2023 Model Enterprises for Property Customer Satisfaction in China	EH Consulting, EH Property Research
23	2023 Outstanding Enterprises in Property Service Market Operation in China	EH Consulting, EH Property Research
24	Leading Enterprise in Property Services for Industrial Parks in China in 2023	EH Consulting, EH Property Research
25	2023 China International Property Services Excellent Brands	EH Consulting, EH Property Research
26	Top 100 Property Service Companies in 2023	CRIC Property Management\ China Property Research Association
27	2023 TOP 20 Enterprises with Office Property Management in China (TOP 2)	CRIC Property Management\ China Property Research Association

No.	Title of the awards and accolades	Awarding unit
28	2023 TOP 20 Enterprises with High-end Property Management in China	CRIC Property Management\ China Property Research Association
29	Leading Enterprise in Property FM Facilities Management in China in 2023	CRIC Property Management\ China Property Research Association
30	2023 Services for Complex Benchmarking Project – Excellence Dabaihui	CRIC Property Management\ China Property Research Association
31	2023 China TOP 100 Property Service Companies	CRIC Property Management\ China Property Research Association
32	2023 Top 30 Property Management Service South China Brand Enterprise	CRIC Property Management\ China Property Research Association
33	2023 TOP 20 Listed Property Companies in China	National Business Daily
34	2023 Guangdong Property Services Enterprise with Comprehensive Development Strength	Guangdong Property Management Industry Institute
35	2023 TOP100 Property Enterprises with Super Service Power in China	EH Consulting, EH Property Research
36	2023 Benchmark Project of Commercial Property Management in China – Excellence City of Shenzhen	EH Consulting, EH Property Research
37	2023 Leading Enterprises Services for Industrial Park Light Asset Operation in China	EH Consulting, EH Property Research
38	2023 Leading Employer Brand Influence of Property Services	EH Consulting, EH Property Research
39	2023 Leading Enterprises in IFM Innovation Services in China	EH Consulting, EH Property Research
40	2023 Leading Enterprises in Property Services in South China	EH Consulting, EH Property Research



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No.	Title of the awards and accolades	Awarding unit
41	2023 Excellent Enterprise in Property Services in Shenzhen, China	EH Consulting, EH Property Research
42	Top 100 Property Service Companies in Guangdong-Hong Kong-Macao Greater Bay Area in 2023	CRIC Property Management\ China Property Research Association
43	2023 Residential Benchmark Project with Property Management in the Guangdong, Hong Kong and Macao Greater Bay Area – Shenzhen Dongguan Qingxi Yuncui	CRIC Property Management\ China Property Research Association
44	2023 Residential Benchmark Project with Property Management in the Guangdong, Hong Kong and Macao Greater Bay Area – Excellence Houhai Centre	CRIC Property Management\ China Property Research Association
45	2023 TOP 10 Enterprises with Office Property Management in the Guangdong, Hong Kong and Macao Greater Bay Area (TOP 1)	CRIC Property Management\ China Property Research Association
46	Charitable Enterprise Award	Shenzhen Blood Center/ Shenzhen Lions Club
47	Hematopoietic Stem Cell Donation Certificate of Appreciation	China Marrow Donor Program/Guangdong Management Center/ Shenzhen Blood Center
48	13th “Red Action” Charitable Unit	Shenzhen Blood Center/ Shenzhen Lions Club
49	13th “Red Action” Excellent Contribution Award	Shenzhen Blood Center/ Shenzhen Lions Club

## INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental, Social and Governance Reporting Guide		Report contents
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A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control to Protect the Environment
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control to Protect the Environment
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control to Protect the Environment
A1.5	Description of the emission targets set and the steps taken to achieve them.	Emissions Control to Protect the Environment
A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of the waste reduction targets set and the steps taken to achieve them.	Emissions Control to Protect the Environment

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A2.1	Direct calculated or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Conservation, Energy Saving and Consumption Reduction
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Conservation, Energy Saving and Consumption Reduction
A2.3	Description of the energy use efficiency targets set and the steps taken to achieve them.	Resource Conservation, Energy Saving and Consumption Reduction
A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, and water efficiency targets set and the steps taken to achieve them.	Resource Conservation, Energy Saving and Consumption Reduction
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Green and Low Carbon Operation for Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green and Low Carbon Operation for Environmental Protection
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Evaluating and Addressing Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Evaluating and Addressing Climate Change

Subject Areas B. Social		
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B1	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, vacations, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Equal Employment and Protection of Rights and Interests
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Equal Employment and Protection of Rights and Interests
B1.2	Employee turnover rate by gender, age group and geographical region.	Equal Employment and Protection of Rights and Interests
Aspect B2: Health and Safety		
B2	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Protecting and Caring for Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Protecting and Caring for Employee Health and Safety
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B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training for Development and Advancement
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Aspect B5: Supply Chain Management		
B5	General Disclosure Information on policies on managing environmental and social risks of the supply chain.	Green Procurement to Achieve Harmony and Win-Win Results
B5.1	Number of suppliers by geographical region.	Green Procurement to Achieve Harmony and Win-Win Results
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Green Procurement to Achieve Harmony and Win-Win Results
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green Procurement to Achieve Harmony and Win-Win Results
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Procurement to Achieve Harmony and Win-Win Results
Aspect B6: Product Responsibility		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Enhancement in Quality and Services
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Listening Carefully to Solve Customers' Problems
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Enhancement in Quality and Services
B6.4	Description of quality assurance process and recall procedures.	Enhancement in Quality and Services
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Aspect B7: Anti-corruption		
B7	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	Operational Compliance, Integrity and Honesty
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operational Compliance, Integrity and Honesty
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operational Compliance, Integrity and Honesty
B7.3	Description of anti-corruption training provided to directors and staff.	Operational Compliance, Integrity and Honesty
Aspect B8: Community Investment		
B8	<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	Caring for the Community and Giving Back to Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for the Community and Giving Back to Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for the Community and Giving Back to Society

# COMMENTS AND FEEDBACK

Dear readers,

Thank you for reading the Report. In order to continuously enhance and improve the sustainable development management of the Company, we sincerely hope to hear opinions and suggestions from you on the Report.

## Selective questions

1. What is your opinion about this Report as a whole?

Very good      Good      Normal

2. How do you think of the clearness, accuracy and completeness of the information and data disclosed in this Report?

Very good      Good      Normal

3. How do you think this Report reflects the Company's significant impact on the economy, society and environment?

Very good      Good      Normal

4. How do you think of the Company's performance in safeguarding the interests of stakeholders?

Very good      Good      Normal

## Open questions

1. What part of this Report are you most satisfied with?

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2. What information would you like to know more about?

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3. Your opinions and suggestions on the sustainable development management and "Environmental, Social and Governance Report" of the Company:

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## More opinions and feedback methods

For details of investor relations, please contact the Investors Relations and Securities Department of Excellence CM

IR@exceam.com

For any violation of the Code of Professional Ethics by employees or organisations, please contact the Audit Department of Excellence CM

wyjubao@exceam.com

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