

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

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2107

## Environmental, Social and Governance Report 2024



Green and Healthy  
Living Experiences

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## About this Report

### INTRODUCTION TO THE REPORT

This report is the fifth Environmental, Social and Governance Report (the “**ESG Report**”) published by First Service Holding Limited (the “**Company**”, “**First Service**” or “**we**”, together with its subsidiaries, collectively referred to as the “**Group**”), which discloses the Company’s sustainability performance in the past year in a transparent and open manner, so as to respond to the concerns and expectations of various stakeholders regarding the Company’s sustainability. The Report should be read in conjunction with the “Corporate Governance Report” section of the Company’s 2024 Annual Report to help readers gain a more comprehensive understanding of the Company’s ESG performance.

### SCOPE OF THIS REPORT

The reporting period of the Report is from 1 January 2024 to 31 December 2024 (the “**Year**”), and some parts of the Report have gone beyond the Reporting Period moderately for the purpose of enhancing the comparability and completeness of the Report. Unless otherwise stated, the scope of the Report is consistent with that of the Company’s 2024 Annual Report. The Report mainly covers First Service Holding Limited and its branches whose principal place of operation is in China and its subsidiaries whose financial statements are consolidated into the Group’s financial statements. Compared with 2023, there are no significant changes in the scope of disclosure.

### REPORTING STANDARDS

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





## About this Report

### REPORTING PRINCIPLES

Reporting Principles	Definition	Response of the Company
<b>Materiality</b>	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	In the Report, the Group identified material sustainability issues through ongoing communication with stakeholders and by considering the nature and mode of its business operations, and prioritised the different material issues.
<b>Quantitative</b>	KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Report presents quantitative disclosures for environmental and social KPIs where practicable. Notes were made to give readers a better understanding of our practical results.
<b>Balance</b>	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	Prepared based on objective facts, the Report elaborates in detail on material sustainability issues that have a significant impact on the business and discloses the relevant performance.
<b>Consistency</b>	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The scope and methodology of disclosure in the Report remain largely consistent from year to year, enabling readers to make comparisons of performance data.



## About this Report

### SOURCE OF INFORMATION

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

### PUBLICATION

The Report was prepared in both Chinese and English and published electronically. It has been uploaded onto the Company's official website at [www.firstservice.hk](http://www.firstservice.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). In case of any conflict or discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail.

### CONFIRMATION AND APPROVAL

The Report was reviewed and approved by the Board on 28 March 2025.

## About First Service

**First Service Holding Limited focuses on providing property management services and green living solutions that cover the full property life cycle.**



### Company Philosophy

"Technological Living, Homelike Service"

### Company Mission

We position ourselves as an operator of full life scene industrial homes with green technology. While catering to all stages of the property lifecycle, we strive to provide our customers with digitally connected, green and healthy living experiences in residential and non-residential properties.

### Company Business

#### 1. Property management services

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

## About First Service

### 2. Green living solutions

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

- (i) energy operation services;
- (ii) green technology consulting services;
- (iii) system installation services; and
- (iv) sales of our AIRDINO systems.

### 3. Value-added services

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

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





## About First Service

### Corporate Honours

From its incorporation, the Company's abundant experience in property management has been the cornerstone of our success, allowing us to truly understand property owners' needs. The insights have enabled us to offer tailor-made products and services that span the entire property life-cycle, making life easier for our customers. In 2024, our honours and awards were granted by government agencies, industry associations and other prestigious organisations.



17<sup>th</sup> among the 2024  
Top 100 Property Management  
Companies in China



Top 17 Chinese Property  
Enterprises with Overall  
Strength in 2024



Top 17 Chinese Listed  
Property Enterprises  
in 2024



2024 Top 20 Companies  
in Residential Property Service



2024 Top 20 Companies  
in Industrial Park  
Property Service



2024 Top 100 High-quality Service  
Property Management Companies  
in China



# BOARD STATEMENT





## Board Statement

As an operator of full life scene industrial homes with green technology, First Service focuses on providing property management services and green living solutions that cover the full property lifecycle. We continually implement our “Technological Living, Homelike Service” philosophy. Committed to becoming a unicorn company that offers green property management service, we strive to provide customers with comfortable and healthy living experiences with green technology in residential and non-residential properties at all stages of the property lifecycle. The ESG philosophy is highly aligned with national development strategies. Following the Stock Exchange’s updates to its ESG climate-related disclosure requirements, we have further improved our ESG governance practices.

Improving communities with green initiatives, we are devoted to offering green living solutions to uphold our commitment to environmental sustainability. We provide green technology consulting services and systems installation services at different stages of the property lifecycle. We have developed three generations of AIRDINO systems and built a green cloud platform, not only achieving economic benefits, but also creating good social and environmental benefits.

We strive to impress our customers with our service, committed to providing quality guaranteed services and products. Continuous efforts are made to strengthen standardization, specialization, and intelligent development, with focus on improving the quality of life in residential properties and creating digitally connected, green, and healthy living experiences. We prioritise production safety, achieving zero material safety accident during the Year. We carry out a variety of cultural activities and place significant emphasis on handling customer complaints.

We promote integrity through compliance and take zero-tolerance attitude towards corruption. We have clarified the “four stages” and “five don’ts principle”, ensuring no legal cases regarding corrupt practices during the Year through system building, anti-corruption training, etc. Simultaneously, we also ensure compliance in the aspect of intellectual property protection.





## Board Statement

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

We optimise our operations with a low-carbon approach and consider green development as a crucial path for our growth. We insist on controlling emissions and discharges, striving to minimise environmental impacts during daily operations. We have established and implemented a three-tier control system to ensure the effective management of exhaust gas, wastewater and waste. We push forward energy conservation and emission reduction through specific rules and regulations, leverage energy-saving technology to reduce energy consumption and optimise energy management mechanisms and utilization efficiency. With attention paid to the risks and opportunities arising from climate change, we proactively take preventive and response measures.

We give back to society through charity activities. With focus on meeting social needs, we will make unswerving efforts to light up hope through philanthropy, carry out a series of public welfare activities annually and explore new forms and objectives to fulfill our corporate social responsibilities.

First Service cannot achieve sustainable development without the engagement and support of all stakeholders. We will further integrate ESG principles into the daily operations, striving for greater achievements on the path of sustainable development.



## Sustainable Development Governance and Material Issue Identification

### ESG Governance Framework

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

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

**Table: First Service's ESG Governance Framework**

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

## Sustainable Development Governance and Material Issue Identification

### Green Strategy and Management Vision

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

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

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

### Stakeholders and Communication

First Service fully attaches importance to and effectively responds to the expectations and demands of stakeholders, promotes social development with stakeholders and shares the fruits of development. Based on our 2023 ESG Report, we identified in more detail stakeholders related to environmental, social, and governance aspects. We also invited more stakeholders to participate in communication, including government and regulatory agencies, shareholders and investors, customers and property owners, employees (including grassroots, middle-level employees, and senior management), suppliers and partners, media and NGOs, and communities. We have established targeted and diversified communication channels for different stakeholders. The following table presents the key ESG issues of concern to stakeholders and the primary communication methods:

**Table: Issues of Concern to Stakeholders and Primary Communication Methods**

Key stakeholders	Key ESG issues of concern	Primary communication methods and channels
<b>Government bodies and regulators</b>	Customer/property owner health and safety, product and service quality, information security protection	Policy consultation, work reports, information disclosure, routine inspections, regulatory meetings
<b>Shareholders and investors</b>	Emissions, employment, product and service quality	Daily reception, shareholders' general meetings, information disclosure, investor hotline and email address, official website
<b>Customers/property owners</b>	Emissions, customer/property owner health and safety, employment, product and service quality, information security protection	Service hotline, official website, customer satisfaction surveys, information disclosure, community activities



## Sustainable Development Governance and Material Issue Identification

Key stakeholders	Key ESG issues of concern	Primary communication methods and channels
<b>Employees (primary and middle-level employees)</b>	Employment, employee career development, employee health and wellness, employee rights and interests, information security protection, customer/property owner health and safety	Staff congress, labour union, letters and visits, direct communication
<b>Employees (senior management)</b>	Climate change, employment, employee rights and interests, employee health and wellness, product and service quality, anti-corruption, customer/property owner health and safety, information security protection	Interviews, questionnaires, direct communication
<b>Suppliers/partners</b>	Resource utilization, climate change, supply chain management, product and service quality, information security protection, anti-corruption	Open bidding process, contract negotiation, daily business communication, etc.
<b>Media and NGOs</b>	Information security protection, supply chain management, employment, employee career development, employee health and wellness	Social media, official website, press conferences, exchange meetings
<b>Community</b>	Resource utilization, information security protection, community investment	Community education and publicity, seminars and exchanges, public welfare activities, community activities
<b>Industry associations</b>	Employment, anti-corruption, supply chain management, climate change	Periodic communication sessions, information disclosure and social media

### Identification and Analysis of Material ESG Issues

To further assess the concerns and expectations of stakeholders on the Company's ESG issues and identify key areas for ESG practices, the Company, in accordance with the Stock Exchange's ESG Reporting Code and with reference to the Global Reporting Initiative's materiality analysis procedures, collects issues of concern to key stakeholders through ESG issue identification, stakeholder surveys, materiality analysis, and management feedback confirmation. Based on the issues identified in 2023, the Company further updated the content of the issues, conducted a materiality analysis and prioritised the issues, identified the Company's material environmental and social issues, and disclosed them in the Report.

## Sustainable Development Governance and Material Issue Identification

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

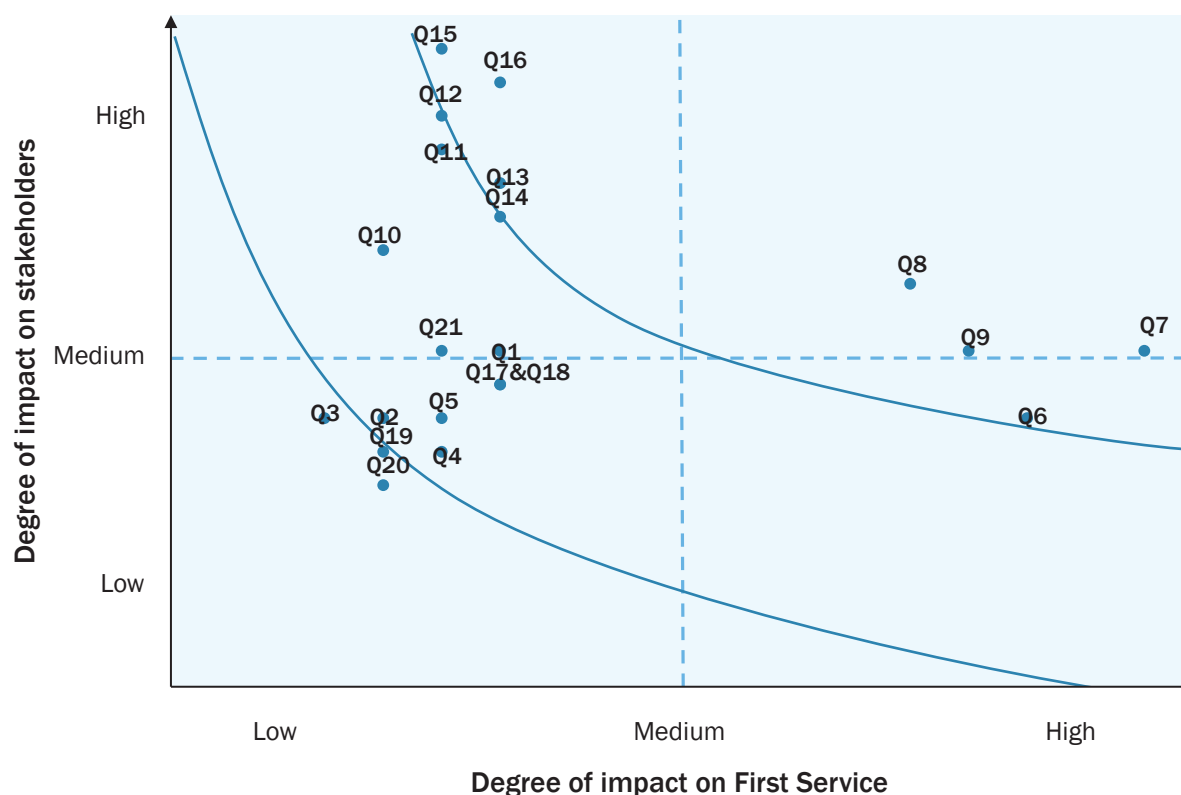


Figure: Materiality analysis matrix of ESG issues of First Service in 2024

### Notes:

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

In the matrix diagram with the horizontal axis representing the impact on First Service and the vertical axis representing the impact on stakeholders, we classified the material issues into three categories. The upper right corner represents "very important", indicating that issues such as employee career development, employee health and wellness, employee rights and interests, community investment, information security protection, and product and service quality are of the highest importance. In light of the above ESG materiality assessment results, we disclose the key issues in detail in the corresponding sections so as to better address the concerns and expectations of various stakeholders.

## Improving Communities with Greenness

### Developing Green Technology

First Service is devoted to offering green living solutions, helping customers achieve the “Four Stabilizing Goals”, i.e. ideal temperatures (恆溫), ideal humidity levels (恆濕), ideal air circulation (恆氧) and ideal noise insulation (恆靜), so as to improve living conditions and uphold its commitment to environmental sustainability. We provide a variety of green early intervention activities, green community operation services, and green community ecological services at different stages of the property lifecycle, and promote energy conservation by integrating multiple green living solutions.

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



## Improving Communities with Greenness

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

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

Through the energy consumption quota management and other functions provided by the cloud platform, projects managed by the cloud platform achieved good economic benefits and good social and environmental benefits in 2024.

## Improving Communities with Greenness

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

01

Saving electricity by  
**6.56 million** kWh



02

Saving natural gas by **2.37 million** cubic metres



First Service will continually practice environmental protection concepts. The Company pays ongoing attention to the latest policies for developing green and healthy buildings in China. With the full popularisation of green buildings, it will prioritise promoting and using the intelligent AI cloud energy management platform and other technologies to improve the operation and maintenance management level of complex energy systems such as central air-conditioning systems for the purposes of energy conservation and efficiency enhancement. At the same time, it will strengthen the combination of the green building system with the technology related to the goal of peaking carbon emissions and achieving carbon neutrality ("dual carbon"), and consolidate the market competitiveness of its technologies and products. In addition, relying on the technological research and development ("R&D") and product application regarding passive houses and near-zero energy buildings, First Living will accumulate the results of technology R&D and the experience in application of the results in projects, expand the technological innovation and product application in the field of healthy buildings, with a view to promoting healthy buildings and communities in practice.

## Improving Communities with Greenness

### Emphasizing Technological Innovation

First Service values technological R&D and innovation. It strives to find ways to conserve energy and concretize its innovation results through patent and copyright registration. We continually focus on improving the capabilities of efficient, energy-saving, low-emission, and professional operation and maintenance services. The AI cloud O&M platform, established and refined in operation, has enabled the Company to achieve notable advancements in the intelligent O&M of central air-conditioning systems. For instance, a number of self-managed projects have realised fully automated operation and troubleshooting of server rooms with AI technology. This not only significantly reduces both operational energy use of projects and personnel & training costs across the Company. Currently, AI cloud O&M technology has been extended to external projects, all of which yield satisfactory outcomes. In the future, we will remain committed to AI cloud O&M, with the goal of becoming a leading technology-driven O&M service provider in China.

We established the AI cloud O&M platform based on big data and AI algorithms, which was successfully applied in multiple external projects in 2024. Upon the deployment of an AI cloud energy-saving strategy, the annual energy consumption of air conditioners in a large government office building project was reduced by 37%, as certified by a third party. In a large residential project, the AI cloud energy-saving strategy for winter heating enabled the total energy consumption in the community dropped by 22%. Our AI cloud O&M platform has also achieved satisfactory energy-saving results in other projects.

In addition to the aforementioned AI cloud O&M platform, we developed a low-cost and rapidly deployable energy-saving solution for office buildings in 2024. By continuously collecting data on indoor temperature and humidity, environmental data for weather forecast, and the changing patterns of air conditioners' supply and return water temperatures, the AI cloud O&M platform can automatically generate optimal strategies regarding air conditioners' water supply temperatures, contributing to the accomplishment of energy-saving goals for projects. The aforementioned low-cost solution was put into use during the Year, reducing costs by 70% compared to previous standard systems, shortening deployment time by 75%, and achieving energy-saving effects of approximately 10%–15%.

### Building Intelligent Communities

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

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

## Improving Communities with Greenness

First Service has currently set up an information system for employees and owners, including green housekeeper app for employees and green housekeeper app for owners.

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

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

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

## Impressing Customers with Services

### Providing Quality Services

First Service is committed to providing customers with quality guaranteed services and products, implementing an institutionalised quality management system, focusing on improving the quality of life of residential properties, and creating digitally connected, green and healthy living experiences. The Company boasts "eight first-level services", involving a total of 485 operational standards, 51 standardized task specifications, 12 CIS systems, 22 standardized work manuals, 7 standardized models, and 94 standardized contract templates. Leveraging this comprehensive system and regulations enables it to achieve property management quality goals.

As at the end of 2024, the Company obtained GB/T 19001-2016/ISO 9001:2015 quality management system certification, GB/T 24001-2016/ISO 14001:2015 environmental management system certification, and ISO 45001:2018 occupational health and safety management system certification, based on which it standardized its operations. Moreover, we set satisfaction targets to monitor the on-site property management services in various regions and projects, and conducted satisfaction surveys to understand the needs of customers. According to the preliminary property management service contracts, we make a table of the property management service plan of the project every January to clarify the service standards and management standards of each department. One and a half years after new customers move to a new project, the Company will select at least one project in a city we enter and fill in the "Specialised workflow and standardised worksheet for selection of a quality project" to start creating a demonstration project.

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

9 November 2024 marked the 33rd National Fire Protection Day. To further strengthen community residents' safety awareness and popularise fire safety knowledge and skills, all service centres of First Service carried out fire drill activities, emphasising prevention through fire safety knowledge lectures and realistic simulation exercises.



## Impressing Customers with Services

### Listening to Customers

#### ➤ Building and improving customer service system

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

First Service has established a comprehensive customer service management system. Customer service is at the first level, encompassing four secondary services, namely customer management, order maintenance, environmental management, and green early intervention, and ten tertiary services, namely customer research, customer relationship maintenance, community culture, public safety, fire management, parking management, cleaning, landscaping, early intervention, and sales support. Responsibilities are divided according to work items, timing and frequency, and mechanisms for supervision, rewards and punishments, and accountability are in place for customer service and its subordinate dimensions.

The Company's headquarters and each project are responsible for providing customer service at different stages. The headquarters of the Company is responsible for the establishment, revision, training and introduction of systems. Customer satisfaction surveys are conducted, with data analysed and measures for the next stage developed to improve customer satisfaction. It established a customer service management system at all levels and organised evaluations and continuous improvement of customer service capabilities. The Company maintains the relationship with key customers, including making a maintenance plan, supervising the maintenance plan and supervising the handling of complaints from key customers. We are responsible for coordinating the management of community relations, including the arrangement of annual community cultural activities and the theme planning of dynamic and static community cultural activities. We optimise operation plan, track and analyse customer service data, and improve service strategy based on the analysis results of operation data. We conduct service innovation and R&D with regional firms and projects, and promote the achievements within the Company.

Projects are responsible for customer relationship maintenance, customer information collection, customer complaint handling, property management fee collection, customer satisfaction improvement, community cultural activities organization, etc.

#### ➤ Constructing a complaint handling regime

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

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

## Impressing Customers with Services

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

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

For complaints related to energy operations, the headquarters will notify the project manager and the regional company's operations management leader of them after the complaints are filed through the 400 hotline, ensuring timely response and resolution. For issues that can be immediately addressed, the complaint handler should provide the customer with a definitive solution within 2 hours after receiving the complaint and resolve the issue promptly. If issues can be addressed within 30 minutes, they should be handled immediately, with a resolution provided. If problems are complicated or the responsibilities cannot be clarified for the time being, the complaint handler should agree with the customer on a time for providing a solution, which should not exceed 1 working day. For complaints requiring a follow-up response, communication regarding the progress (results) of the complaint handling process must occur within the agreed timeframe. Follow-up records should be kept in APH or the green housekeeper system until the complaints are closed.

Under the complete complaint handling mechanism, First Service received a total of 1,692 complaints in 2024, marking a decrease of 90 complaints compared to 2023. 98.54% of the received complaints were successfully resolved, still maintaining a high rate.

**Table: Customer complaint related KPIs of First Service**

Indicators	Data in 2024	Data in 2023
Number of complaints received	1,692	1,782
Complaint rate (%)	1.18%	1.28%
Complaint resolution rate (%)	98.54%	98.52%

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

## Impressing Customers with Services

### ➤ Enhancing the level of customer satisfaction

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

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

In 2024, the green housekeeper system updated and improved customer reporting for repair, ensuring the convenient, timely and accurate recording of customer demands. Specific measures were set to fix customer problems in time and improve customer satisfaction. In 2024, the satisfaction score of First Service was 81.89, a 2.59-point increase from 2023. Customer recognition of First Service continues to improve, and the efforts in improving satisfaction have yielded preliminary results.

In the future, we will strive to continuously promote quality improvement, refine "red properties", online inspections, and WeCom communication, among others. We aim to better offer and optimise customer services by developing "red properties", conducting online inspections for customer services and environmental management on the green housekeeper system, using WeCom for projects, and providing internal quality improvement-related training.

### ➤ Protecting customer information

First Service is deeply aware of the importance of customer privacy and information security, and has established a complete system to effectively protect customer privacy and security. The Company has formulated the Standards on Management of Customer Information to protect customer information, and the Standard on Usage Rules for Customers' Facial Recognition to protect customer information and their portrait rights. Regarding physical customer files, we have a designated file room, and seal each customer's files separately. The keys are centrally managed by the project manager, and borrowing customer files requires approval through a process. After approval and registration, files can be borrowed, ensuring that customer privacy is not leaked.

## Impressing Customers with Services

As for the information stored on online platform, the Company has formulated the Server Management Standard, the Standard for Information-based Equipment Room Management and the Standard for Emergencies Relating to Information-based Infrastructure. We have defined the control process and registration form of personnel entering and leaving the computer room, the process and form of server inspection, the process of system emergencies, as well as the operation and maintenance reports. We have also clarified the management standard and process of the classification, establishment, storage, management, update and maintenance of the property owners' data. In the information system, there is a separate permission for the control of the viewing of customer information, and customer privacy is protected through the permission system.

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

In the future, we will make further efforts to protect the privacy of customers, keep electronic archives that are centrally managed by the headquarters and encrypt the e-archives of each customer, with an instant password available only after approval. In addition, WeCom should be used to replace individual WeChat accounts for communication with customers and the WeCom account should be saved if private managers resign, so as to prevent the risk of information leakage during the transfer of private managers.

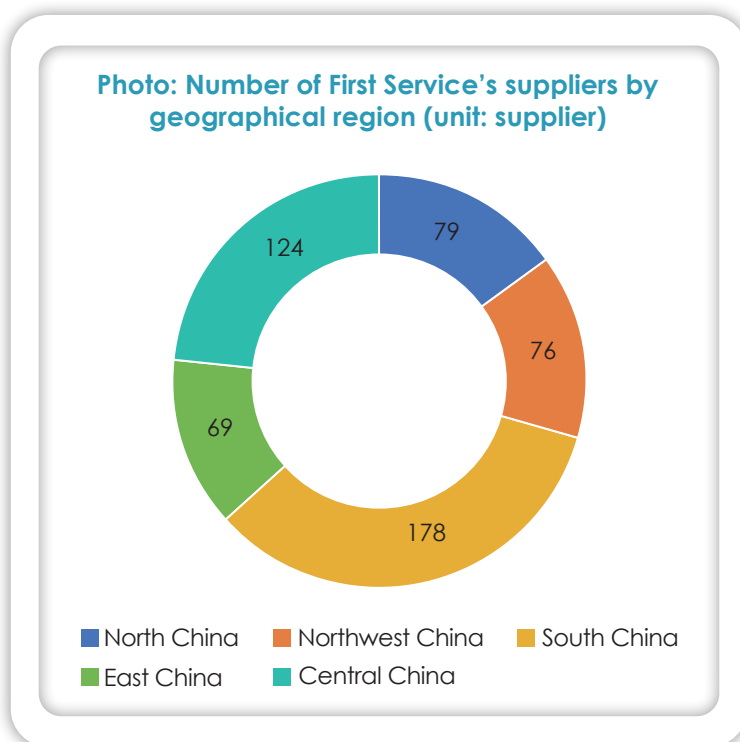
## Implementing Green Procurement

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

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

## Impressing Customers with Services

The total number of suppliers included by First Service in the list of suppliers in cooperation reached 526 in 2024, an increase of 186 suppliers compared with 2023. In terms of the regional distribution of suppliers, all suppliers are located in Mainland China and are distributed in five regions, namely North China, Northwest China, South China, East China and Central China, with South China having the largest number of suppliers at 178. The detailed breakdown of suppliers by geographical region is illustrated in the photo below:



*Note:*

North China includes Beijing, Tianjin, Hebei, and Liaoning

Northwest China includes Shanxi, Inner Mongolia, and Shaanxi

South China includes Hunan, Chongqing, Guizhou, Yunnan, Guangxi, Guangdong, and Fujian

Central China includes Hubei, Jiangxi, and Henan

East China includes Jiangsu, Zhejiang, Shanghai, Anhui, and Shandong

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



## Impressing Customers with Services

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

During visits to suppliers, we verify and confirm on site their organisational structure, honours and qualification certificates (special industry qualification certificates and ISO quality management systems). Field investigations into the projects are made to check whether they have professional construction ability and construction site management ability, construction technology, civilised construction ability and so forth. Based on the needs of green technology, we prioritise suppliers with energy-saving, environmentally-friendly, new materials, processes, and technologies.

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

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

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

## Promoting Integrity through Compliance

### Eliminating Corruption

First Service strictly enforces a zero-tolerance policy towards corruption, resolutely cracks down on any form of corruption, and actively fosters a culture of integrity. The Company stringently complies with the laws and regulations on preventing bribes, extortion and money laundering in China, including the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Interim Provisions on the Prohibition of Commercial Bribery. Continuous improvement has been made in anti-corruption management mechanisms and systems. In terms of in-house policies, the Standard for Supervision and Audit formulated by the Company has come into force. The audit centre supervises all employees practising the intelligent business' culture in accordance with relevant national laws and regulations, intelligent business' culture and operating standards.

At the corporate management level, the Company clarifies "four stages" and "five don'ts" principle in its manual of intelligent business's culture. It makes clear internal work and responsibilities related to anti-corruption and anti-money laundering, and enhances employees' awareness of anti-corruption. At the supplier management level, the Company signs "integrity pledges" before initiating tenders, clarifying the red lines that are forbidden to touch and investigating legal liabilities. If any supplier is found to have crossed the red lines, we will confiscate their bid security, blacklist them, and permanently cease cooperation.

**Table: "Four stages" and "five don'ts" principle**

Four Stages	Five Don'ts Principle
<p><b>Preventing problems:</b> Publicise the culture of integrity, establish anti-fraud standards (audit process and accountability measures), and carry out reporting policies (whistleblower protection and incentive measures);</p> <p><b>Finding out problems:</b> Maintain complaint channels and receive reports; collect clues during routine audits and proactively detect fraud incidents;</p> <p><b>Solving problems:</b> Conduct anti-fraud audits according to corporate culture and standards and cooperate with judicial organs;</p> <p><b>Preventing problems:</b> Auditors will update the training system with cases that arise, which is in turn incorporated into integrity training, creating a closed loop.</p>	<p><b>Do not abuse positions:</b> Do not be self-seeking, and do not encroach on the interests of the state, the Company or the customer;</p> <p><b>Do not go to wrong parties:</b> Do not go to parties held by suppliers;</p> <p><b>Do not be greedy for illegal money:</b> Do not embezzle money, and do not extort or accept bribes;</p> <p><b>Do not receive gifts presented with purposes:</b> No gifts, treats, kickbacks, etc.;</p> <p><b>Do not seek selfish desires:</b> Do not allow or drop a hint to a designated partner to pay or reimburse any expenses for yourself or your relatives.</p>

## Promoting Integrity through Compliance

To further eliminate corruption, First Service has set up multiple channels for receiving anti-corruption reports and strictly protects the privacy of whistleblowers. Whistleblowers can report suspected corruption incidents through a hotline, emails, letters, official WeChat accounts and other channels. Whistleblowers can report directly to the audit centre, or report fraud directly to the President's office. After receiving a report, the audit centre is responsible for evaluating information and clues about fraud, preparing a supervision and audit plan, and submitting it to the President Office for review. Following the approval, a special audit team will be established to conduct investigations. After supervision and audit, the audit centre puts forward handling suggestions based on the audit results, and prepares the Supervision and Audit Report of First Service that will be submitted to the President for review. The audit centre organises and coordinates the work with the functional centre, regional companies and projects according to the instructions on the results of the Supervision and Audit Report, and takes actions based on the audit results. For real-name reports, the Company will give the whistleblower a clear reply.

The Company has clear confidentiality criteria for auditors and no-fault reporting criteria for whistleblowers, so as to strictly protect the privacy of whistleblowers. According to the confidentiality criteria for auditors, any external unit or individual is strictly prohibited from accessing the personal information of the whistleblower and the person being reported, report content and other sensitive information. In principle, the acceptor shall maintain one-to-one communication with the whistleblower. The report content shall only be informed to the superior. The investigation plan shall be designed to protect the whistleblower to the maximum extent. The investigation will be terminated automatically if the information of the whistleblower may be leaked. As stipulated in the no-fault reporting criteria for whistleblowers, regardless of whether the findings of the investigation are true or not, the whistleblower shall not be given administrative sanctions or financial penalties, nor shall the whistleblower be deprived of the rights for purchasing, cooperation, award evaluation, promotion, incentives, etc., nor shall he/she be retaliated against.

To protect the rights of whistleblowers and strictly safeguard their privacy, the Company has formulated the Confidentiality Criteria for Auditors and the No-Fault Reporting Criteria for Whistleblowers, and complies with the following confidentiality criteria and no-fault criteria.

- **Confidentiality criteria:** any external unit is strictly prohibited from accessing the personal information of the whistleblower and the person being reported, and report content. The acceptor shall maintain one-to-one communication with the whistleblower. The report content shall be informed to the superior. The investigation will be terminated automatically if the information of the whistleblower may be leaked.
- **No-fault criteria:** Regardless of whether the findings of the investigation are true or not, the whistleblower shall not be given penalties, nor shall the whistleblower be deprived of the rights for cooperation, award evaluation, promotion, etc., nor shall he/she be retaliated against.

With great importance placed on anti-corruption training, we uphold the principle of "deterrence, prevention, and education" to fight corruption with zero tolerance and without leniency.

- **Deterrence:** Focusing on punishment and deterrence to address problems associated with the cost of corruption, making those intending to engage in corruption afraid to cross the line.
- **Prevention:** Emphasizing constraints and supervision to eliminate opportunities for corruption, making those daring to engage in corruption have no chance.
- **Education:** Stressing education and guidance to eliminate the motivation for corruption from its ideological roots.

## Promoting Integrity through Compliance

During the Year, we conducted ten anti-corruption training sessions. The raised awareness through the training sessions and the use of vivid and clear case studies effectively give a warning to all employees. First Service will make continuous efforts on anti-corruption, focus on investigating any illegal or irregular activities by employees, strengthen integrity and self-discipline, and provide audit supervision and services for the Group's internal management and business development. Meanwhile, the Company will strengthen the publicity of corporate culture of integrity, update fraud cases and courseware to set up a case library and a perfect training system, and carry out anti-fraud training in each project. Actions will be taken to increase audit methods for anti-fraud and exchange experience and cooperate with listed companies in the Enterprise Anti-Fraud Alliance. An audit monitoring system will be established on the basis of the setup of an information-based financial system, in a bid to prevent risks.

With our unremitting efforts in promoting system construction and integrity training, there were no violations that had a significant impact on the Company, and no litigation cases in relation to corruption or embezzlement during the Reporting Period.

### Protecting IPRs

The Company complies with the relevant laws and regulations, such as the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Regulations for the Implementation of the Trademark Law of the People's Republic of China, the General Provisions (personal information of citizens, privacy right), the Contract Part (property service contract), and the Tort Liability Part of the Civil Code.

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

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

In terms of trademark protection, the registration of new trademarks starts in time according to business needs, protection is carried out during confirmation. In the aspect of protection of patented technologies, an agency is entrusted for new technologies to submit patent applications, and protection is carried out in the process of confirmation. With respect to patented technologies, we protect our proprietary rights by monitoring and cracking down on infringements, etc. In terms of copyright protection, for all kinds of works such as fine art works, the Company actively applies for copyright registration to ensure that copyright claims are based on evidence.

## Caring for Employees

### Complying with Employment Laws and Regulations

First Service strives to guarantee the rights and duties of employees, and continuously improves the human resources management system and process. The Company strictly complies with the national laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Security Law of the People's Republic of China and the Regulations on Management of Housing Provident Fund, based on which it has laid down about 20 relevant operating standards, including the Standard on Management of Employee Relationships, the Standard on Management of Trainings, the Standard on Management of Job Competitions, the Standard on Management of Jobs, the Standard on Management of Attendance, the Standard on Management of Employment and the Standard on Management of Rewards and Punishments, as a move to actively promote the sound development of the human resources management system. The standards on management of employment, employee relationships, job competitions and performance were updated according to the actual work during the Reporting Period.

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

As of 31 December 2024, First Service had 3,827 employees, of which 2,237 were male and 1,590 were female. The figure grew by 15.8% from 2023. The age group of 31–50 years old formed the backbone of the Company, with 2,570 employees, all of whom were full-time. Regarding employee turnover rate, the Company's employee turnover rate in 2024 further decreased by 1.3% from 2023.



## Caring for Employees

Table: KPIs on Employment

Indicators	Number of employees in 2024	Number of employees in 2023	Employee turnover rate in 2024	Employee turnover rate in 2023
Employees	3,827	3,304	24.92%	26.23%
<b>By gender</b>				
Male	2,237	1,926	22.94%	25.08%
Female	1,590	1,378	27.53%	27.76%
<b>By age group</b>				
30 years old or below	688	801	34.16%	35.04%
31–50 years old	2,570	2,158	24.12%	24.45%
51 years old or above	569	345	14.44%	14.22%
<b>By employment category</b>				
Full-Time	3,827	3,304	24.92%	26.23%
Part-time	0	0	–	–
<b>By geographical region</b>				
Headquarters	62	71	22.50%	26.79%
Employees in North China	662	692	24.60%	26.11%
Employees in Northwest China	482	453	25.50%	27.72%
Employees in South China	767	523	31.70%	25.77%
Employees in Central China	533	548	33.29%	27.26%
Employees in East China	366	362	40.49%	35.18%
Dalian Yahang	319	218	–	–
Shandong Shangcheng	636	227	–	–

## Caring for Employees

*Note:* The information of two acquired companies, Dalian Yahang and Shandong Shangcheng, has not been fully entered into the system, with currently unavailable data on employee turnover rate.

North China includes Beijing, Tianjin, Hebei, and Liaoning

Northwest China includes Shanxi, Inner Mongolia, and Shaanxi

South China includes Hunan, Chongqing, Guizhou, Yunnan, Guangxi, Guangdong, and Fujian

Central China includes Hubei, Jiangxi, and Henan

East China includes Jiangsu, Zhejiang, Shanghai, Anhui, and Shandong

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

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

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

## Caring for Employees

### Supporting Employee Development

In terms of talent training, First Service insists on the “five talents” strategy and comprehensive talent philosophy. A scientific talent training mechanism has been established to train professionals according to the Company's development strategy and business, which will enhance its core competitiveness. Great emphasis is placed on employees' training. In 2024, the Company completed 12,455 offline training sessions with a total of 8,062.85 training hours and 90,381 participants. The training covers safety education, work standards, professional competence, general competence, management ability, etc., with an aim to promote the growth of employees, empower the business, and improve the efficiency.

**Table: Summary of First Service's Training Data for 2024**

Training hours for all levels of employees in the Company	Unit	Data in 2024	Data in 2023
Average training hours for senior management	Hour/person	225	219
Average training hours for middle-level management	Hour/person	206	201
Average training hours for general employees	Hour/person	210	208
Average training hours for employees	Hour/person	210	208
Average training hours for male employees	Hour/person	210	208
Average training hours for female employees	Hour/person	210	208
Percentage of senior management trained	%	100	100
Percentage of middle-level management trained	%	100	100
Percentage of general employees trained	%	100	100
Percentage of male employees trained	%	100	100
Percentage of female employees trained	%	100	100

In terms of promotion, employees can be promoted to a higher position via competition. The Company has laid down the Standard on Management of Jobs, in which employees are promoted according to the 12-level position hierarchy, divided into management positions and professional positions, through job evaluation, performance appraisal, competition and so forth. In 2024, 24 of our employees were promoted in total. In the future, considering the needs for core talents across various organisations, 60% of backup project managers slated for reserve will be sourced internally.

## Caring for Employees

First Service is committed to providing employees with clear channels for promotion and development. The Company launches a series of training programs for employees, with the aim to achieving the common development with employees and enhancing our core competitiveness. First Service upholds the principle of incentivising employees to increase flexibility and break rigidity in remuneration. Through performance assessment and ability and quality assessment, the Company closely links its overall performance, departmental performance, the performance, ability and quality of employees with their remuneration, so as to stimulate their enthusiasm. A comprehensive incentive system has been developed, including short-term, medium-term, and long-term incentives, enabling employees and the Company to co-create and share value. Furthermore, employees assigned to work overseas receive various benefits, including assignment grants, housing subsidies, quarterly home leave and reimbursement of travelling expenses, with the aim of enhancing work efficiency.

## Safeguarding Employees

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

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

The Company has a safety management regime along with an emergency response mechanism to ensure staff compliance with safety regulations and clarify their responsibilities and obligations. The Company conducts safety and health supervision on a regular basis, organises standardised supervision of regional companies and projects, identifies and rectifies hidden dangers, and takes safety publicity training initiatives. We are concerned about the health of employees, considering controlling the age of employees within 60 years. The annual medical examination report is required, and suppliers are required to purchase commercial insurance for their employees. For high-risk operations, we require suppliers to hold relevant certificates. For instance, confined space operations require a confined space certificate, and external wall maintenance requires an aloft work certificate and the purchase of commercial insurance. Moreover, prior to construction, we mandate construction briefing sessions to communicate about and train on construction safety, thus minimising risks throughout the process.

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



## Caring for Employees

In the future, the Company plans to enhance its corporate health management mechanism by establishing a robust occupational health management regime, which focuses on preventing occupational diseases and formulating occupational health standards. Special attention will be given to the mental health of staff, and psychological support and care will be provided for staff. Additionally, we will conduct safety training on a regular basis, acknowledge and reward staff for their positive safety deeds and achievements, and ensure the health and safety of all employees. The Company reported no work-related fatalities during the Year.

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

Indicator	Data in 2024	Data in 2023	Data in 2022
Lost days due to work injury (days)	524	445	1,785
Number of work-related fatalities per year	0	0	0
Rate of work-related fatalities per year (%)	0	0	0

### Holding Care Activities

According to the Standard on Care for Employees of First Service, the Company divides staff care covering the employee life cycle into: entry care, birthday care, marriage care, family care (including bereavement support, care for families in difficulty and donations), maternity care, festival and holiday care (celebrating with staff various festivals and holidays such as the New Year's Day, International Women's Day, Dragon Boat Festival and Mid-Autumn Festival), Chinese New Year care (the Company's general manager office members distribute red envelopes and pay visits to staff on duty on the Chinese New Year's Eve), anniversary care, health care (including health check-ups and high-temperature subsidies), rewards care (offering additional care such as warm spring and warm winter initiatives), in a bid to enhance their motivation and sense of belonging.

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

## Optimizing Operations with a Low-Carbon Approach

### Optimizing Emission Management

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

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

- Operations management centre of the headquarters: Identify the Company's environmental factors, set forth its environmental management objectives, organise the establishment of environmental management procedures and documents, and compile the Environmental Management Manual; Take responsibility for the overall environmental management system of First Service, ensure the implementation of such system at each level and meet the requirements for the system; Organise an annual internal review on the environmental management system, and provide a basis for its improvement;
- Operations management department of a regional company: Identify environmental management factors for the regional company, promptly undertake and communicate various procedures and documents and environmental management objectives issued by headquarters regarding the environmental management system, and assume overall responsibility for the regional company's environmental management system. Responsible for promoting the implementation of the environmental management system in various service centres and regularly organise evaluations, problem feedback, and rectification for environmental management work. Assists the headquarters' operations management centre in improving the environmental management system;
- Service centre: Identify the environmental management factors for projects, promptly undertake various procedures and documents and environmental management objectives issued by the Company regarding the environmental management system, assume overall responsibility for the implementation of the environmental management system, regularly organise activities for project staff to study the environmental management system and to complete assessments, and assist the headquarters' operations management centre in improving the environmental management system.

The Company continuously upholds the concept of energy conservation, consumption reduction, and environmental protection, with a view to reducing pollutant generation from the source. We will always aim to promote the emissions and waste management and environmental protection, and ultimately contribute to the development of a circular economy and embark on the path of sustainable development.

## Optimizing Operations with a Low-Carbon Approach

- Management of greenhouse gas emissions

The air emissions generated during the operation of the Company mainly come from natural gas combustion, building heating and hot water heating. In addition, the air emissions are the exhaust gas emitted by company cars and employees' cars. A series of measures were taken to reduce air emissions and greenhouse gas emissions: Gas-fired boilers have been upgraded for energy conservation to increase the utilisation rate of resources and reduce air emissions. Employees are encouraged to take buses, subways and other green means to go on a business trip and commute between their homes and places of work. In 2024, the Company successfully improved and disclosed the KPIs for emissions, including nitrogen oxides, sulfur oxides, particulate matter, direct emissions (Scope 1), indirect emissions by geographical region (Scope 2), other indirect emissions (Scope 3), and for hazardous and non-hazardous waste. Based on the data, it calculated the emissions intensity per unit of GFA under management. Its total greenhouse gas emissions amounted to 40,407.27 tonnes in 2024, of which indirect greenhouse gas emissions were 40,385.85 tonnes of carbon dioxide equivalent. The greenhouse gas emission intensity was 5.45 tonnes of carbon dioxide equivalent per 10,000 sq.m. of GFA under management, showing further improvement compared with 6.1 tonnes of carbon dioxide equivalent per ten thousand sq.m. in 2023.

In 2024, based on its own circumstances, the Company formulated or updated the Standard for Energy Management of First Service, the Standard for Professional Environmental Management Process and Standardisation of First Service, the Standard for Management of Hazardous Substances and Non-Hazardous Substances of First Service, and the Standard for Water Cleaning and Maintenance of First Service, which are stricter than national and local standards.

To further reduce greenhouse gas emissions and waste discharges, we have currently adopted a variety of measures to manage pollutant emissions and discharges, including renovating and upgrading old equipment to increase the reuse rate; reprocessing and reusing recyclable emissions and discharges to reduce pollutant generation; using the online monitoring system to promptly identify and reduce resource waste; conducting regular emission and discharge tests and adjusting the pollution level of emissions and discharges in a timely manner to effectively control the excessive discharge of pollutants.

- Wastewater management

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

During the Year, some projects realised the coverage with the rainwater collection system, and used landscape water and rainwater after collection and treatment for toilet flushing and irrigation. In 2024, following the unified deployment of the Huzhou Water Authority, a "sponge city" rainwater recycling system was constructed in Huzhou Scholarly Family, which has been put into operation.

## Optimizing Operations with a Low-Carbon Approach

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

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

- **Waste management**  
With great importance attached to waste management, we have compiled the Standard for Management of Hazardous Substances and Non-Hazardous Substances of First Property Management to guide projects to establish and improve criteria for the disposal of hazardous substances, so as to standardise the waste discharge in the process of property management. The hazardous substances generated by employees in offices and property owners in daily life will be disposed of collectively. The purpose is to ensure that the disposal of waste will not pollute the environment and cause pollution. To provide more detailed guidance to projects and workers in understanding and management of waste, the Group's headquarters will step up efforts on the formulation of management standards for the emission and discharge of hazardous waste, and strengthen the training of employees, aiming to establish public awareness and facilitate public management.

The hazardous waste considered by the Company is defined according to the National Catalogue of Hazardous Wastes. It refers to waste that causes direct or potential harm to human health or the natural environment and must be specifically collected and disposed of by qualified entities. The hazardous waste generated during the Company's operations includes used batteries, waste toner cartridges and ink cartridges discarded by property owners during property management. The non-hazardous waste generated by owners during property management includes non-recyclable wastes like office paper that need to be transported and disposed of by qualified environmental sanitation departments.

During the Year, we optimised the waste collection process. The engineering department is now responsible for the classification and collection of used items from service centres. Every day, these items are handed over to the environmental management department for processing and recycling. The department also keeps detailed records of classification and recycling statistics and promptly delivers the items to cleaning staff within the environmental management department. The special substances appearing in the warehouse should be recorded for classification and recycling, and handed over to cleaning staff of the environmental management department at any time. Other departments are responsible for the control and management of waste generated in their respective areas. When cleaning buildings, the cleaning staff of the environmental management department collects and handles the classified substances of all departments in a unified manner, and keeps records. The environmental management department is responsible for the classification and disposal, monitoring, and management of all wastes from service centres. It is also responsible for the provision and management of facilities and equipment in public areas and material rooms. The department conducts inspections of public areas and construction sites, and guides tenants to enhance their environmental awareness and promote eco-friendly practices. With the optimisation of waste collection methods, the Company's waste discharges and emissions data collection process was further improved during the Year compared to 2023. For the first time, it disclosed the discharges of hazardous waste, including used ink cartridges, toner cartridges, and batteries, as well as non-hazardous waste such as office paper.

## Optimizing Operations with a Low-Carbon Approach

To further optimise waste management, we actively promote harmless treatment of domestic waste, based on regulations and legal documents. This is achieved through fixed-point waste disposal, designated containers for classified waste collection, clear timelines for waste collection, and a focus on the collection, transportation, and treatment processes of hazardous waste, all under the guidance of the Environmental Management Department. In 2024, the Taiyuan Yoho Town of the Northwest Regional Company was recognised as an exemplary project for domestic waste treatment in Taiyuan City, serving as a model for others.

In order to ensure that the disposal of waste will not pollute the environment and cause pollution, the Company planned zero inventory and shared warehouses for the waste emission and discharge in the process of property management, so as to reduce the backlog and waste, enable the mutual use of second-hand equipment to improve re-utilisation value, and achieve the purpose of generating less waste.

### Achieving Low-Carbon Development

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

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

In 2024, First Service's total electricity consumption was 68,962.02 MWh, with electricity consumption per unit area of 9.30 MWh per 10,000 square meters. The total water consumption was 664,000 tonnes, with water consumption per unit area of 0.009 tonnes per square meter. Both the unit area water consumption and electricity consumption continued to decrease compared to 2023, demonstrating significant achievements in energy conservation and emission reduction.



## Optimizing Operations with a Low-Carbon Approach

Table: KPIs on emissions

Indicator	Data in 2024
NOx emissions (kg)	53.10
SOx emissions (kg)	0.12
Particulate matter emissions (kg)	5.09
<b>Total greenhouse gas emissions (tonnes)</b>	40,407.27
<b>Greenhouse gas emissions per 10,000 square meters of GFA under management (tonnes/10,000 sq.m.)</b>	5.45
<b>Direct emissions (Scope 1) (tonnes)</b>	19.84
Gasoline (tonnes)	19.84
Diesel (tonnes)	0
<b>Indirect emissions (Scope 2) (tonnes)</b>	40,385.85
North China (tonnes)	16,702.05
Northeast China (tonnes)	1,284.54
East China (tonnes)	3,193.69
Central China (tonnes)	17,479.11
Northwest China (tonnes)	1,014.80
Southwest China (tonnes)	190.75
South China (tonnes)	520.91
Total purchased electricity (tonnes)	40,385.85
<b>Other indirect emissions (Scope 3) (tonnes)</b>	1.59
Business travel by employees (tonnes)	1.59
<b>Total hazardous waste disposal (tonnes)</b>	0.78
Used ink cartridges (tonnes)	0.05
Used toner cartridges (tonnes)	0.72
Used batteries (tonnes)	0.01
<b>Total hazardous waste disposed of per unit of GFA under management (kg/10,000 sq.m.)</b>	0.11
<b>Total non-hazardous waste disposed of (tonnes)</b>	3.6
Office paper (tonnes)	3.6
<b>Total non-hazardous waste disposed of per unit of GFA under management (kg/10,000 sq.m.)</b>	0.49

## Optimizing Operations with a Low-Carbon Approach

### Notes:

1. The scope of disclosure of KPI data related to emissions for 2024 covers the office areas of the Company's various business segments, as well as the public areas of property projects under management (excluding projects that charge property management fees on a commission basis).
2. Due to the nature of operations, NOx, SOx, and PM emissions mainly come from gasoline and diesel consumed by company cars. Emissions were calculated in accordance with How to Prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs.
3. Due to the nature of operations, the Company's GHG emissions are primarily generated from purchased electricity and vehicle fuels, including carbon dioxide, methane, and nitrous oxide. GHG emissions are converted into CO<sub>2</sub> equivalents and accounted for in accordance with the Announcement on the Release of Carbon Dioxide Emission Factors of Electricity in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC). The regional divisions are consistent with the Announcement on the Release of Carbon Dioxide Emission Factors of Electricity in 2022.
4. Other indirect GHG emissions mainly come from business travel of employees. The quantification process and emission factors refer to the carbon emission accounting standards of the International Air Transport Association (IATA).
5. Hazardous waste generated during the Company's operations largely includes discarded ink cartridges, toner cartridges, and batteries.
6. Non-hazardous waste generated during its operations largely includes discarded office paper.
7. As this is the first time for the Company to collect emission indicators, there is no comparable historical data available.

**Table: KPIs on energy and resource consumption**

Indicator	Data in 2024	Data in 2023
<b>Electricity consumption (MWh)</b>	68,962.02	62,103.83
<b>Electricity consumption per unit of GFA under management (MWh/10,000 sq.m.)</b>	9.30	9.75
<b>Water consumption (tonnes)</b>	663,117	683,970.18
<b>Water consumption per unit of GFA under management (tonnes/sq.m.)</b>	0.009	0.011

### Notes:

1. The scope of disclosure of KPI data related to energy and resource consumption for 2024 covers the office areas of the Company's various business segments, as well as the public areas of property projects under management (excluding projects that charge property management fees on a commission basis).
2. The Company consumes water from the municipal water supply, and there is no issue in sourcing water that is fit for purpose.
3. Packaging data is not applicable to the Company's business.

## Optimizing Operations with a Low-Carbon Approach

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

In terms of electricity saving, we required projects to prioritise the use of energy-saving construction equipment and tools, reasonably use the natural conditions in the construction site for lighting and ventilation, and prioritise the use of natural resources, in a bid to achieve the target. In the office areas, we adjusted the temperature of air conditioners depending on the weather, turned off air conditioners in time when no one was present, and closed the doors and windows when air conditioners were working. In non-working hours, on weekends and during holidays, security guards patrolled the office areas every hour to ensure that lights and air conditioners were turned off in unmanned areas. Only one elevator worked in non-working hours. For projects equipped with equipment to meet cooling and heating needs, the headquarters will test the operating state of the system equipment in the cooling season and heating season, troubleshoot the operating problems in time, and improve the operating efficiency to reduce unnecessary energy consumption.

Regarding water conservation, we value water resources management and adopts corresponding measures to save water, such as:

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

## Optimizing Operations with a Low-Carbon Approach

### Reducing Resource Consumption

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

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

- Headquarters: Formulating, improving and optimising the environmental management system, arranging regional companies to promote the implementation of the standard system, conducting monthly evaluation on the implementation, overseeing contract performance every half year, and completing the rectification for discovered problems every year.
- Regional companies: Monitoring and managing contract performance for projects every month according to the Company's processes and standards, organising regular training on the environmental management of projects to correct errors, drawing up rectification plans and overseeing the completion of rectification.
- Projects:
  1. Responsible for the specific implementation of environmental management in service centres;
  2. Responsible for the supervision and evaluation of the environmental management of each subcontractor;
  3. Responsible for formulating environmental emergency response plans according to the characteristics of projects, and organising training and implementation.

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

## Optimizing Operations with a Low-Carbon Approach

### Addressing Climate Change

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

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

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



## Giving Back to Society through Charity

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

In 2024, we got actively involved in social welfare programmes, and enthusiastically devoted ourselves to public welfare undertakings, which have achieved positive social responses. In February 2024, Chen Qianqian, an employee of First Service's East China Regional Company, successfully completed hematopoietic stem cell collection at the First Affiliated Hospital of USTC. She successfully donated hematopoietic stem cells to a stranger suffering from myelodysplastic syndrome, bringing hope of recovery to the patient. In March, various service centres of First Service launched the Green Mobile Home, awakening the beauty of life. In September, First Service joined hands with Tencent Charity Foundation to launch the Giving for Good campaign, embarking on the road of public welfare and showing love to left-behind children. In October, First Service, in collaboration with Manyue Academy, held a family-related reading activity at the Modern MOMA service centre.



Image: First Service launched the Giving for Good campaign to show love to left-behind children

## Giving Back to Society through Charity

Within communities, First Service strives to build a harmonious community culture and improve the quality of life and happiness of owners through various cultural activities. A complete management system for cultural activities has been set up. The Standard for Community Cultural Activities under the "Love My Home" Campaign was released and revised. At the company level, the "Love My Home" Campaign was launched for all employees and service centres. The headquarters coordinated monthly and quarterly activities. Service centres organised monthly convenient service activities, property owners' symposiums, equipment room open days, civilised dog raising activities, fire safety promotions, etc. A review was conducted on cultural activities in communities on a monthly basis, which was shared in regions. Regional companies regularly conducted a spot check on community cultural activities and customer awareness rate, after which the headquarters re-checked them. The headquarters established the operations management centre, regional companies set up the operations management department, and the customer service division of each service centre assigned a person in charge of community cultural activities. The organs at all levels cooperate with each other to hold static and dynamic community cultural activities every year to enhance the positive interaction with customers and enhance customer satisfaction.

In the future, we will pay ongoing attention to the evolving needs of society. Committed to sparking hope through public welfare initiatives, we will organise a series of public benefit activities every year, thus exploring new forms and objectives to fulfil our CSRs. In 2025, community cultural activities under the "Love My Home" Campaign will be themed on greenness and environmental protection, and Party building, and conducted on a monthly and quarterly basis. A review will be conducted on cultural activities in communities on a quarterly basis, which will be shared in regions. Regional companies will regularly conduct a spot check on community cultural activities and customer awareness rate, after which the headquarters re-checks them. Furthermore, we will complete the "tripartite co-governance" task in 2025, opening up communication channels among the government, property owners, and property management companies to jointly contribute to better communities.

## Appendix

## The ESG Reporting Code Content Index

Aspect	Issue	KPI	Status of implementation
Environmental	A1 Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Optimizing Operations with a Low-Carbon Approach
		A1.1: The types of emissions and respective emissions data.	Optimizing Operations with a Low-Carbon Approach
		A1.2: Repealed 1 January 2025.	
		A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Optimizing Operations with a Low-Carbon Approach
		A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Optimizing Operations with a Low-Carbon Approach
		A1.5: Description of emission target(s) set and steps taken to achieve them.	Optimizing Operations with a Low-Carbon Approach
		A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Optimizing Operations with a Low-Carbon Approach
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Optimizing Operations with a Low-Carbon Approach
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Optimizing Operations with a Low-Carbon Approach
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Optimizing Operations with a Low-Carbon Approach

## Appendix

Aspect	Issue	KPI	Status of implementation
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Optimizing Operations with a Low-Carbon Approach
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Optimizing Operations with a Low-Carbon Approach
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the business of the Company
	A3 The Environment and Natural Gas	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Optimizing Operations with a Low-Carbon Approach
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Optimizing Operations with a Low-Carbon Approach
	A4 Climate Change	General Disclosure: Repealed 1 January 2025.	
		A4.1 Repealed 1 January 2025.	
Social	B1 Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Caring for Employees
		B1.2 Employee turnover rate by gender, age group and geographical region.	Caring for Employees

## Appendix

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



## Appendix

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

## Appendix

Aspect	Issue	KPI	Status of implementation
	B7 Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Promoting Integrity through Compliance
		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.	Promoting Integrity through Compliance
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Promoting Integrity through Compliance
		B7.3 Description of anti-corruption training provided to directors and staff.	Promoting Integrity through Compliance
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Society through Charity
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to Society through Charity
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Giving Back to Society through Charity

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

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