ROISERV 荣万家

Roiserv Lifestyle Services Co., Ltd.
榮萬家生活服務股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2146

2022
Environmental, Social and
Governance Report

CONTENTS

1. ABOUT THIS REPORT

Roiserv Lifestyle Services Co., Ltd. (the "Group") prepared and issued the 2022 Environmental, Social and Governance ("ESG") Report of the Group (the "Report") by collecting and sorting out relevant information and data on the key stakeholders and the ESG issues they were concerned about. The Report is the third ESG report issued by the Group, aiming to disclose the status quo of ESG management and ESG performance of the Group in 2022. For details on corporate governance, please refer to the Corporate Governance Report as set out in the 2022 Annual Report of the Group.

1.1 Preparation Basis

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as set out in the Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Report has complied with the "comply or explain" provisions set out in the ESG Guide and the requirements of the principle of "materiality", "quantitative", "balance" and "consistency" for reporting.

Principle of "materiality": the Group prioritises the ESG issues of concern to stakeholders, make a response in this report according to the materiality level of the topics concerned, and describes in the section headed Communication with Stakeholders and Materiality Assessment of ESG Issues in this report.

Principle of "quantitative": the key performance indicators (KPIs) of the Group in environmental and social areas are presented by adopting quantitative data, so as to evaluate and validate the KPIs in this report. In addition, the quantitative standards, methods, assumptions and/or calculation tools for the KPIs, as well as the sources of conversion factors used, are described in the corresponding sections in this report.

Principle of "balance": this report provides objective and fair presentation of the ESG performance of the Group to avoid selections, omissions, or presentation formats that may inappropriately influence report readers' decisions or judgments.

Principle of "consistency": the Group has adopted a consistent approach to information disclosure and statistics as in previous years. Explanations have been made on any individual change in the corresponding places in this report to allow for meaningful comparisons in the future.

1.2 Reporting Scope

The Report covers the year of 2022 (namely the period from 1 January 2022 to 31 December 2022) (the "Reporting Period") in relation to the ESG performance of the business directly operated and managed by the Group unless otherwise stated.

2. BOARD'S STATEMENT

The Group and the Board of Directors of Roiserv Lifestyle Services Co., Ltd. (the "Board") made the following statements in accordance with the requirements of the ESG Guide.

The Board attaches great importance to the ESG-related issues of the Group, performs the obligations of monitoring the ESG-related issues and takes full responsibility for the Company's ESG strategy and reporting.

The Group has set up an ESG leading group at the management level, which is responsible for formulating ESG strategies, policies and management targets, coordinating ESG work arrangements and reporting the progress of work to the Board on a regular basis.

The Company has set up an ESG working group to be responsible for the development and implementation of ESG work, to facilitate the achievement of ESG objectives and to continuously promote the Group's ESG work practices.

The Group integrates ESG concepts into various aspects of its business development, and the ESG concepts and management strategies are regularly reviewed by the Board. The Group attaches importance to ESG-related risks and opportunities that may have a significant impact on the Group, and identifies material ESG-related issues related to the Group's business. Assessment, prioritisation and management of important ESG issues will be conducted annually based on the materiality assessment of ESG issues and the result of communication with stakeholders, and continuous improvement on the Group's key ESG issues, as well as clarification on the focus of ESG work will be made.

The Group has established environmental objectives associated with the operation of its business. The Board conducts regular reviews on the achievement and progress of the environmental objectives.

3. ESG MANAGEMENT

3.1 ESG Concepts

Guided by owners' demands, the Group adheres to the corporate vision of "being the most satisfying life scene service provider and lifestyle operator for property owners", upholds the values of "offering the sincerest, warmest and farthest services" and insists on providing property owners with high-quality services. Meanwhile, the Group has a deep understanding of the materiality of ESG management, proactively takes up the social responsibility and is committed to creating a "warm community culture" with a "technological" and "modern" community and living space for customers and property owners.

The Group promotes the integration of ESG concepts into corporate operations, continuously improves the ESG management system and actively enhances ESG performance, boosting the sustainable development of the Group.

3.2 ESG Structure

The Group has established an ESG governance structure consisting of the Board, the ESG leading group and the ESG working group.

The Board: The Board is responsible for the overall ESG governance issues and supervising and reviewing the ESG performance of the Company; reviewing and determining the ESG structure and strategy of the Company; reviewing and ensuring that the Company has established an appropriate and effective ESG risk management and internal control system; as well as reviewing and approving the ESG report.

The ESG leading group: The ESG leading group is responsible for formulating the ESG strategies, guidelines and management targets; coordinating ESG work arrangements according to ESG strategies and guidelines; evaluating and sorting out ESG related risks and opportunities; and reporting the work on ESG management to the Board.

The ESG working group: The ESG working group is responsible for discussing and formulating the ESG targets and working plans for relevant departments on ESG based on the ESG strategies and guidelines; carrying out key work based on the ESG targets and working plans and supervising the achievement of targets; and carrying out ESG report data collection and preparation.

3.3 COMMUNICATION WITH STAKEHOLDERS AND MATERIALITY ASSESSMENT OF ESG ISSUES

The Group has established a mechanism for the communication with stakeholders including various smooth communication channels for stakeholders, proactively identified the ESG issues concerned by stakeholders and given positive responses.

The key stakeholders identified by the Group and their communication channels are set out in the following table:

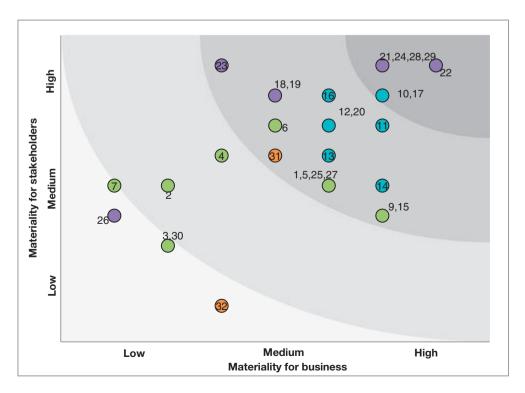| Stakeholders	Expectations and Requirements	Means of Communication and Response
Government and regulators	• Compliance with national policies, laws and regulation • Cultivation of local economic development • Contribution in local employment • Tax payment in full and on time • Production safety	• Regular Information reporting • Regular communication with regulatory authorities • Dedicated reports • Inspection and supervision
Shareholders	• Returns • Operation in compliance • Rise in company value • Transparency and effective communication	• General meeting • Company announcements • Email, telephone and company's website • Dedicated reports • On-site inspection
Partners	• Operation with integrity • Equal Rivalry • Performing contracts according to laws • Mutual benefits	• Review and assessment meetings • Business communication • Discussion and exchange of opinions • Negotiation and cooperation

Stakeholders	Expectations and Requirements	Means of Communication and Response
Customers	• Outstanding products and services • Health and safety • Performing contracts according to laws • Operation with integrity	• Customer service centre and hotline • Customer opinion survey • Customer meetings • Social media platforms • Visit • Customer service center and hotlines
Environment	• Compliance with emission regulations • Energy saving and emission reduction • Protection of ecosystem	• Communication with local environmental departments • Communication with local residents • Submission of reports • Research and inspections
Industry	• Establishment of industry standards • Promotion of industrial development	• Participation in industry forums • Mutual visit and inspection
Employees	• Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares	• Employee meetings • Company's internal publications and intranet • Mailbox for employees • Training and workshops • Activities for employees • Departmental satisfaction survey
Community and the Public	• Enhancement of community environment • Participation in charity • Information transparency	• Company's website • Company announcements • Interviews by media • Social media platforms • Company's website

Also, based on the concerns of stakeholders, the Group has identified 32 potentially material ESG issues in line with the actual situation of the Company and the hot topics on sustainable development in the industry.

ENVIRONMENT		EMPLOYMENT		OPERATIONAL PRACTICES		COMMUNITY INVESTMENT
1	Environmental Compliance	10	Employment Compliance	17	Operational Compliance	30 Charity
2	Circular Economy	11	Remuneration and Benefits	18	Environmental Risks in the Management Supply Chain	31 Promote Community Development
3	GHG Emissions	12	Working Hours and Holidays	19	Social Risk in the Management Supply Chain	32 Poverty-Relief Work
4	Waste Management	13	Diversity and Equal Opportunities	20	Purchasing Practices	
5	Energy Consumption	14	Occupational Health and Safety	21	Quality Management	
6	Use of Water Resources	15	Training and Development	22	Customer Health and Safety	
7	Green Office	16	Prevention of Child Labour and Forced Labour	23	Responsible Marketing and Promotion	
8	Tackle Climate Change			24	Customer Service Management	
9	Environmental Accident Prevention and Treatment			25	Intellectual Property Protection	
				26	Research and Development	
				27	Information Security	
				28	Customer Privacy Protection	
				29	Anti-Corruption	

The Group has assessed the materiality of the above potentially material ESG issues and the results are as follows:

Among them, seven material issues have been identified, namely "Employment Compliance", "Operational Compliance", "Quality Management" and "Customer Health and Safety", "Customer Service Management", "Customer Privacy Protection" and "Anti-Corruption", with the related performance of the Group described in subsequent chapters.

4. ENVIRONMENTAL PROTECTION

Complying with the Environmental Protection Law of the People's Republic of China and other environmental protection laws and regulations, the Group is committed to pursuing green development. The Group established a standardised environmental management system and various environmental management systems, and obtained the ISO 14001:2015 environmental management system certification in 2018, carrying out the environmental protection work in a closed-loop management model of planning, implementation, inspection and handling.
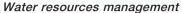
4.1 Green Project Operation

The Group adheres to the concept of green operation in property management project operations, and improves energy efficiency as well as reduces emissions while ensuring the service quality for property owners and customers.

Energy consumption management

The Group has formulated systems and standards relevant to energy consumption management, including Management System of Energy Conservation and Emission Reduction in Public Areas and Management System of Early Involvement in Planning and Design, aiming at the unified management of energy consumption in communities and provide detailed requirements for energy conservation practices in project communities. The Group has formulated the Implementation Guidelines for Energy Saving and Consumption Reduction to promote the excellent energy saving examples based on the management of the Company's energy consumption.

The measures taken by the Group to reduce energy consumption in project operations include:

• Stipulate the technical specifications for energy-saving lamps, and give priority to the use of energy-saving lamps on the premises of ensuring the lighting quality;

• Intelligent control of elevator operation and set automatic dormancy function for lighting and ventilation equipment in the car;

• Replacement of all non-fire emergency lighting equipments in the community's garages with intelligent sensor lights;

• Eliminate the use of incandescent light in public areas, promote the use of LED energy-saving voice-activated and light-sensitive lamps and adjust the running time of lighting equipment according to the season and weather in order to reduce the power consumption of lighting equipment;

• Control of the use time of lighting in equipment rooms according to the actual needs of lighting;

• Carry out data analysis for energy consumption of project operation and conduct performance assessment of energy management for the directors of relevant projects.

Water resources management

The Group proactively carries out water use planning for property management projects, makes rational use of water resources and has formulated the Standard Operating Procedures for Routine Greening Maintenance and other regulations to instruct the management of water use for the projects.

Management measures of water resources for project operations of the Group include:

• Clearly state the irrigation methods of landscape and greening in communities, and implement scientific water-saving irrigation methods such as drop irrigation or rotary jet irrigation to reduce the use of water resources;

• Carry out water-saving publicity and implementation for property owners and employees of the Group to enhance their awareness of water conservation.

Emissions management

The major emissions generated by the Group are greenhouse gases ("GHG") and non-hazardous wastes produced in energy consumption where the non-hazardous wastes mainly include office waste, domestic waste, kitchen waste and construction waste generated from the operation and maintenance of property management projects. The Group has formulated systematic waste classification and normative disposal standards to actively respond to the waste classification requirements of the places where the projects are located.

Waste management practices of the Group include:

• Establish waste classification stations, encourage property owners and employees of the Group to classify garbage while publicising and practicing the knowledge of waste classification;

• Formulate the Standard Operating Procedures for Domestic Waste Removal and Cleaning as the basis for waste management, timely remove and dispose of the waste in public areas, and set up fixed storage places and waste transfer stations in property management projects. After temporary storage and disposal, non-hazardous wastes such as domestic waste, kitchen waste and construction waste will then be handled by municipal departments or qualified cleaning suppliers uniformly;

• A small amount of hazardous waste generated from project operations, such as waste oil residue and waste paint generated in the process of facility maintenance in communities, should be collected and stored separately by the Group and handled by qualified professional companies.

Environmental management for ground-floor commerce in communities

The Group has clear requirements on the environmental management for the ground-floor commerce in communities of property management projects. For example, when catering merchants discharge waste water, they should add oil separation device and install cooking fume purification device in accordance with the relevant laws and regulations to meet the relevant acceptance standards of the environmental protection departments, and they will be allowed to start business only after they pass the acceptance inspections.

Environmental hygiene management of property owners

The Group actively maintains the environment of the community by imposing requirements and restrictions on the property owners or tenants in respect of environmental protection. The Group signed a Provisional Management Agreement with the property owners or tenants to stipulate the environmental hygiene behaviours to be observed by them. For example, they shall comply with the local environmental hygiene requirements of the community; they shall discard waste household items and rubbish at designated locations while be prohibited from littering so as to maintain the environmental hygiene of the community; they are prohibited from damaging public greenery and facilities, and splashing sewage and hazardous substances on greenbelt, flowers and trees.

Ecological protection of communities

In the community environment building of property management projects, the Group is committed to reducing environmental impacts by integrating the ecological protection concepts into operations, and paying attention to the protection of ecological environment and biodiversity of communities. The Group carries out a number of ecological protection practices in communities. For instance, the Group grows plant varieties suitable for the climate at the location of the projects, nurses vegetation, and maintains the ecological health of communities. While maintaining the community landscape and vegetation, the Group uses environmentally friendly pesticides in accordance with national standards and strictly controls the pesticide spray concentration to prevent the harm to soil and water sources.

4.2 Green Office

The Group implements the low-carbon green office concept in our office process, and has formulated the Measures for Management of Office Supplies and other internal management systems to standardise all practices of energy conservation, emission reduction and water saving in work places. Meanwhile, the Group keeps building employees' awareness of environmental protection, and actively seeks and adopts innovative practices of reducing consumption on resources in the office process. The green office measures taken by the Group in the work places include:

- Purchasing low energy consumption office supplies (including desktops, printers, etc.), adjusting properly the running time of electrical appliances according to business needs, and requiring employees to timely switch off the appliances when they leave the work places; assigning security staff to undertake patrol inspection during non-business hours, and timely switching off unused equipment or switching it to the hibernation mode to reduce power use as well as to ensure electrical safety;

- Specifying the air conditioning temperature in offices, and closing doors and windows when air conditioners are on to avoid wasting electricity while maintaining appropriate temperature in work places;

- Requiring all departments to follow the principle of saving when collecting office items, control the quantity of office supplies used, and reduce unnecessary material consumption;

- Using duplex printing and copying in office as much as possible, and collecting paper of which only one side is used as recycled paper for reuse;

- Educating employees on water saving, improving all staff's awareness of water conservation, urging them to develop a good habit of saving water by "keeping unused water taps closed" and preventing leaving the water taps running;

- Proactively promoting waste sorting, communicating waste sorting knowledge to employees, collecting separately domestic waste, office waste and other non-hazardous wastes produced in work places and delivering them to professional companies for treatment; and delivering the small amount of hazardous wastes produced such as waste fluorescent tubes, toner cartridges, and ink cartridges to qualified professional companies or original manufacturers for treatment in compliance with laws.

4.3 Environmental Objectives

In 2022, the Group set energy conservation and emission reduction targets based on its operational characteristics to actively respond to national carbon neutral planning, fulfill its commitment on low-carbon operation and support the sustainable development of society.

The environmental objectives set by the Group are as follows:

	Environmental objectives	Progress during the year
Energy consumption	Promote a project energy consumption management system covering all of the existing communities and newly developed communities to enhance refined management of energy consumption; Increase the proportion of energy conservation products and equipment used in project communities;	Ongoing monitoring of energy efficiency and timely improvements. Continuing to prioritise the use of energy efficiency labelled products.
Use of water resources	Establish a water consumption monthly submission and early warning mechanism to provide early warning and management for projects with abnormal growth in water consumption, so as to control abnormal consumption of water; Continue to facilitate the application of technologies such as micro-irrigation and sprinkler irrigation in the project communities to rationally irrigate and reduce the use of water for greening;	57% reduction in water consumption intensity when compared with 2021.
Waste disposal	Promote waste reduction in its projects by urging and guiding employees and property owners to sort their waste and centrally dispose of recyclable waste.	The waste generation was maintained at the current level.

The Group primarily produces the GHG due to energy consumption in the project operation and daily work, and thus no separate GHG emission reduction target has been set for this year.

4.4 Climate Change and Risk Management

The increasing risks and impacts of climate change pose a huge challenge to ecological environment and business management. The Group closely monitored the promulgation of national policies related to climate change and dynamic trends, actively identified the major risks brought about by climate change and fully supported actions to address global climate change. The frequent occurrence of extreme weather such as rainstorm, snowstorm and typhoon caused by climate change has brought huge losses to property owners in terms of the safety of lives and property, and posed severe challenges to the Group's project management. At the same time, in the trend of global green development, the focus of national policies, laws and regulations, technologies and the market may shift to low-carbon, which may subject the Group to relevant transition risks in the future to abide by the increasingly stringent carbon reduction compliance requirements.

In response to potential safety issues brought by extreme weather, the Group has formulated and issued the Emergency Plan for Typhoon and Flood, Emergency Plan for Outbreak of Pandemic, Media Response and Public Opinion Guidance for Emergencies and other relevant systems and procedures, and developed a series of measures to minimise the losses resulting from it. For example, when the project communities came across a typhoon, the Group will promptly take measures and set up a working group led by the project manager to arrange inspection work and combat typhoon damage and conduct disaster relief, at the same time, investigate dangerous areas and hidden dangers, develop and improve emergency plans, implement safety measures for disaster prevention and protection and emergency rescue, in order to ensure the safety of personnel.

To address potential transition risks, the Group continuously tracks the implementation and updates of climate change policies that may have a significant impact on business operations, and conducts real-time research on possible policy trends in the future and deploys preparatory work in advance to proactively seek opportunities for low-carbon transition.

Climate change comes with risks as well as opportunities. The Group enhances the efficiency of the use of natural resources in project operations through the promotion and application of energy-saving and emission-reducing technologies and equipment, and continues to promote the sustainable development of the group while saving business costs.

4.5 ENVIRONMENTAL PERFORMANCE IN 2022

The Group's environmental performance data covers the office areas of the headquarters, city companies and their project companies of the Group as well as property management projects. The major emissions generated by the Group are the GHG and non-hazardous wastes produced in energy use, where the non-hazardous wastes generally include office waste, domestic waste, kitchen waste and construction waste generated from the operation and maintenance of the property management projects. The small quantity of hazardous wastes produced in the Group's operation have all been treated or recycled by professional companies and have not had significant environmental impact, and thus are not disclosed. The major resources used for the Group's operation are water, purchased electricity, purchased steam, gasoline, diesel, liquefied petroleum gas (LPG), natural gas, etc. There is no problem with the use of water sources by the Group. As very few wrappages are produced in the Group's operation, they are not disclosed.

KPIs: Emissions[1]

	Unit	2022	2021
Total GHG emissions[2,3]	tonnes	163,187.38	134,641.49
GHG emissions (Scope 1)[3]	tonnes	126.46	98.22
GHG emissions (Scope 2)[4]	tonnes	161,623.15	134,543.27
GHG emissions (Scope 3)[5]	tonnes	1,437.77	
Total GHG emissions density	tonnes/m^2 [6]	0.002	0.002
Non-hazardous	tonnes	1,539.02	1,520.74
Non-hazardous waste density	Kg/m^2	0.02	0.02
KPIs: Use of resources			
Total comprehensive energy consumption[7]	MWH	228,447.72	210,921.77
Comprehensive energy consumption density	MWH/m^2	0.003	0.003
Direct energy consumption	MWH	540.78	405.86
Indirect energy consumption	MWH	227,906.94	210,515.91
Water consumption	tonnes	3,363,655.47	6,659,711.12
Water consumption density	tonnes/m^2	0.04	0.10

1   Based on the nature of the Group's business, gas emissions are mainly GHG emissions generated from the use of fossil fuel-converted electricity and fuels;

2   The Group's GHG calculation mainly covers carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent ("CO2e"), and was calculated in conformance with the calculation methods and conversion factors as set out in the Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions released by National Development and Reform Commission of the PRC ("NDRC");

3   GHG Scope 1: which covers the GHG emissions directly generated from the Group's operation;

4   GHG Scope 2: which covers the GHG emissions as a result of the Group's consumption of electricity and heat (indirect energy);

5   GHG emissions of Scope 3 were disclosed in this year. Scope 3 includes GHG emissions from water treatment. Calculation methods and conversion factors adopted were set out in the Appendix II Reporting Guidance on Environmental KPIs ("Appendix II")

6   The floor area managed by the Group as of 31 December 2022;

7   Total comprehensive energy consumption was calculated based on direct and indirect energy consumption with the conversion factor in General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

5. HARMONIOUS EMPLOYMENT FOR MUTUAL BENEFIT

Talent is the driving force for the Group's sustainable development. Centring on the people, the Group provides a decent working environment and a development platform for our employees, actively protects employees' interests, continuously improves the talent training mechanism and encourages healthy competition, fair selection of high caliber, aiming to foster continuous growth and development of our employees and share success and advancement with them.

5.1 Employment and Promotion

The Group strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Disabled and other relevant laws and regulations. By developing internal rules and regulations including Measures for Talent Recommendation Management, Welfare Management System, Compensation Management System, and Attendance and Vacation Management System, the Group standardises such aspects as employment, vacation, compensation and benefits, resignation, promotion and development, etc.

In the recruitment process, the Group emphasises the quality, potential, character, and experience of candidates. At the same time, the Group follows the rule of fair selection and open competition to promote equality and oppose discrimination against employees on grounds of race, nationality, skin colour, religion, gender, age and other factors.

The Group has established the Attendance and Vacation Management System, which specifies employees' working hours and the official holidays they are entitled to, and normalises the process and management model for employees to apply for a business trip and leave.

The Group resolutely prohibits the use of child labour and forced labour. The employee's identity information auto-check in the human resource system and the automatic age identification in the online induction system enable dual verification of employee's identity so as to prevent the employment of child labour. In case of any employment of child and forced labour, the Group will promptly investigate the event and take remedial measures based on the findings of the investigation. During the Reporting Period, to the best of the Group's knowledge, the Group did not have any non-compliance issues in relation to labour laws and regulations.

To further improve the Group's talent recruitment and promotion mechanism, it has launched various online and offline recruitment channels to attract quality talents through the entire internet, colleges and universities. Meanwhile, the Group encourages the growth and development of its employees through establishing internal job competition mechanism, and has formulated the Measures for Talent Recommendation Management to standardise the process of referral and discovery of internal talents.

In the actual recruitment and promotion of employees, the Group arranges interviewers from multiple departments and different ranks to conduct a comprehensive review, so as to ensure the candidates are treated and judged fairly. Moreover, the Group regularly conducts talent review and keeps building a sound training system for key posts to discover outstanding talents and accelerate our qualified personnel development.

5.2 Compensation and Benefits

The Group has formulated the Compensation Management System, which aims to provide a complete and transparent compensation and benefit system for its employees. The Group sets personalised competitive compensation levels that are fair, just, compliant and reasonable to employees based on their job nature and characteristics.

In addition, the Group provides employees with comprehensive welfare, including marriage, funeral and maternity subsidies, telephone expense subsidies, high temperature subsidies, canteen subsidies, accommodation subsidies, free physical examination, paid annual leave and other indemnity benefits, as well as housing benefits and property expenses reimbursement based on employee performance.

The Group actively organises employee activities, including traditional festival celebrations, team building, corporate culture building, welfare and care, to enrich the employees' leisure time.

Reading and Sharing Session

Outdoor Team Building Activities

Women's Day Activities

5.3 Development and Training

Attaching great importance to talent development, the Group has developed rules and regulations such as Measures for System Map Management, Case Management Measures, Measures for Basic Training Management and Measures for Trainer Management and guiding documents like Map of Refueling Points, and delivered training courses tailored to employees' job responsibilities and career development stages. For front-line staff, the Group aims to improve their service level and enhance their service capability through training courses. It reinforces standardised training to make employees understand work requirements and related operating processes, establishes professional competence certification and evaluation and improves the professional skills of front-line employees. For management staff, the Group aims to enhance multi-task management capability, business capability, and strategic planning capability. It carries out project-based training camps based on staff specialties, and strengthens management training to enhance the management staff's management capability. For senior management, the Group invites senior executives to give lectures based on specific training and conducts training on corporate strategy decoding, and improvement of management capabilities and comprehensive operation abilities.

The training programs conducted by the Group include:

- Management trainees program: During the year, we continued to implement the management trainees program. In order to help management trainees fully understand and integrate into the corporate culture, enhance their team collaboration capability, improve personal quality, and achieve a transformation from students to professionals, we held an orientation party to welcome a group of young and energetic management trainees. Through activities such as mentor guidance, cultural learning, and project observation, they have completed the role transformation from college students to formal employees of the Group, commencing their way to growth and success at Roiserv.

- Independent specialty training program – professional competence: The Group has formulated the "Spark Project"(星火計劃) talent training program specifically for the outstanding property directors, project managers and project supervisors of the Company. In this year's training, the Group organised training sessions in the form of special training, sand table exercises and core tasks, so as to achieve comprehensive improvement in terms of management capability and business awareness.

5.4 Employee Communication and Care

The Group has built open channels for communication with employees to hear their voices and make corresponding improvements, and heighten employees' satisfaction and sense of belonging. To this end, the Group carries out a series of communication activities including monthly assessments and feedback, and quarterly debriefing and comments to enhance work efficiency while caring for employees' physical and mental health.

The Group conducts employee engagement survey covering all staff in the second half of each year to receive their feedback through questionnaires. The Group also makes pertinent employee satisfaction enhancement plan and continuously follows up the plan implementation to ensure the issues of employees' concern are addressed and solved.

To assist the Company to serve its employees, protect their legitimate rights and interests and create a harmonious working atmosphere, the Group has established a labor union and formulated the Labor Union Management System to regulate the management of the labor union. While protecting the rights and interests of employees, the Group's labor union closely liaises with its employees, listens to and reflects their opinions and requests, helps them solve their difficulties and carries out a number of caring activities.

5.5 Employees' Health and Safety

The Group stresses the health and safety of employees, and is committed to creating a healthy, safe, harmonious, friendly, reassuring and comfortable working environment. The Group has established an occupational health and safety management system and obtained the ISO 45001:2018 certification. The human resource department of the Group has appointed dedicated persons responsible for employees' health management, which includes statistics and management of the health, physical examination and vaccination of people on each post.

For the health and safety management in the workplace of property management projects, the Group has formulated the Management System of Employees' Safety and Health, which contains education and training on employees' health and safety, environmental safety and fire safety in workplace, to protect employees' safety and their physical and mental health. The Group also identifies safety risks in the working areas of projects and makes corresponding safe work requirements. For instance, the system provides that flame operations in high-risk areas such as transformer room, distribution room and generator room must be approved by the manager of property service centre and conform to the relevant operating rules and procedures for frame operations established by the Group, and the operators shall wear protective equipment.

For the health and safety management in employees' daily life in offices and living areas, the Group has formulated Measures for Dormitory Management and Systems for Canteen Management which specify the electrical safety, fire safety, gas safety, anti-theft security, food safety, etc. in staff dormitories and canteens, and implemented the following safeguards for employees' health and safety:

- Providing extinguishers and fire safety signs in office areas, and prohibiting smoking in office areas for fire safety;

- Requiring employees to use appliances and power strips safely and not having them run at full capacity for electrical safety;

- Equipping front-line employees (repairers, gardeners, and canteen workers) with labour protection supplies such as insulating boots and gloves for operation safety;

- Regularly checking Safety Check Records for dormitories and canteens for the safety of employees and equipment in dormitories and canteens.

5.6 Pandemic Prevention and Control

As the outbreak of novel coronavirus pneumonia (the "Pandemic") stabilised, the Group has continued to improve various management measures for the Pandemic, implemented hygiene, disinfection and prevention plans for projects and developed project site disinfection and hygiene plan to protect the health and safety of employees during the Pandemic. For regular response to and management of the Pandemic, the Group has taken related prevention and control measures, e.g.:

- Strictly following the total registration system, prohibiting non-staff persons from entering the workplace, setting up pandemic control checkpoints to record staff's disinfection and body temperature and check and record in details visitors' body temperature;

- Setting up depositories for parcels and takeaways, which shall be received and disinfected by the property management personnel only;

- Maintaining clean environment in office areas, conducting disinfection, and ensuring ventilation frequency and duration;

- Holding meetings by way of teleconferencing, and requiring everyone in offices to wear a mask.

5.7 Employment, Health and Safety, Staff Training Performance

KPIs: Employment

		2022	2021
Total employees (persons)		**7,147**	8,421
Number of employees by type of employment (persons)	Regular employees	**7,147**	8,357
	Other categories	**0**	64
Number of employees by gender (persons)	Male	**3,667**	4,352
	Female	**3,480**	4,069
Number of employees by age (persons)	Aged 30 and below	**1,475**	2,430
	Aged 31-50	**4,483**	4,621
	Aged over 50	**1,189**	1,370
Number of employees by region (persons)	Mainland China	**7,146**	8,421
	Hong Kong, Macau, and Taiwan	**1**	0
Total employee turnover rate (%)		**64.84**	43.31
Employee turnover rate by gender (%)	Male	**57.64**	41.86
	Female	**72.49**	44.75
Employee turnover rate by age (%)	Aged 30 and below	**85.84**	49.22
	Aged 31-50	**59.53**	38.20
	Aged over 50	**51.66**	45.11
Employee turnover rate by region (%)	Mainland China	**64.84**	43.31
	Hong Kong, Macau, and Taiwan	**0**	0

KPIs: Health and safety

	2022	2021	2020
Total number of work-related fatalities (persons)	**0**	2	0
Work-related fatality rates (%)	**0.00**	0.02	0.00
Days lost due to work-related injuries (days)	**3,170.0**	645.5	–

KPIs: Employee trainings

		2022	2021
Percentage of employee trained by gender (%)	Male	**100**	88.90
	Female	**98.25**	85.48
Percentage of employees trained by management level (%)	Management	**100**	100
	General employee	**99.04**	86.24
Average number of hours of training received by employees by genders (hours)	Male	**155.55**	38.60
	Female	**224.65**	38.53
Average number of hours of training for employees by management level (hours)	Management	**359.66**	57.44
	General employee	**175.32**	37.63

6. PRODUCT QUALITY

As a leading company in the property service industry in China, the Group has the first-level qualification for national property service enterprises and is a member of the China Property Management Institute. Carrying through the service vision of "Live a good life with Roiserv", the Group centred on the service concept of "full life cycle, full service chain", and is committed to creating a "warm community culture" with a technological and modern community and living space for customers and property owners.

The Group was successively awarded Top 16 of TOP 100 Companies in Property Service in China, Top 13 of TOP 100 Property Services Companies in Brand Value, Top 1 of Outstanding Companies Operating Multiple Property Services, 2022 Leading Companies in Quality Property Service in China and Leading Companies in Property Value-added Service in China by well-known organisations and institutions such as China Index Academy, China Real Estate TOP 10 Research, and Beijing CPMRI Information Technology Co., Ltd. ("CPMRI").

6.1 Quality Service

The community is not only home, but also where life centres. The Group deeply understands the needs of property owners, optimises the service process, and continuously improves the efficiency of internal operations, provides property owners with high-quality and differentiated community life services, and brings property owners a new and convenient living experience and a "warm, soft, caring, and deserving" service experience. The Group has been qualified for ISO 9001:2015 quality management system since 2018, and has formulated the Quality, Environment, and Occupational Health and Safety Management Manual in conjunction with the quality management system to provide a standardised basis for the implementation of the Group's service management. Meanwhile, the Group has formulated the Visualisation Standard Manual, with system standards and implementation procedures well defined, so that employees can quickly and efficiently understand management standards and service specifications when implementing relevant requirements.

The Group continued to strengthen the service management system, carried out quality supervision, consolidated the concept of quality service, and continuously improved the service quality. In 2022, the Group's measures to enhance its service quality included:

- Continuously revising and improving the current system documents in combination with the operation of the system, optimising the internal control process, and improving the work efficiency of the front-line employees;

- Compiled a full-process service manual of "Warm Housekeeper (馨管家)" which covers the full-cycle service content of the housekeeper, so as to standardise the work process and standards, and to provide quality services;

- Carrying out quality control with the three-level mode for supervision and inspection of "headquarters, branches and projects", and standardising the business development by general-level positions;

- Creating a model project by setting up six dimensions of selection criteria including satisfaction survey, quality inspection, on-site acceptance, project highlights, etc., so as to set a benchmark for service quality.

Full life cycle & full service chain

The Group has established a complete property management system. Adhering to its service concept of "Full Life Cycle & Full Service Chain", the Group provides property owners with quality services that cover all chain stages for the establishment and operation of property management projects.

- Early-stage intervention: In the early stage of the completion of the project, the Group begins to conduct in-depth research on it, builds a profound understanding, drafts a property service management plan, enters the community to found a property service centre, and performs service personnel training and drills;

- Delivery inspection: Acceptance inspection of the project delivered by the builder aims to submit the identified problems to the builder for settlement and track the rework results, ensure the quality of the community's appearance and use of equipment, and assist the property owners to complete the house delivery;

- Operation management: In the operation phase, the Group establishes property owners relationships with customers, and improve the life and living quality of property owners through environmental management, safety management, project management, special services and emergency handling services.

Meanwhile, in order to implement its service concept of "Full Life Cycle & Full Service Chain" and improve customer satisfaction, the Group understands property owners' status and needs at all stages of customer services and thus provides targeted services:

- Prospective property owner period: When contacting potential property owners in the early stage, the Group strives to transform them into property owners by creating warm scenes and actively understanding the behaviour habits and hobbies of potential property owners;

- Run-in period: In the stage of repair and renovation, the Group understands the property owner's family structure as well as their interests and hobbies, so as to establish service outlets. Besides, the Group eliminates property owners' unfamiliarity with the community and carries out complaints reconciliation;

- Stability period: The Group strengthens the understanding of property owners through long-term contact, actively discusses the convenience of the community with the property owners and solves the problems encountered in their lives. Meanwhile, the Group actively organises community cultural activities, analyses the use of community equipment and carry out its improvement/maintenance;

- Regular property owner period: The Group maintains and renovates various equipment and facilities in the community, especially key contact outlets, and increases fine convenience services, so as to eliminate "aesthetic fatigue". Meanwhile, the Group practically understands property owners' needs to adjust service products, and conducts satisfaction surveys.

Housekeeper service

As an important part of the property management system, the Group has set up a "housekeeper" system in the property management project to directly interact with property owners as the core tool for maintaining the relationship with property owners. Through the connectivity day and night between the housekeeper and the property owners, the housekeeper understands property owners' ideas and needs and builds mutual trusts. To ensure property owners' service needs can be dealt with at any time, and property owners can enjoy the considerate service from housekeepers at any time, the Group's housekeeper as the main channel for the property owners to link with the Group is defined as:

- A cultural propagator: Being a good promoter of corporate culture, whose every word and deed represents the genuine feelings of the Group to property owners, and helps build a warm community atmosphere for customers;

- An emotional liaison: Being the emotional liaison between property owners and the Group, thinking about what property owners think, and creating a happy and secure living space for all property owners;

- A business linker: Being a good business linker to improve service capabilities, integrate service resources, and help realise the "good life" of the property owners' community.

Intelligent community

Based on a deep understanding of the industry and the continuous pursuit of service quality, the Group adheres to a sustainable innovative development strategy, enhances the application of intelligent systems, and integrates mobile Internet, big data, artificial intelligence and other technologies to independently develop community service APP "Rice Community" and "Rice Home", an intelligent property operation management platform of the Group, which aims to provide property owners with all-round intelligent community life services based on the "Internet + Property" model.

Property owners can use the "Rice Community" APP to realise all-round service functions in the cloud such as reporting and call for repair, property fee payment, complaints & suggestions and community activities, which facilitates the lives of property owners and customers to the greatest extent. In terms of value-added services, the Group makes full use of the online platform advantages of the "Rice Community" APP to provide property owners and customers with value-added community services through characteristic e-commerce and community group buying, and implement high-quality customer services from details. By the end of 2021, the Group's "Rice Community" APP had about one million owners registered. The specific service types of "Rice Community" APP include:

• Smart property: online collection of property management fees, water and electricity charges; online processing of complaints and call for repairs; parking lot management; surrounding security and smart security access control, etc.;

• Value-added services: community supermarkets and group buying; community housekeeping services, car wash services and canteen services, etc.;

• Data analysis: analysis of facility and equipment operation data and staff service evaluation data to be carried out to improve the quality of the community's equipment management, and to optimise owner services.

Meanwhile, the Group utilises the "Rice Home" APP to perform systematic job management. Its specific functions are as follows:

• Facility and equipment management system: different facilities and equipment in the community are connected through the online management system that displays in real-time the operating status of the equipment in the community and matches it with the dynamic maintenance plan to improve the efficiency of equipment operation;

• Employees' operation management system: The "work order competition" model of reporting work orders is set up. After processed intelligently, the work orders are automatically matched to the closest and most appropriate operators. The employees accept and process accordingly on the platform to realise "Confirm an order within 3 minutes, go for repair within 30 minutes" to the full extent;

• Intelligent patrol system: to ensure the implementation of basic patrol in the community, improve the efficiency of personnel management and work effect, and help community managers understand the status of the community in a timely manner.

In addition, the Group uses the business intelligence system to compile and analyse information and, with the combination of the practical needs of the various departments of the company, produces various reports, such as complaint work orders, resource usage reports and operational reports, which are used in the performance appraisal of various business departments of the company to motivate their business execution capability in an immediate and effective manner.

Community full of vitality

To build a warm community where harmonious neighbourhood is set up, the Group has launched a wide range of community events to gather all property owners desirous of good life and make their lives enriched.

Since 2019, the Group regularly organised the "YOHO Family Festival" community activity each year. In 2021, the "YOHO Family Festival" activity conducted by the Group, with the theme of "thousands of families and harmonious neighbourhood for a warm gathering", attracted property owners and their families to involve through the wonderful activity design and diversified activity content, actively reflecting the Group's care for the property owners in the community and arousing the property owners' emotional resonance with the Group.

The Community Business Division to provide convenient services

The Group's Community Business Division has always adhered to the service philosophy of "providing convenient and secure one-stop services for property owners and residents of the community", aiming to provide quality services to the satisfaction of property owners. The Group has formulated relevant systems such as the "SOP Manual of YOU MEAN Convenience Store "《(優米便利店 SOP 手冊》), "Car Washing and Beauty Process Standard"《(洗美流程標準》) and "Roiserv House Improvement Supply Quality Commitment" 《(榮萬家美居供應商品質承諾書》) to regulate the services and management standards of our partners in community convenience stores, car beauty and house renovation, so as to create a quality shopping, car washing and beauty as well as house improvement experience for property owners. The Group has a dedicated person responsible for the above services and has put in place a number of measures to manage and control the quality of its services. The specific measures include:

- Retail business: conduct a survey on the daily consumption products of property owners in Roiserv community to understand their needs for daily consumption products, adjust product structure and provide quality services to property owners; organise special staff training to enhance their service awareness and professionalism; set up a self-inspection and inspection system for convenience stores to create a good shopping environment for property owners and eliminate safety risk;

- Car washing and beauty business: develop standardised business processes, conduct regular staff training and carry out special inspections to improve customer satisfaction;

- House improvement business: establish complete merchant entry assessment standards, strictly manage the merchant entry process, promote the development of service standardisation and ensure service quality.

6.2 Property Owners' Security Assurance

The Group focuses on providing a safe living environment for property owners. The Group has formulated the Standard Operating Procedures for Fire Treatment, the Standard Operating Procedures for Community Theft Management and other daily safety management systems of the community, to strengthen the awareness of prevention from the perspectives of division of responsibilities, process training, practical drills, publicity for property owners, and reduce the risk of safety accidents, so as to protect the property and personal safety of property owners. In addition, the Group has also formulated the Standard Operating Procedures for Equipment Management, the Standard Operating Procedures for Domestic Waste Removal and Transportation and other equipment operation regulations, which clearly stipulate the maintenance frequency and operation safety requirements of equipment in the community. The Group has implemented a number of measures to ensure the safety of property owners, including:

• Conducting fire drills no less than twice a year and anti-theft drills no less than once a quarter to normalise the awareness of risk prevention and control;

• Adopting the principle of separation of people and vehicles in the community planning to reduce the impact of car flow in the community, and to verify the identity of visitors at the entrance of the community;

• Carrying out special actions such as "Zero Hidden Danger Actions", "Safety Production Month" and "Pre-holiday Risk Inspection" in stages every year to standardise the safety management actions in the community and improve the risk handling skills of security guards.

At the same time, in order to respond to emergencies in an orderly manner and minimise emergencies and the damages they cause, the Group has formulated the Emergency Plan Management Guideline and emergency response procedures to standardise the procedures for handling emergencies. When an emergency occurs, the on-site employees shall report the emergency in a timely manner and call the police; the leaders shall immediately rush to the scene after receiving the notice, organise the accident site protection work, and cooperate with the police in respect of investigation. After the handling of the accident, the Group will summarise and archive the relevant data, sum up experience and strengthen safety management education to ensure the basic life safety of property owners.

The community is the basic unit of urban society and the front line of pandemic prevention and control. The strict protection and perseverance of the home is a solid backing for the fight against the Pandemic. The Group has actively responded to the national pandemic prevention policy and carried out a number of community pandemic prevention and control measures, including:

- Conducting the disinfection in all areas 1-2 times a day for pandemic prevention to reduce the hidden danger of pandemic spread in the communities under management;

- Implementing 360° all-round monitoring in each community under management, strictly monitoring entrances and exits 24 hours a day, strengthening the prevention and protection of the central control and patrol posts, and dealing with the abnormal situation in time;

- All entrances and exits are equipped with infrared thermometers to measure the body temperature of pedestrians, car drivers and passengers, and visitors, takeaway delivers, couriers and other outsiders are required to verify and register health code information to ensure precise prevention and control;

- Arranging employees to provide warm-hearted services to property owners who are in quarantine, and deliver fruits, vegetables, and daily necessities to their homes to provide guarantees for their normal lives during quarantine period.

6.3 Property Owners' Complaints & Satisfaction

In 2022, the Group continued to use the Standard Operating Procedures for Handling Customer Complaints as a guideline for handling customer complaints, and formulated the Management Regulations for Daily Inspection of Customer Service Lines in accordance with the operating procedures to continuously manage customer service lines, in order to continuously improve the customer experience while regulating customer service.

The Group has actively collected suggestions and opinions from property owners and customers through such channels as face-to-face complaints, online complaints via the APP, complaints via housekeeper WeChat account and 400 hotline. The Group has promoted the improvement of property services and improved customer satisfaction through timely feedback on customer service experience. The Group has improved the portraits of property owners through the key touchpoints of reporting and processing, and provided data support for the property team to provide more accurate services. The Group has added customer service for social commerce business and assigned special personnel to handle complaints from property owners related to social commerce business.

The Group sets up a dedicated housekeeper to handle complaints. It is stipulated that the complaints will be responded to within 24 hours and the 400 customer service centre will make return visits. For complaints that cannot be handled immediately, feedback and handling measures must be given within 24 hours. For the handling of specific complaints, the housekeeper needs to report the progress of the handling to the property owners every 72 hours. The conditions for closing the work order are dependent on the property owner's evaluation. If the owner's evaluation is satisfied, the work order will be closed in a closed loop, and if unsatisfied, the complaint will continue to be handled.

In order to effectively handle customer appeal, the Group has adopted a complaint escalation warning function. For unhandled customer complaint, it will be reported to the project manager if unhandled over 7 days, or to the regional general manager if unhandled over 15 days, or to the quality management department of the headquarters if unhandled over 30 days. Through the level-by-level early warning system, it is ensured that the customer's appeal is effectively dealt with.

With an aim to realise the standardised management and retention of property owner's reporting and complaint data, the Group has improved the efficiency of personnel management by solidifying the daily inspection actions, and applied information-based property management methods to avoid the risk of information loss caused by offline records, and realise the online circulation and effective closed-loop of information, thereby enhancing the quality of daily management and customer satisfaction.

In 2022, the Group received 2,611 complaints in relation to properties, all of which have been dealt with in accordance with the said mechanism.

7. COMPLIANCE OPERATIONS

The Group takes integrity operation as the foundation of its development, and continuously provides high-quality services to users.

The Group has established a management database of property laws and regulations, and organised and reviewed the updates and changes of national and local property laws and regulations as the legal basis for the Company's business development.

7.1 Anti-corruption

The Group shows zero tolerance to corruption and fraud, and severely combats and eradicates any form of corruption, fraud, bribery, blackmail, money laundering and other incidents. The Group strictly abides by relevant laws and regulations, including but not limited to the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and has formulated and issued the Integrity and Self-discipline Code, Employee Behaviour Red and Yellow Line Manual, Implementation Rules for Reporting, Confidentiality, Protection & Reward, Implementation Rules for Supervision Information Publicity, Implementation Rules for Cash Gift and Gift Disposal, Implementation Rules for Employee Reporting and other management systems to regulate employees' behaviours. Among them, the Integrity and Self-discipline Code of the Group as an integral part of the labour contract must be signed by all employees when onboarding. At the same time, the Group regularly conducts staff's integrity training based on the above rules.

In terms of reporting and whistle-blowing, the Group has established reporting channels such as telephone, WeChat, and email, and abides by the Implementation Rules for Reporting, Confidentiality, Protection & Reward to protect whistle-blowers and clarify the rewards to them.

In terms of integrity training for employees, the Group conducts integrity culture presentations with different contents based on the business conducted by employees at different levels, and fraud cases investigated and dealt with by the Company according to the relevant clauses in the Integrity and Self-discipline Code. During the year, the Group carried out 5 integrity-related trainings for employees, involving more than 1,000 employees. At the same time, the Group conducted 2 anti-corruption policy trainings in respect of integrity, discipline requirements and warning cases for the Board this year.

In 2022, the Group and its employees did not involve in any violations of corruption, bribery, fraud and money laundering or related lawsuits.

7.2 Publicity & Advertising Management

In accordance with relevant national advertising laws and regulations, the Group strictly reviews product publicity content to prevent exaggerated, distorted, untruthful, and indelicate content. Regarding the review of content such as official website publicity articles and official account tweets, the legal and branding departments of the Group jointly review the promotional materials to ensure that the images and texts are legal, compliant, objective and accurate.

7.3 Intellectual Property Protection

The Group complies with the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and other laws and regulations, protects its own intellectual property rights, applies for trademark protection for the trademarks used by the Group, and fully respects the existing intellectual property rights of other parties. The Group identifies intellectual property rights to prevent infringement of the intellectual property rights from other parties. The specific measures taken by the Group to protect intellectual property rights include but are not limited to:

- Regularly investigate the infringements of the fraudulent use of the Group's name and trademarks; immediately communicate with the related party upon discovering such infringement, and request it to make rectification and replacement;

- The legal and branding departments review the intellectual property in official website publicity content, and public account tweets to prevent infringements upon images, fonts, text, etc.;

- The ownership and protection of intellectual property rights are made clear in the Rice Community APP user agreement;

7.4 Information Security & Privacy Protection

The Group attaches great importance to the information security and privacy protection of property owners and customers, strictly abides by the Cyber security Law of the People's Republic of China, Information Security Technology & Personal Information Security Regulations of the People's Republic of China and other relevant laws and regulations, and has formulated privacy management policies such as Customer Information Management Regulations to provide guiding specifications in terms of information access permission, cloud data security, and data leakage emergency protection.

In terms of access permission, the Group strictly controls employees' access to customer privacy, implements the principle of not storing non-business customer information, and continuously improves the Company's internal systems and access systems. At the same time, the Group uses a self-developed access control system to double-protect and encrypt customer privacy information, and conduct regular inspections to review the process and check for deficiencies.

In terms of protection of property owners' and customers' data stored in the cloud, the Group regularly monitors the number of accounts and their usage, and accordingly formulated emergency plans to prevent consumers' data leakage. At the same time, the Group has improved the ability to detect and identify, understand and analyse, and respond to and dispose of security threats from a global perspective, and implemented real-time upgrades to technologies such as internal firewalls to ensure the full-process encryption of information.

When responding to data leakage emergencies, after receiving and identifying an alarm of abnormal customer data call, the Group limits and downgrades temporary services, and controls the amount of information retrieved. After discovering the signs of leakage, the Group collects and retains them on the spot, and reports them to the public security and judicial systems urgently to minimise the impact of the accident within the minimal time and protect the privacy of customer information to the greatest extent.

7.5 Supply Chain Management

The Group has established fair and transparent cooperative relationships with suppliers and is determined to eliminate any corrupt practices and create a clean business environment.

Adhering to the principle and original intention of being responsible to property owners, the Group has formulated the Management Measures for Bidding and Procurement, Operational Guidelines for the Monthly Performance Evaluation of Cleaning and Order Outsourcing Suppliers, Integrity and Honesty Commitment and other management systems to guide and standardise supply chain related management work as well as the management of suppliers.

In terms of supplier access, the Group requires relevant departments to check the company qualifications, past services experience, and performance of all suppliers. Labour outsourcing suppliers shall be inspected in terms of the scale and quality of their cooperation projects, project maintenance suppliers shall be reviewed in terms of whether their maintenance records are detailed and comprehensive, and material procurement suppliers shall be inspected in terms of the completeness of their categories and their satisfaction of quality requirements. At the same time, the Group has conducted on-site inspections on the offices and service sites of all 577 suppliers newly engaged in 2022, and reviewed their management structure, financial condition and capital flow status.

In terms of supplier evaluation, the Group conducts service quality evaluations on a monthly basis, and conducts evaluations in different dimensions for different types of suppliers. For those with lower evaluation scores, the Group will organise relevant departments to communicate with the supplier's responsible person to understand the current status of the supplier and the reason for the low evaluation score. At the same time, the Group conducts a summary of supplier evaluations at the end of each year. Suppliers with repeatedly low assessment scores or defaults will be blacklisted upon the awareness of objective circumstances.

In addition, the Group incorporates the supplier's ESG performance into the considerations of supplier access and evaluation and gives priority to environment-friendly products during procurement to respond to the relevant environmental requirements. For example, the garbage transfer vehicles and snow plows purchased by the Group for provision of property services to the Winter Olympic venues are all new energy and environment-friendly vehicles.

Number of suppliers by geographical location

The geographical location of suppliers	2022	2021
Mainland China	**2149**	1572
Hong Kong/Macao/Taiwan	**0**	0
Overseas	**0**	0

8. GIVING BACK TO SOCIETY

A warm and harmonious community is an integral part of a harmonious society. The Group creates a warm community for property owners, provides high-quality property services, contributes to the building of a harmonious society, and actively assumes its own social responsibilities. During the year, the Group actively organized various community activities for employees, such as organizing various festive activities for the children of property owners, encouraging employees to participate in voluntary blood donation to practice social value of the corporate and organising staff to pick up rubbish for improving their awareness of environmental protection. Being committed to continuing to participate in social welfare, the Group will play full role in fulfilling its responsibilities and mission as a corporate citizen, achieve its contribution and give back to the society and people through every act of kindness.

9. ESG REPORTING GUIDE CONTENT INDEX

ESG INDICATOR	REPORTING GUIDE	SECTION
A. Environmental		
Aspect A1	**Emissions**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuers relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	Green Project Operation Green Office
KPI A1.1	The types of emissions and respective emissions data.	Environmental performance in 2022
KPI A1.2	Total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental performance in 2022
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The small amount of hazardous wastes generated in the Group's operation were disposed of or recycled by professional companies. Since there was no significant impact on the environment, no disclosures were made.

ESG INDICATOR	REPORTING GUIDE	SECTION
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental performance in 2022
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Project Operation Green Office Environmental Objectives
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Project Operation Green Office Environmental Objectives
Aspect A2		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Project Operation Green Office
KPI 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).	Environmental performance in 2022
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance in 2022
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Project Operation Green Office Environmental Objectives
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Project Operation Green Office Environmental Objectives
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Since the Company did not use any packaging materials due to the nature of its business, this disclosure is not applicable.

ESG INDICATOR	REPORTING GUIDE	SECTION
Aspect A3		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Project Operation – Green management for ground-floor commerce in communities; – Property owners' environmental hygiene management; – Ecological protection of communities
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Project Operation – Green management for ground-floor commerce in communities; – Property owners' environmental hygiene management; – Ecological protection of communities
Aspect A4	**Climate Change**	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change and Risk Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and Risk Management

ESG INDICATOR	REPORTING GUIDE	SECTION
B. Social		
Employment and		
Labour Practices		
Aspect B1	**Employment**	
General Disclosure	Information on:	Employment and Promotion
		Compensation and Benefits
	(a) the policies; and	Employee Communication and Care
	(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.	
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Employment, Health and Safety, Staff Training Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment, Health and Safety, Staff Training Performance
Aspect B2		
General Disclosure	Information on:	Employees' Health and Safety
	(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.	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employment, Health and Safety, Staff Training Performance
KPI B2.2	Lost days due to work injury.	Employment, Health and Safety, Staff Training Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employees' Health and Safety

ESG INDICATOR	REPORTING GUIDE	SECTION
Aspect B3		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment, Health and Safety, Staff Training Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment, Health and Safety, Staff Training Performance
Aspect B4		
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 or forced labour.	Employment and Promotion
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Promotion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Promotion
Operating Practices **Aspect B5**		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical location.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

ESG INDICATOR	REPORTING GUIDE	SECTION
Aspect B6		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Service Property Owners' Security Assurance Publicity & Advertising Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Since the Company did not sell or ship any products due to the nature of its business, this disclosure is not applicable.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Property Owners' Complaints & Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Service
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Security & Privacy Protection

ESG INDICATOR	REPORTING GUIDE	SECTION
Aspect B7		
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.	Anti-corruption
KPI 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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community **Aspect B8**		
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
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back To Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back To Society