

A-LIVING SMART CITY SERVICES CO., LTD.* 雅生活智慧城市服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 3319

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2023



*For identification purposes only

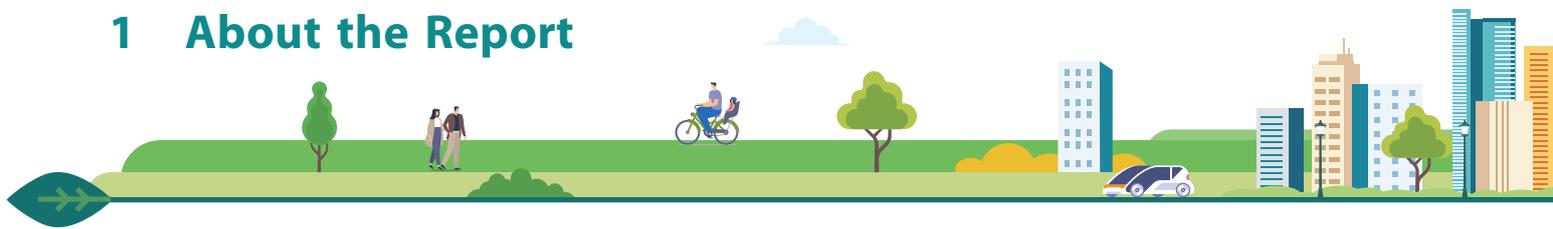
Contents

Section

1	About the Report	2
2	Chairman's Statement	4
3	About A-Living	6
4	Annual Key Performance	8
5	Sustainable Development Philosophy and Governance	14
6	Standardized and Orderly Operation with Integrity	21
7	Striving for Excellence and Providing Extraordinary Services	27
8	Sincere Care and Cohesion of Employees	50
9	Multiple Measures to Promote Green Development	66
10	Sincere Cooperation to Achieve Mutual Development	77
11	Enthusiastic in Public Welfare and Continuous Contribution to the Society	83
	Appendix I: Key Performance Indicators in 2023	87
	Appendix II: Content Index for the ESG Reporting Guide	92
	Appendix III: List of Policies	97



1 About the Report



1. OVERVIEW

A-Living Smart City Services Co., Ltd. (“A-Living” or the “Company”, together with its subsidiaries, the “Group” or “We”) is pleased to publish its 2023 Environmental, Social and Governance (“ESG”) Report (the “Report”), which is aimed at disclosing the Group’s management and performance in ESG aspects for the year ended 31 December 2023 to fully address the expectations of stakeholders on the sustainable development and information disclosure of the Group and enhance their understanding of and confidence in the Group.

2. PREPARATION BASIS OF THE REPORT

The Report complies with all the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The content index for the ESG Reporting Guide is set out in Appendix II of the Report for easy reference of readers.

The Report complies with the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency” in the ESG Reporting Guide of the Hong Kong Stock Exchange, with a view to fully reflecting the management conditions and work achievements of the Group in ESG aspects. The Report responds to the principle of “Materiality” through the analysis and evaluation of material issues, responds to the principle of “Quantitative” with the list of quantitative data, and ensures that the disclosure scope and reporting methods of the Report are generally consistent every year to respond to the principle of “Consistency”, while responding to the principle of “Balance” through the review of negative issues and poor performance.

3. SCOPE OF THE REPORT

The Report covers the Company and its wholly-owned subsidiaries and controlling subsidiaries. Unless otherwise specified, the scope of the Report is consistent with that of the consolidated statements in the Company’s 2023 Annual Report (the “Reporting Period”, the “Year”, “2023”, “during the Year”), and should be read in conjunction with the Company’s 2023 Annual Report.

4. DESCRIPTION OF APPELLATIONS

Description of appellations is on the purpose of facilitating presentation and reading. Unless otherwise specified, “A-Living” and the “Company” in the Report refer to A-Living Smart City Services Co., Ltd., the “Group” and “We” refer to the Company and its subsidiaries.

5. DATA SOURCE AND RELIABILITY STATEMENT

The data and cases in the Report are mainly derived from A-Living’s official documents, statistical reports and relevant public information. The Group undertakes that the Report contains no false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its content.

6. CONFIRMATION AND APPROVAL

The Company’s board (the “Board”) of directors (the “Director(s)”) and the senior management team have reviewed and approved the Report to ensure that the content of the Report contains no false records, misleading statements or material omissions.

7. ACCESS AND RESPONSE TO THE REPORT

The Report is prepared in Chinese and English respectively. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail. The Report is available and can be downloaded from the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.agileliving.com.cn). For further enquiries, comments or suggestions on the Report, please contact the Company by email at ir@agileliving.com.cn.



2 Chairman's Statement



Dear stakeholders,

In the year of 2023, a year full of challenges and opportunities, on behalf of the Board of the Group, we would like to express our most sincere greetings and gratitude to all stakeholders. With the joint efforts of all employees, we have consolidated the service quality foundation, served customers wholeheartedly, enhanced our brand value, maintained the leading position in terms of scale, and made significant progress in ESG aspects, laying a solid foundation for the sustainable development of the Company.

In 2023, adhering to the corporate vision of “becoming a preeminent quality service provider in China”, we focused on the main business of property management, laid out along the whole industry chain selectively, improved our operation and management efficiency, and deepened the integration of the organization. Through high-quality and high-standard services, we continuously improved customer service experience and satisfaction. At the same time, we are well aware that the long-term development of an enterprise is impossible without our commitment and contribution to environmental protection and the society, as well as the improvement of internal governance. Therefore, we always adhere to the corporate mission of “lifelong caring for you, heartwarming service to city”. With service as the foundation, innovation as the driving force and being responsible as the mission, we are committed to becoming an industry-leading benchmark enterprise for sustainable development. During the Year, our efforts have won many industry recognitions and honors, including the “2023 Excellent Property Management Companies in ESG Development in China”, which reflects our unremitting pursuit of quality, innovation and corporate social responsibility.

Fully practicing the modern enterprise system is the basic prerequisite for the Group to build its sustainable development capabilities. We strictly comply with relevant laws and regulations, enhance the corporate governance structure, ensure the compliance and transparency of corporate operations, and continuously improve the level of corporate governance. We are committed to establishing a sound internal control system and risk management mechanism, promoting a culture of integrity, and striving to create a clean, efficient and orderly business environment.

The Group actively responds to the national goal of “carbon peaking and carbon neutrality”, so that green operation has become the foundation of corporate development. We effectively reduce the impact of our operations on the environment by using green energy, promoting energy conservation and emission reduction, water conservation, waste reduction and other measures. A number of our projects have obtained environmental management system certification, reflecting our commitment and practical actions in green operation. At the same time, we actively set a good example of green living and organize property owners and community residents to carry out various environmental protection activities.



The Group actively undertakes social responsibilities and constantly develops talent development and social welfare and other aspects. We firmly believe that talent is always the cornerstone for building an enterprise, adhere to the people-oriented principle, pay attention to the career development and well-being of employees, and provide employees with a broad career development platform and a safe and healthy working environment. At the same time, we continue to deepen the linkage with the communities, and strengthen communication and integration with property owners and improve the harmony and vitality of the communities by carrying out diversified charity campaigns and volunteer services.

Looking ahead, the Group will continue to consolidate ESG management, improve service quality, enhance customer experience, continuously explore and implement more sustainable and environmentally friendly operation models, strengthen cooperation with various stakeholders, and jointly embrace a greener and more sustainable future. We firmly believe that through unremitting efforts and continuous innovation, the Group will be able to create greater value for shareholders, provide a better development platform for employees and make greater contributions to the society.

Last but not least, we would like to express our heartfelt gratitude to all employees, customers, partners and all sectors of society. All stakeholders' support to and trust in the Group gives us confidence and motivation to keep moving forward and create more value and achievements. In the future, we will stick to our original aspiration and strengthen our confidence, continue to focus on sustainable development and long-term value creation, and join hands with all parties to create a better tomorrow.

Chan Cheuk Hung/Huang Fengchao

Co-Chairman of the Board

Hong Kong, 25 April 2024



3 About A-Living



Founded in 1992, A-Living is a mid-to-high-end comprehensive property management service provider with nation-wide layout. It is listed on the Hong Kong Stock Exchange (stock code: 3319.HK) in 2018 and ranked the 2nd among the Top 100 Property Management Companies in China by China Index Academy. The Group adheres to the corporate vision of “Becoming a preeminent quality service provider in China” and the corporate mission of “lifelong caring for you, heartwarming service to city” to create a happy living environment for every city and every individual with nationally leading service capabilities of all property types, all scenarios and all along industry chains.

1. BUSINESS OVERVIEW

The Group’s four core business lines include property management services, property owners value-added services, city services and extended value-added services. As of 31 December 2023, the Group’s total contracted GFA and total GFA under management were approximately 770 million sq.m. and 590 million sq.m., respectively, with 4,600 service projects, covering 31 provinces, municipalities and autonomous regions and 206 cities across the country.

So far, the Group has established a balanced business portfolio covering residential, public buildings, commercial and office buildings. The Group actively expanded the market through various business segments, regional offices and member companies, continued to focus on “horizontal expansion of business coverage and vertical exploration of service content”, strengthened and improved the service capabilities of “diversified, full-lifecycle and all-business portfolios”, continued to develop product and improve the service quality, deeply explored customer needs and provided diversified value-added services, and accelerated the growth of the Group in the existing residential market.



Property management services

Revenue of RMB10,806.7 million in 2023



Property owners value-added services

Revenue of RMB2,334.5 million in 2023



City services

Revenue of RMB1,387.4 million in 2023



Extended value-added services

Revenue of RMB914.8 million in 2023



2. CORPORATE VALUE SYSTEM

The Group adheres to the corporate values of “Inclusion and diversity, relentless pursuit of excellence, mutual benefit and common progress, value creation with concerted efforts”, provides quality services to property owners, creates a development platform for employees, and actively contributes to social value. In the future, the Group will constantly focus on customer needs, expand service sectors and improve service quality, and make unremitting efforts to realize the corporate vision of “becoming a preeminent quality service provider in China”.



4 Annual Key Performance

1. PERFORMANCE REVIEW OF 2023

With the corporate vision of “becoming a preeminent quality service provider in China”, the Group focuses on the main business of property management, strategically deploys along the entire industry chain, improves operational management efficiency and deepens organizational integration. During the Year, the Group was committed to becoming an industry-leading sustainable development benchmark enterprise by striving to provide clients with high-quality services while developing its business, sincerely caring for employees and provided a broad career development platform, taking multiple measures to reduce the impact of its own operations on the environment, working together with suppliers to achieve win-win results and giving back to the society. In the future, we will continue to meet people’s needs for a better life with high-quality services, and continuously promote the high-quality and sustainable development of the property management industry.

As of 31 December 2023, the Group’s ESG management performance was as follows:

ECONOMIC PERFORMANCE



Contracted GFA

766.6 million sq.m.



GFA under management

590.5 million sq.m.



Service projects

4,600



Coverage of service projects

31 provincial-level administrative regions



Total assets

RMB **24,051** million



Total equity

RMB **14,449** million



Revenue in 2023

RMB **15,443** million

ENVIRONMENT PERFORMANCE



Water consumption in 2023

11,968,974.96 m³



GHG Emissions in 2023

208,845.10 tCO₂e



Total comprehensive energy consumption in 2023

395,836.65 kWh in '000s



SOCIAL PERFORMANCE



ESG RATING



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2. KEY ESG ACTIONS

The Group adheres to the sustainable development philosophy and pursues the harmonious unity of sustainable development and its own development. The Group actively responds to the sustainable development goals (SDGs) of the United Nations, facilitating the achievement of balanced development of economy, environment and society through business operations and value creation. The Group incorporates the concept of sustainable development into its daily operations and decision-making, formulates ESG goals and supervision indicators applicable to the Group with reference to the SDGs highly relevant to the Group’s business development and takes key actions to implement relevant ESG issues to continuously promote the sustainable development of the Group, and effectively responds to the concerns and expectations of internal and external stakeholders for the Group. The following are the key ESG actions and performance of the Group during the Reporting Period:

SUSTAINABLE DEVELOPMENT PHILOSOPHY AND GOVERNANCE

Key actions and performance of the Group during the Year

- Promote sustainable development based on a sustainable development governance system with clear authority and responsibility;
- Incorporate ESG risks into the corporate comprehensive risk management and internal control system;
- Understood the expectations of various stakeholders and take timely actions to respond.

SDGs addressed



STANDARDIZED AND ORDERLY OPERATION WITH INTEGRITY

Key actions and performance of the Group during the Year

- Establish a system of disciplinary violations and whistleblower protection;
- Continuously implement the “A-Living Management Red Line”, “Ten Rules for Management Level” and “Code of Conduct for Employees” for employees;
- Regularly conducted business audits, completing 6 routine audits and 5 special audits;
- Continuously carried out anti-corruption trainings covering directors and employees. The total duration of anti-corruption trainings was 273,204 hours with 19,518 times of participation.

SDGs addressed





STRIVING FOR EXCELLENCE AND PROVIDING EXTRAORDINARY SERVICES

Key actions and performance of the Group during the Year

- Built 69 benchmark property service projects accumulatively;
- Customer complaint resolution rate was 95%;
- Satisfaction score of complaint handling was 98%;
- Obtained aggregate 9 authorized invention patents and 23 authorized utility model patents;
- Held over 6,000 community activities.

SDGs addressed



SINCERE CARE AND COHESION OF EMPLOYEES

Key actions and performance of the Group during the Year

- Improved three major training segments namely Talent Development, Professional Empowerment as well as Learning, Research, Culture, and Publicity, and enriched employee training resources;
- Conducted 23,825 training sessions with 19.44 average training hours per person;
- Establish an occupational health and safety management system in compliance with ISO 14001;
- Constantly launched the employee caring activities “LOHAS Workplace” (「樂活職場」) with a total of 3,628 employee caring activities.

SDGs addressed





MULTIPLE MEASURES TO PROMOTE GREEN DEVELOPMENT

Key actions and performance of the Group during the Year

- Actively adopt various measures such as energy conservation, water conservation and waste recycling, and continuously promote the realization of energy conservation, emission reduction, water conservation and waste reduction goals;
- Established an environmental management system in compliance with ISO 14001: 2015 standards;
- Promoted a number of projects to participate in ISO 50001 energy management system certification;
- Advocate green operation and carry out environmental protection knowledge popularization activities;
- Actively responded to risks and opportunities of climate change with reference to the recommendations of Task Force on Climate-related Financial Disclosure.

SDGs addressed



SINCERE COOPERATION TO ACHIEVE MUTUAL DEVELOPMENT

Key actions and performance of the Group during the Year

- Improve the supplier management mechanism and strengthen the full-cycle ESG risk management of suppliers;
- Practiced compliant procurement and required the signature rate of the Supplier Integrity Agreement reached 100%.

SDGs addressed



ENTHUSIASTIC IN PUBLIC WELFARE AND CONTINUOUS CONTRIBUTION TO THE SOCIETY

Key actions and performance of the Group during the Year

- Encouraged employees to participate in volunteer activities, with accumulated volunteer service number of 1,056 hours.

SDGs addressed



3. PERFORMANCE AND HONORS IN THE YEAR

With its excellent products and services, outstanding business performance as well as great corporate social responsibility performance, the Group won various industry awards. During the Year, the awards the Group has received are mainly as follows:



Awards for the Year

- 2023 China Excellent Property Management Companies in terms of ESG Development
- 2023 China Excellent Listed Property Management Companies in terms of ESG Practices
- 2023 China's Excellent Listed Property Management Companies in Environmental Responsibility (E)
- 2023 China's Excellent Listed Property Management Companies in Social Responsibility (S)
- The 2nd of the "2023 Top 100 Property Management Companies in China"
- The 2nd of the "2023 Top 100 Property Management Companies in terms of Business Performance in China"
- The 3rd of the "2023 Top 100 Property Management Companies in Management Scale in China"
- The 1st of the "2023 China Listed Property Management Companies in terms of Market Expansion"
- The 2nd of the "2023 China Listed Property Management Companies in terms of Comprehensive Strength"
- The 2nd of the "2023 China Listed Property Management Companies in terms of Management Scale"
- The 3rd of the "2023 China Listed Property Management Companies in terms of Community Value-added Service Capability"
- The 4th of the "2023 China Listed Property Management Companies in terms of Growth Potential"
- The 2nd of the "2023 Leading Enterprise in the Property Management Market in the Guangdong-Hong Kong-Macao Greater Bay Area"
- 2023 China Leading Property Management Companies in terms of Service Quality
- 2023 China Excellent Property Management Service Brand in terms of Customer Satisfaction
- 2023 China Leading Property Management Brand in terms of Specialized Operation
- 2023 Property Management Companies with Outstanding Performance
- 2023 Outstanding Property Management Companies in terms of Innovation Performance
- 2023 China Excellent Brand of Property Management Services for Public Buildings

5 Sustainable Development Philosophy and Governance



The Group has continued to improve the sustainable development governance structure led by the Board, fully considers ESG factors in major key decisions, and continuously strengthens the supervision and management of ESG work to ensure adequate and effective sustainable development management. At the same time, the Group continues to improve its risk management system and risk management strategies, and actively conducts ESG risk assessment and response to further ensure the effectiveness of corporate ESG risk management. The Group continuously attaches great importance to communication with stakeholders, actively communicates and responds to the demands of stakeholders in a timely manner, and continuously improves the transparency of information disclosure and ESG management level of the Group.

1. BOARD STATEMENT

As the highest decision-making and supervisory body of ESG management, the Board assumes full responsibility for the Group's ESG management policies, strategies and reporting, and is responsible for approving the Group's ESG management policies and strategies, fully considers ESG factors in business decision-making, ensures that the Group has established appropriate ESG risk management and internal control mechanisms, and continuously improves the sustainable development governance system. The Board supervises and reviews the progress of achieving ESG objectives, identifies and manages ESG risks and opportunities through regular meetings to ensure the effective operation of the Group's ESG management.

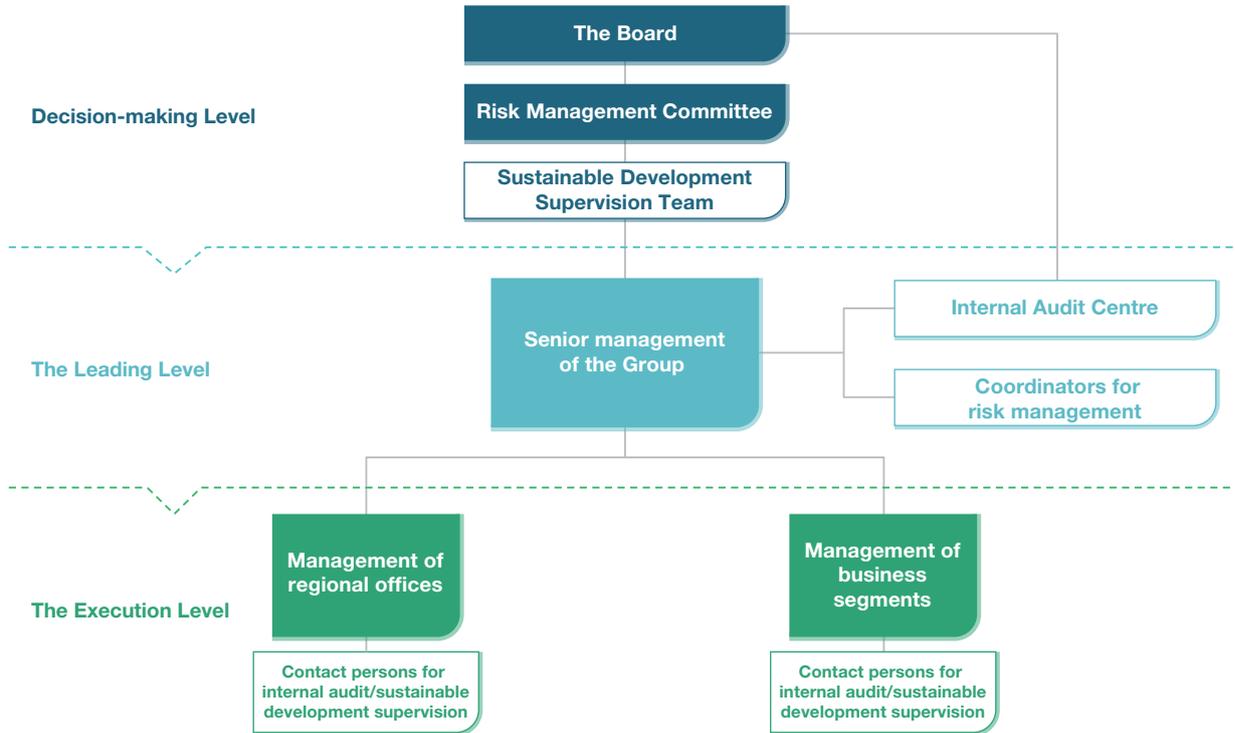
2. SUSTAINABLE DEVELOPMENT GOVERNANCE SYSTEM

The Group has set up a three-tier sustainable development governance system led by the Board to steadily promote the Group's sustainable development governance work. As the highest level of decision-making in ESG works, the Board is responsible for supervising and managing the Group's ESG matters, while ensuring that the Group establishes appropriate risk management and internal control mechanisms and reviews their effectiveness on a regular basis.

The Risk Management Committee of the Board is responsible for the overall management of the Group's sustainable development, while its Sustainable Development Supervision Team is responsible for the follow-up and implementation of the specific sustainable development work of the Group. The Risk Management Committee and the Sustainable Development Supervision Team have been authorized by the Board to perform the Board's duties of the oversight of ESG issues within their terms of reference, including monitoring and reviewing the Group's policies and practices relating to risk management and internal control, supervising the implementation of the Group's ESG management policies, urging the Group's business segments to set ESG management goals based on their businesses and operations, and regularly reviewing the reasonableness of those goals and the implementation of internal control measures, so as to ensure the ESG goals can be achieved. The Risk Management Committee and the Sustainable Development Supervision Team regularly report to the Board on the progress and recommendations in respect of the ESG issues above.

5 Sustainable Development Philosophy and Governance (continued)

The contact persons for internal audit/sustainable development of the Group's regional offices and business segments for risk control are responsible for executing and implementing the ESG management strategies formulated by the management and reviewing the progress in achieving ESG management goals continuously.



Sustainable Development Governance System of the Group

During the Year, the Group convened 2 Board meetings to approve the meeting minutes of the Risk Management Committee related to ESG, 2 Risk Management Committee meetings, the agenda of which includes the report of annual ESG work, ESG risk management work plan, etc., 2 Sustainable Development Supervision Team meetings to report and discuss relevant ESG issues, ESG risk management work and the progress on the ESG report of the Year, etc.





3. ESG RISK MANAGEMENT

The Group attaches great importance to ESG risk management and has established a well-developed risk management organizational structure and strategies, and incorporated ESG risks into its comprehensive corporate risk management and internal control system with reference to the International COSO Guidelines¹. The Risk Management Committee is responsible for formulating the risk management framework, reviewing and evaluating the effectiveness of the framework, monitoring the implementation of risk control measures and ensuring their effective implementation, and reporting to the Board on a regular basis.

The Group has continued to revise the Risk Management Policy of A-Living Group to monitor and manage ESG risks by setting up risk indicators, and has continuously improved the “three lines of defence” of risk management to ensure the effectiveness of risk management. The Group’s Internal Audit Centre monitors and evaluates changes in ESG risks based on risk indicators, and reports the assessment results to the Risk Management Committee and the Board on a regular basis.

01 First line of defense Front-line business department

- To be responsible for formulating relevant risk response plans for the business, and implementing risk management measures such as the Company's systems, regulations and guidelines;
- To pay attention to and report various risks in the business process, conduct self-inspection on the standardization of business execution and control defects, and implement rectification measures to improve defects and reduce risks.

02 Second line of defense Operation, legal, contract management, finance and other professional departments

- To formulate risk management strategies from a professional perspective, guide and supervise the implementation of risk management and control measures of front-line business departments;
- To comprehensively evaluate the effectiveness of risk management and control to promote the continuous improvement of risk management.

03 Third line of defense Internal Audit Centre of the Group

- To be responsible for promoting the construction of risk management system;
- To assist each unit to regularly assess the core operational risks, set early warning indicators, continuously monitor the data changes of indicators and issue risk warnings;
- To supervise all units to take effective rectification measures until the risk level returns to a reasonable range;
- To conduct special investigation and survey on major risk management vulnerabilities and propose optimization suggestions to the management.

“Three Lines of Defense” for the Group’s risk management

¹ The “COSO Guidelines” refers to the Guidelines on How to Apply Enterprise Risk Management to ESG-Related Risks, which was drafted by The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in cooperation with the World Business Council for Sustainable Development (WBCSD) in 2018.



4. STAKEHOLDER ENGAGEMENT

The Group is well aware that the trust and support of stakeholders are the cornerstone of corporate sustainable development. The Group actively and regularly communicates with various stakeholders through announcements and periodic reports, WeChat official account, official website, property owner satisfaction surveys, supplier meetings, employee surveys and other channels, and responds to the needs and expectations of stakeholders in a timely manner. The Group continues to improve its ESG management and strives to develop together with all stakeholders.

1) Stakeholder

The Group’s analysis of and responses to the expectations and demands of stakeholders in 2023 were as follows:

Stakeholder	Major communication methods	Expectation and demand	Communication and response
Shareholders and investors	<ul style="list-style-type: none"> • Announcements/periodic reports • General meetings • Presentations/roadshows • Hotline/email for investor contact • Corporate official website 	<ul style="list-style-type: none"> • Financial performance • Interest protection • Corporate transparency • Risk control 	<ul style="list-style-type: none"> • Improve profitability • Hold general meetings • Routine information disclosure • Optimize risk management and internal control systems
Government and regulatory authorities	<ul style="list-style-type: none"> • Tax declaration • Submission of regulatory information required by the relevant departments 	<ul style="list-style-type: none"> • Comply with the law • Pay taxes in accordance with the laws • Respond to government’s calls • Support local development 	<ul style="list-style-type: none"> • Operate in compliance with the laws • Pay taxes in full on time • Actively implement relevant policies • Actively shoulder social responsibilities
Employees	<ul style="list-style-type: none"> • Workers’ Congress • Office automation (OA) system of the Group • Employee caring activities • Opinion box for sending comments to the general manager • Employee surveys 	<ul style="list-style-type: none"> • Career development platform • Training opportunities • Remuneration and benefits • Healthy and safe working environment • The well-being of and feedback from employees 	<ul style="list-style-type: none"> • Enhance career promotion mechanisms • Establish employee training and education systems • Competitive salary and benefits • Equal communication and complaint mechanisms



5 Sustainable Development Philosophy and Governance (continued)



Stakeholder	Major communication methods	Expectation and demand	Communication and response
Customers	<ul style="list-style-type: none"> • 400 nationwide customer service hotlines • Property management service satisfaction surveys • Corporate WeChat official account • Community activities 	<ul style="list-style-type: none"> • Service Quality and Safety • Customer service quality • Customer information security • Customer rights protection 	<ul style="list-style-type: none"> • Provide high-quality comprehensive service • Improving operational efficiency and digital construction • Network security and permission settings • Compliant marketing
Suppliers	<ul style="list-style-type: none"> • Supplier engagement inspections • Regular review of suppliers • Supplier conferences 	<ul style="list-style-type: none"> • Cooperation with integrity • Win-win cooperation • Business ethics and reputation • Experience sharing 	<ul style="list-style-type: none"> • Build responsible supply chains • Promote daily communication • Carry out cooperation • Perform contracts
Business partners	<ul style="list-style-type: none"> • Training sessions • Communication meetings • Corporate visits 	<ul style="list-style-type: none"> • Synergy in marketing • Resource sharing • Improvement in management efficiency 	<ul style="list-style-type: none"> • Establish synergetic marketing database • Enable access to quality resources of the Group • Empowerment and assistance from experts/professional teams
Society and the public	<ul style="list-style-type: none"> • News coverage • Corporate official website • Corporate WeChat official account 	<ul style="list-style-type: none"> • Focus on resources, energy and environment • Care for the underprivileged • Support charity • Adhere to corporate responsibility 	<ul style="list-style-type: none"> • Adhere to green operation • Participate in rural revitalization • Committed to charities • Provide employment opportunities

2) Assessment of ESG Material Issues

The Group carries out materiality assessment for the purpose of timely and comprehensive understanding of the concerns of various stakeholders on the Group's sustainable development management. It also actively takes countermeasures to further facilitate disclosure of the Group's ESG information and ongoing improvement in the management standards of relevant issues.

The materiality assessment on ESG material issues of the Group during the Year covers the following steps:



Identification of material issues

The Group identified 23 material issues, in view of the business characteristics of the Group fully and after taking into account the industry features and the requirements of the ESG Reporting Guide of the Hong Kong Stock Exchange comprehensively.



Communication with stakeholders

The Group communicated with stakeholders through various channels and collected feedbacks and expectations on the Group's ESG performance in 2023.



Assessment of ESG material issues

The management of the Group determined the priority and matrix of ESG material issues based on the understanding of demands and expectations of stakeholders, the Group's business performance and the key points and trends in ESG work of industry peers.



Response to material issues

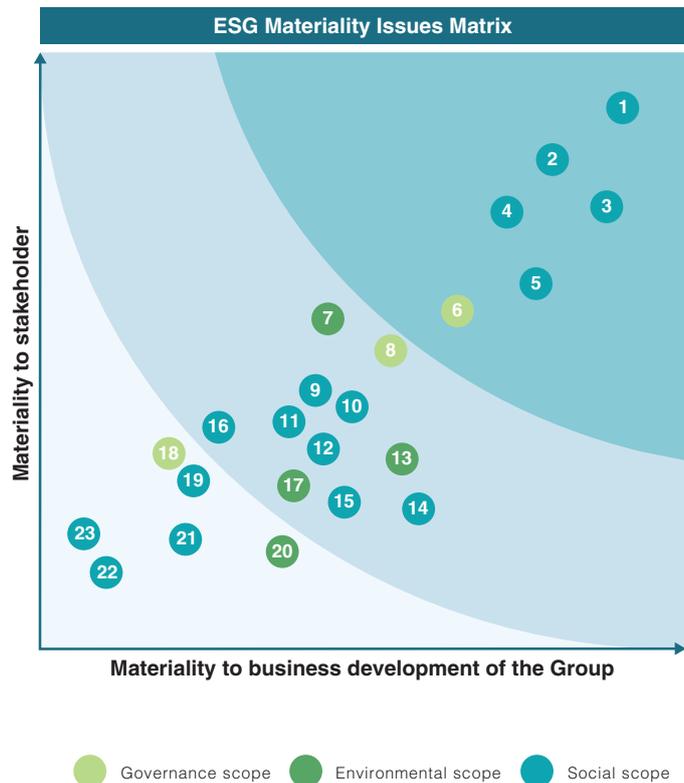
The Group determined key information disclosed of this report and made corresponding response in the report according to stakeholders' opinions and the materiality analysis results.



5 Sustainable Development Philosophy and Governance (continued)



No.	Material issues	Materiality of issues
1	Service quality and property owner satisfaction	Highly important issues
2	Protection of safety and health of customers	
3	Protection of health and safety of employees	
4	Information security and privacy protection	
5	Intelligent management and innovation	
6	Promotion of integrity culture and business ethics	Moderately important issues
7	Water conservation	
8	Sustainability risk management	
9	Compliant employment and protection of rights and interests of employees	
10	Training and development of employees	
11	Empowerment for partners	
12	Competitive remuneration and incentive mechanisms	
13	Energy efficiency improvement	
14	Environmental and social risks management of supply chain	
15	Supplier access and assessment	
16	Communication with and caring for employees	Generally important issues
17	Address to climate change	
18	Protection of intellectual property rights	
19	Compliant marketing and operation	
20	Waste management	
21	Response to policies and communication with industry peers	
22	Community communication and integration	
23	Participation in charitable and voluntary activities	



The results of materiality assessment of the Year showed that stakeholders are continually concerned about issues such as service quality and property owner satisfaction, protection of safety and health of customers, protection of health and safety of employees, and information security and privacy protection. This report has presented the Group's progress on each material issue during the Year in detail. At the same time, based on the results of this materiality assessment, the Group will continue to improve its ESG management capabilities, implement ESG work and actively fulfill its corporate social responsibilities.

6 Standardized and Orderly Operation with Integrity



KEY PERFORMANCE IN THIS CHAPTER

Completed business audit:

6 regular audits and **5** special audits

Total hours of anti-corruption trainings:

273,204 hours

Total person-time of attending anti-corruption trainings:

19,518 person-time



RESPONSE IN THIS CHAPTER

Material Issues

- Compliant marketing and operation
- Promotion of integrity culture and business ethics

HKEX KPI

- B7 Anti-corruption: B7.1, B7.2, B7.3

SDGs



A standardized and orderly corporate governance model is the foundation for the sustainable development of an enterprise. The Group continues to improve the corporate governance system, strengthens risk identification and control capabilities, consolidates the construction of corporate integrity culture, enhances the internal supervision mechanism, integrates the concept of integrity into the daily operation of the Group, effectively resists corruption such as bribery, extortion, fraud and money laundering, and creates an integrity and orderly business environment.





1. ENHANCING CORPORATE GOVERNANCE

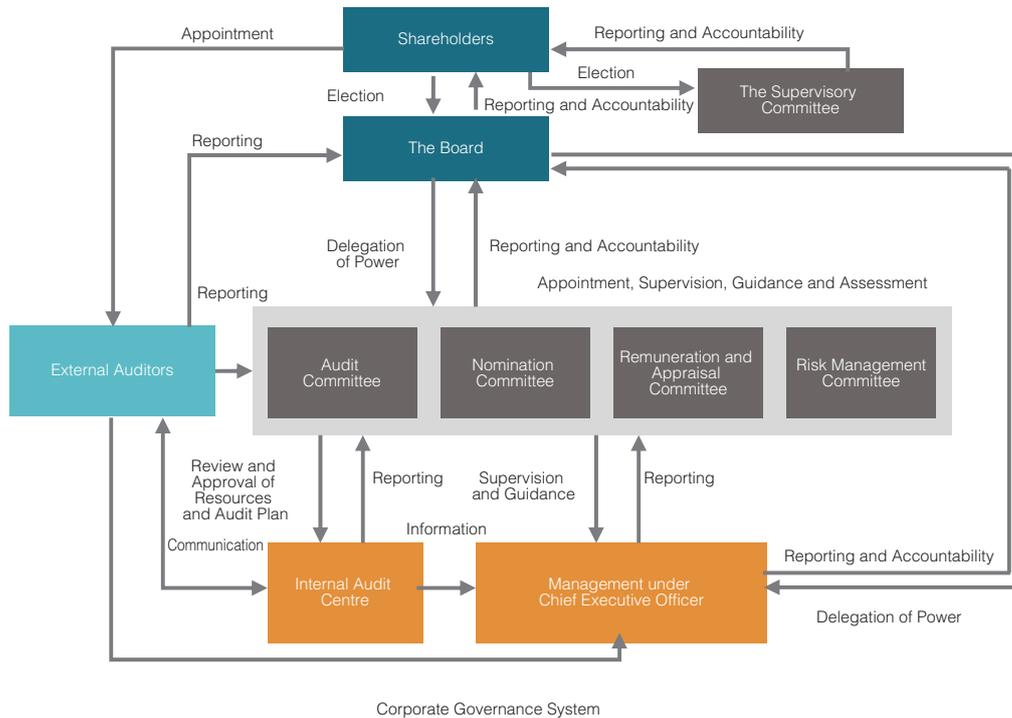
The Group strictly complies with the Company Law of the People's Republic of China and the principles and code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the HK Listing Rules, formulates a legal and compliant corporate governance system, continuously improves its anti-corruption policies, enriches internal and external whistleblowing channels, and improves the policies related to whistleblower protection, so that the Company can achieve healthy and long-term sustainable development.

The Board believes that a sound corporate governance system plays an irreplaceable role in the Group's sustainable development, enhancing shareholders' trust and consolidating the Company's values. The Board attaches great importance to corporate governance practices. Based on regulatory requirements and the Group's development needs, the Board has adopted and thoroughly reviewed the Group's corporate governance practices. Adhering to the principles of integrity, transparency, accountability and independence, the Group continuously optimizes and innovates the internal review system and governance system of the Company, and is committed to improving the level of corporate governance and energy efficiency of the Group.

1) Corporate Governance Structure

The Group has set up Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and Risk Management Committee. The above four Board committees perform their respective duties, jointly monitor the implementation of corporate governance, review the corporate development strategies and objectives, strictly control the operation and financial performance, evaluate the business performance of the management, and supervise the matters related to the disclosure of corporate public information.

The Audit Committee consists of three independent non-executive directors. They are mainly responsible for examining and reviewing the Company's accounting policies, monitoring the performance of the Company's external auditors and Internal Audit Centre, reviewing the Company's financial information, and overseeing the Company's financial reporting system, risk management system and internal control system, deeply examining the resources and staff qualifications of the Company's accounting and financial reporting system. The major duties of the Nomination Committee are to review the structure and composition of the Board, review the Board diversity policy, make recommendations on the selection and nomination of candidates for directorship, make recommendations to the Board on the appointment, re-appointment and succession planning of Directors, and assess the independence of independent non-executive Directors. The Remuneration and Appraisal Committee reviews and makes recommendations on the Company's policy and structure for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy, and reviews and approves the remuneration of Directors and Senior Management related to sustainable development. The Risk Management Committee is responsible for reviewing and formulating the risk management framework, reviewing and evaluating the practical results of the Group's risk management framework, reviewing the changes in the nature and extent of major risks and timely examining the Company's ability to respond to risks, supervising the implementation of risk control to ensure the effective implementation of various tasks, and reporting to the Board on a regular basis and making recommendations.



The Board comprises experienced independent non-executive Directors to ensure independent, transparent and effective corporate governance. They have made significant contributions to the Group in achieving sustainable development and enhancing the Group’s decision-making capabilities. They provided independent and impartial advice to the Company during the important decision-making period of the Company, such as formulating corporate development strategies, performance and implementing control measures, and actively addressed potential conflicts of interest.

2) Anti-corruption Policies

Thoroughly complying with the Anti-Unfair Competition Law of the People’s Republic of China, the Interim Provisions on Prohibiting Commercial Bribery, the Anti-Monopoly Law of the People’s Republic of China and the Anti-Money Laundering Law of the People’s Republic of China and other applicable laws and regulations, the Group has formulated such strict bribery and anti-corruption policy as follows: Anticorruption Policy, Management Measures for Employee Rewards and Accountability, Implementation Measures for Accountability Inquiry for Operation and Management, and Confidentiality Policy, which is applicable to all employees of the Group. These policies detail working rules and formal policy on anti-corruption, bribery and anti-money laundering in terms of prevention, control, feedback, etc., so as to help create an integrity and self-disciplined corporate atmosphere.





The Group stipulates that the person in charge of each subsidiary shall take the primary responsibilities for corporate anticorruption actions and he/she is required to regularly sort out and review the anti-corruption actions of the subsidiary. According to the nature and influence of employees' violations of anti-corruption disciplines, the Group defines corresponding punishments for violations of disciplines and the performance pay may be deducted with reference to the Management Measures for Employee Rewards and Accountability. Those suspected of violating laws and committing a crime will be handed over to judicial organs.

In addition, the Group' Financial Centre is responsible for raising, utilizing, balancing and allocation of the Company's funds, requires and supervises the performance of obligations by employees and third-party service providers regarding anti-money laundering, anti-terrorist financing and anti-improper profit activities, so as to ensure the compliance and legality during operation.

3) Reporting and Whistleblower Protection Mechanism

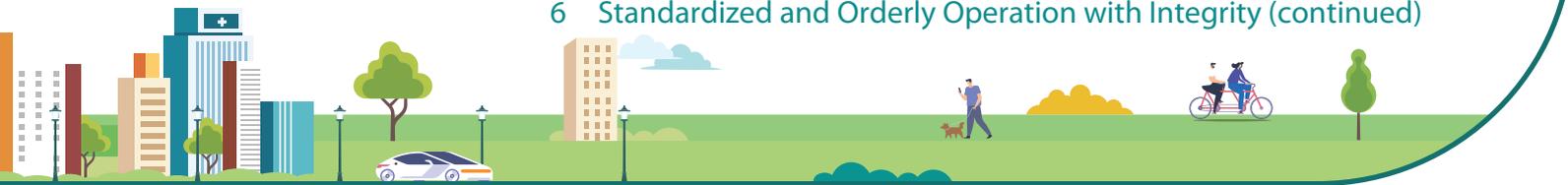
The Group has established various channels for reporting integrity violations. Employees can report violations through official website, emails, hotlines or letters. The Group attaches great importance to the reported clues received, arranges timely investigation accordingly, and distributes the responsible personnel to contact the whistleblower in a timely manner. The Group prioritizes and takes targeted measures for major and emergency clues, and gives certain rewards to the whistleblower for the verified reports. In addition, the Group has established a CEO mailbox, and any corruption reporting information such as misconduct, violation of the Company's rules and regulations or suspected corruption can be directly fed back to the CEO.

The Group complies with the requirements of Anti-corruption Policy and the information of whistleblowers shall be strictly protected by the Group's Anti-corruption Policy whether the alleged misconduct is verified or not. Besides, the Group prohibits the investigated business units and the reported individuals from retaliating against the whistleblowers. Once identified, the relevant personnel will be demoted, transferred to other positions, given serious demerits, dismissed or handed over to public security organs as appropriate.

During the Year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

2. REGULATING ANTI-CORRUPTION CONDUCT

In order to resist corruption, bribery and other violations of laws and disciplines and effectively implement integrity management, the Group has taken a series of anti-corruption measures, including regularly collecting information related to the conduct of integrity of the management, requiring all senior management to sign the Letter of Responsibility for Integrity Management, requiring new employees to sign the Employee Integrity Commitment, promoting integrity education for all employees, and jointly maintaining a incorruptible and upright atmosphere. The Group actively carries out education on integrity in practice for employees, and guides employees to learn and understand the situations, whistle-blowing methods and accountability procedures of corruption acts set out in the Staff Manual. In addition, the Group organized the attendees to take an anti-corruption oath at annual meetings to strengthen the employees' belief of integrity.



Case: Publicity and implementation of anti-corruption governance campaign of “Harsh Punishment to Maintain Governance, and Rectified Working Style and Discipline”

In June 2023, the Group held a publicity and implementation meeting for the anti-corruption governance campaign of “Harsh Punishment to Maintain Governance, and Rectified Working Style and Discipline”. The meeting focused on the four aspects of work, including responsibility allocation, supervision mechanism, integrity education and working style construction, and organized all management and employees to take an anti-corruption oath and sign the Employee Integrity Commitment during the meeting, which effectively raised the integrity awareness of the Group’s employees.



Anti-corruption oath



Signing the Employee Integrity Commitment

In order to deepen the positive impact of the Group’s integrity culture on the supply chain, the Group requires all third-party service providers that cooperate with the Group to enter into the contracts in accordance with the Contract Management Rules and sign an Integrity Agreement, requiring third-party service providers to comply with the national laws and regulations and the internal systems related to the Group’s integrity management to ensure mutual supervision in the course of cooperation and strengthen integrity and self-discipline.

3. RAISING INTEGRITY AWARENESS

The Group actively carries out anti-corruption related training and education, and strives to create an incorruptible and disciplined business atmosphere. During the Year, the Group conducted several integrity training sessions covering Directors and all employees, requiring 100% of Directors to participate. The trainings emphasized the Group’s integrity management requirements and guided employees to strengthen integrity and self-discipline. The Group continued to improve the integrity systems such as the “A-Living Management Red Line”, “Ten Rules for Management Level” and “Code of Conduct for Employees”. Each regional office carried out integrity training sessions for the management accordingly, aiming to improve the integrity quality of all the management team, advocate the management to set an example, and take the lead in creating an honest, incorruptible and disciplined corporate atmosphere.

Total person-time of employees involved in anti-corruption education trainings:

19,518 person-time

Total hours of anti-corruption education trainings:

273,204 hours



Case: Eastern China Region carried out the campaign of “Incorruptible Culture” integrity education

In June 2023, the Group’s projects in East China launched the campaign of “Incorruptible Culture” integrity education. Each project provided integrity education and training for employees and required employees to take the integrity knowledge exam. The campaign sets a good example of the Group to further promote the integrity construction and create an integrity and self-disciplined corporate atmosphere.



The meeting of integrity education



Integrity publicity materials

During the Year, the Group actively participates in the China Enterprise Anti-Fraud Alliance and gives full play to its influence as a standing council member unit of the China Enterprise Anti-Fraud Alliance and a member unit of the Trust and Integrity Enterprise Alliance. Through continuous strengthened its own integrity governance, the Group made an example for the construction of integrity culture in the industry, and led the industry to abide by business ethics.

4. STRENGTHENING INTERNAL AUDIT

The Group formulated and implemented the Internal Audit Management Policy, the Internal Audit Policy for Post-acquisition Management and the Audit Management Policy for Term of On Duty and Departure and other internal policies, clarified the scope of internal audit and the standardization and normalization of audit procedures, constantly optimized the self-assessment mechanism of internal control, reward and punishment rules, and clearly defined the responsibilities between the Group’s internal audit department and the audited units.

Under the guidance of the Audit Committee, in 2023, the Internal Audit Centre of the Group conducted 6 regular audits and 5 special audits in the areas of human resources and administration, services quality, project management fees, market expansion and value-added services, and conducted random inspections on projects from time to time to timely investigate and deal with potential violations of integrity; the inspection and evaluation of the group audit scope covers all operations, including all business lines, investment and financing and other issues of the Group and its specialized companies. At the same time, a regular audit of the Group also includes reviewing the compliance of each unit with the Anti-corruption Policy and other business ethics and standards to further reduce the risk of fraud and commercial bribery and ensure the effective implementation of the Group’s integrity management policies.

7 Striving for Excellence and Providing Extraordinary Services

KEY PERFORMANCE IN THIS CHAPTER



Establishing benchmark property service projects accumulatively:
69



Satisfaction rate of complaint handling:
98%



Resolution rate of customer complaints:
95%



Holding various community activities:
over **8,000** times

RESPONSE IN THIS CHAPTER

Material Issues

- Service quality and property owner satisfaction
- Information security and privacy protection
- Intelligent management and innovation
- Protection of safety and health of customers
- Community communication and integration
- Compliant marketing and operation
- Response to policies and communication with industry peers

HKEX KPI

- B6 Product Responsibility: B6.2, B6.3, B6.5

SDGs



During the Year, the Group adhered to the corporate mission of “lifelong caring for you, heartwarming service to city” and took “quality as the lifeline, cultivating services” as the action guideline, and achieved “improved quality and brilliant updates” in services through continuous optimization of the standardized system construction, high-quality project management, maintenance of a good community environment and security standard, construction of colorful communities and other efforts. The Group has also strengthened the construction of intelligent services and built intelligent communities, aiming to provide diversified value-added services to property owners and build communities with humanistic care. In addition, we continuously optimized our customer feedback mechanism, responded to property owners’ requests in a timely manner, safeguarded customers’ rights and interests in terms of protecting customers’ health and safety and protecting customers’ private information, so as to constantly enhance customer satisfaction.



1. IMPROVEMENT IN SERVICE QUALITY

Refocusing the essence of service was one of the key tasks of the Group in 2023. The Group was committed to creating a happy life for everyone, focusing on the management and improvement of property service quality, and providing customers with high-quality services through the construction of a standardized management system, specialized training and empowerment.

1) Management of Service Quality

The construction and development of the Group's standardization system has always adhered to the business as the core, and along with the Group's multi-property type services and national layout, the Group has realized a three-step, leapfrog development from "a single standard with the residential project as the core" to "co-existence of standards of multi-type and multi-systems" and then to "construction of a diversified standardization system". During the Year, the Group continuously optimized the construction of the service standardization system, provided professional training on standardization for its employees, built a team of high-quality service talents, and optimized the management of service quality, thereby realizing the improvement of service quality.

Optimizing the Construction of the Service Standardization System

The Group strictly complied with the laws and regulations such as the Civil Code of the PRC, Regulations on Property Management, continuously implemented internal systems such as Management Standards for Property Owners' Profile, Red and Yellow Card Appraisal System for Quality Control of A-Living Group, A-Living Four-level Quality Management Inspection System, Code of Practice for Home Visit, Code of Practice for the Property Management Inspections. During the Year, we have newly formulated five management standard documents, such as "Parking Lot Operation and Management Standards" and "Attendance Management Standards for Service Subcontractors", constantly improved and standardized the conduct code of services and the evaluation standards of service quality, so as to achieve the continuous improvement of service quality. Meanwhile, the Group continued to focus on the three-level organization and management system of group-region-project, and build a three-level comprehensive standardization system of "basic standards + general specifications + project operation manuals" to realize the hierarchical standardized management system with standards and rules issued by the Group and each region as well as focus on implementation in projects, effectively promote the standardized management and implementation of service quality across regions and in different environments, and continuously improve the management level and work efficiency. In 2023, the Group took the national standard GB/T 24421 "Guidelines for Standardization Work of Service Industry Organizations" as the basis to build a service standard system with the framework of service basic standard system, service guarantee standard system, service practice standard system and post standard system, with a total of 640 standards of various types. The 640 standards included 165 national standards (70 mandatory national standards, 95 recommended national standards), 26 industry standards, 3 local standards, 3 group standards and 443 enterprise standards; the standardized content covered 90 general basic standard systems of services, 291 guarantee standard systems of services, 228 practice standard systems of services and 31 position standard systems.

The Group's service standardization system has been recognized by the industry. In 2023, the Fandeng Project of La Cite Greenville Zhongshan, a project under management, was recognized as a pilot project for the standardization of residential property services at the national level and successfully passed the interim assessment.

7 Striving for Excellence and Providing Extraordinary Services (continued)



The Fandeng Project of La Cite Greenville
Zhongshan



Interim Evaluation Meeting of the Standardization
Pilot of Nation-level Residential Property Services

The Group also actively participated in the construction of a number of industry standards and group standards, exported its own service standards and management experience and promoted the common development of the property industry. During the Year, the Group participated in the construction of the following property service management standards:

Name of Standard	Level	Status of Publication
National Occupational Standard for Property Management Specialist	Industry standard	Published and implemented
Code for Residential Property Services	Group standard	Under preparation
Green Property Management Code for Property Services	Local standard	Under preparation

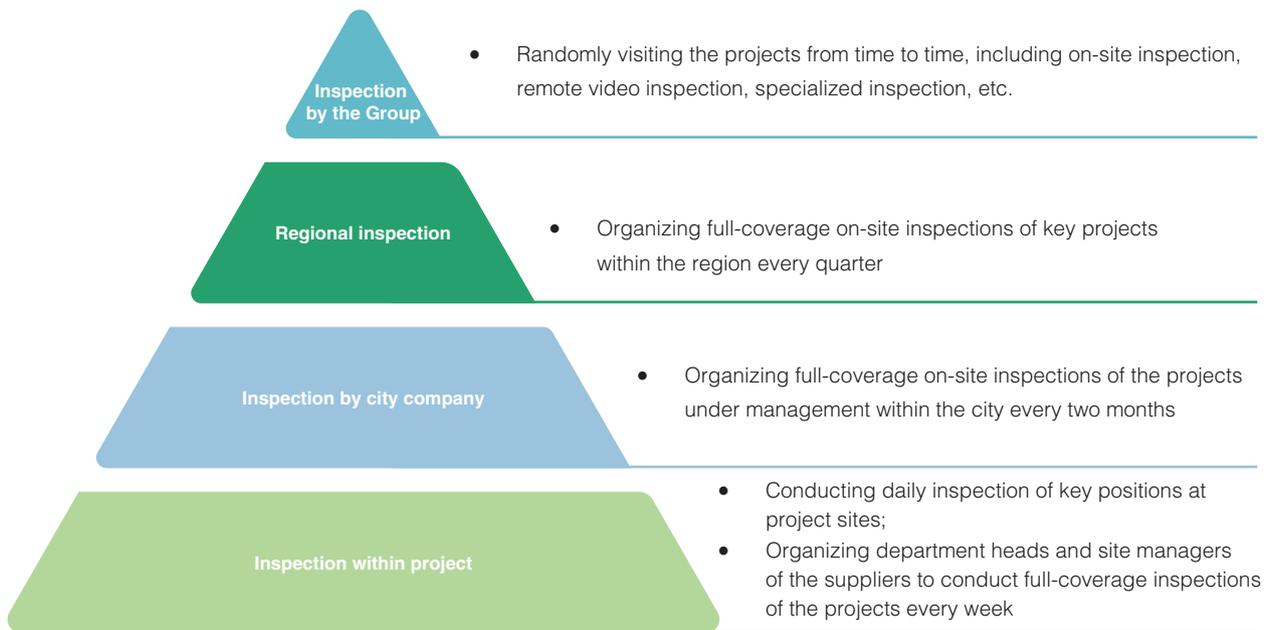


National Occupational
Standard for Property
Management Specialist



Service Quality Control and Supervision

The Group continuously improved and implemented internal systems such as A-Living Four-level Quality Management Inspection System and Red and Yellow Card Appraisal System for Quality Control of A-Living Group to standardize the property management inspection work of the Group's projects under management, strengthen the process control of the management services of each region and project, enhance the independent management capability of the quality of each region and project. Meanwhile, the Group has established a four-level bottom-up quality inspection mechanism of "project-city company-region-the Group" to assess the operation status such as quality management, customer service, engineering maintenance, safety management and environmental cleaning of the projects under management.



Four-level Quality Inspection Mechanism of the Group

In addition, the Group continuously effectively empowered service quality control related work through informatized tools, developed and implemented a quality audit system, and realized whole-process management and monitoring of the projects. Through this system, inspectors can hand over the identified problems to project managers and quality specialists for assigning rectification tasks, and acceptance will be conducted upon completion of the rectification tasks. The closed-loop management of rectification work can be realized after the acceptance is passed.

Empowerment by Professional Trainings

The Group firmly believes that by continuously improving the qualification of its employees, it can provide more professional and satisfying services to the customers. Thus, the Group provides comprehensive professional job skills training, training on laws, regulations as well as industry standards, and quality management training for its employees, so as to continuously improve professionalism of the employees and ensure providing high-quality services. During the Year, the Group organized three types of training in the property services segment:

<p>Professional skills training</p>	<ul style="list-style-type: none"> • Develop comprehensive professional job skills training programs for front-line positions; • Conduct a number of training sessions on cleaning and greening services and organize regular skills competitions; • Provide employees with regular training on professional skills such as engineering maintenance of facilities and equipment, emergency electrical services, fire emergency and emergency measures of power outages and water cuts; • Organize trainings on safe production, and entry-level employees effectively implement the achievements of the trainings.
<p>Laws and regulations and industry standards training</p>	<ul style="list-style-type: none"> • Carry out regular themed training on laws and regulations such as the Civil Code of the PRC, Regulations on Property Management and Law of the PRC on Penalties for Administration of Public Security; • Conduct training for industry and inter-group standards such as Property Owner's Final Acceptance Inspection Standard Training, Commercial Housing Legal Knowledge Training and Basic Knowledge of Property Service Market Expansion.
<p>Quality management training</p>	<ul style="list-style-type: none"> • Regularly carry out refined management trainings such as steward training camps, to improve employees' ability of solving problems; • Promote the standardization of customer service quality, and conduct professional customer service trainings in combination with the businesses, including communication standards, fee management and etc.

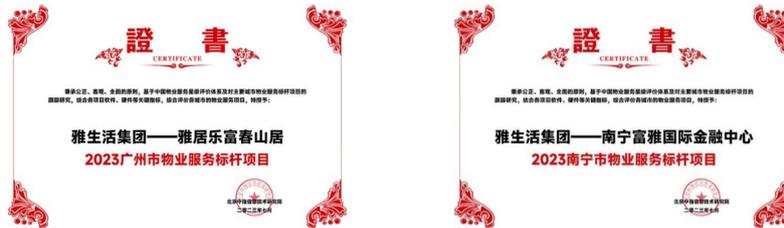
During the Year, the details of various training sessions above were as follows:

	<p>Professional skills training</p> <p>22,557 sessions</p> <p>229,554 attendees</p> <p>297,509 hours in total</p>
	<p>Laws and regulations and industry standards training</p> <p>344 sessions</p> <p>6,452 attendees</p> <p>1,407.5 hours in total</p>
	<p>Quality management training</p> <p>1,340 sessions</p> <p>26,656 attendees</p> <p>4,982 hours in total</p>



Building Benchmark Projects

The Group built all-round and replicable standards for its benchmark projects. By upgrading the intelligent construction, safety monitoring equipment, green environmental protection system, fire protection facilities and equipment, standardized service processes and requirements, diversified value-added services and supporting facilities of community activities and other initiatives, the Group continuously built benchmark projects of service and comprehensively improved the service quality and management level of its projects, aiming to become a benchmark pioneer in the property services industry. In 2023, a number of the Group’s projects were awarded honors such as “Benchmark Project” and “Model Base”, covering residential, commercial, office and other sectors. As of the end of the Reporting Period, the Group has built a total of 69 benchmark projects, which have been highly praised by customers and the industry.



Certificates of benchmark projects (some examples)

Case: Property Service Benchmark Project – Agile Mountain Guangzhou

With excellent service and management, during the Year, the project of Agile Mountain Guangzhou managed by A-Living was awarded “2023 Guangzhou Property Service Benchmark Project”. While providing customers with quality basic property services, the property service team of the project has been actively improving its service quality continuously through the following measures:

- Utilizing internet and AI technologies to establish an intelligent community to enhance property management efficiency;
- Enhancing the service standard of employees through regular training to achieve standardization, professionalization and normalization of property services;
- Organizing colorful community cultural activities, such as traditional festival celebrations, cultural and sports activities, DIY activities, environmental protection activities, etc., in order to enhance the connection among property owners and promote community integration.



Community Landscape



“Tree Planting Day” Activities in Communities

2) Engineering Management

Guaranteeing the quality of engineering is one of the keys for improving the service quality. The Group strictly complies with Construction Law of the People's Republic of China and other relevant laws and regulations, formulates, executes and constantly improves internal management systems such as the Public Facilities and Equipment Management Regulations, Operation and Maintenance Procedures for the Power Supply and Distribution System, Dereliction of Duty and Accountability Management Measures for Elevator Repair and Maintenance Monitoring, and Machine Room Management Policy, so as to regulate the workflow of repair and maintenance of the public equipment in the communities and ensure the effective operation of facilities and equipment.

3) Community Environmental Management

Optimizing the community environment is also an important part of enhancing service quality, which greatly affects customer satisfaction. The Group clarified the specific requirements for various environmental services, such as gardening maintenance, pest control, daily cleaning, garbage classification and waterscape pool maintenance, in accordance with the "A-Living Property Service Standard – Environmental Standard Operation Document", in order to standardize the quality of environmental services. Meanwhile, the Group continuously enhanced the knowledge of environmental management personnel on environmental maintenance and daily cleaning through benchmarking of excellent cases, seminars and exchanges, offline training lectures and online training on the "Ruixue" ("睿學") platform and other methods, to strengthen the skills of environmental management personnel and comprehensively improved the level of environmental management of the communities.



A-Living Property Service Standard – Environmental Standard Operation Document

4) Community Safety and Order Management

The Group prioritizes the life and property safety of property owners and attaches great importance to community safety and order management. During the Year, the Group continued to implement internal systems such as Regulations on Fire Safety Management, Regulations on Handling Emergencies or Abnormal Incidents and the Occupational Safety and Emergency Plans for Natural Disasters, continuously improved daily safety management, emergency plan management of typhoon and flood prevention and etc., strengthened daily security patrols and monitoring, in order to enhance the management of security and order of the community.



Daily Safety Management

The Group regularly conducts comprehensive safety hazard inspections and timely rectification accordingly in the community, and carries out service-oriented safety knowledge trainings and safety drills to reduce the community safety risks, enhance the safety awareness of property owners and effectively safeguard the safety of property owners.



Regularly conduct comprehensive inspections and maintenance of community facilities, including fitness equipment and swimming pool lighting systems, to minimize potential safety hazards.



Property service personnel have conducted drowning simulation, explosion prevention drills, and fire drills for many times to continuously improve emergency response capabilities and the efficiency of emergency command and dispatch, as well as safeguard the life safety of property owners.



Regularly publicize fire, elevator and drowning prevention and other safety knowledge to property owners, so as to comprehensively raise the safety awareness of property owners and protect the safety of property owners' lives and properties.



Property service personnel conduct key pre-holiday safety inspections to ensure safety and prevent accidents during the holiday season, including the use of electricity, water, gas and home security, and remind property owners of the proper safe use of water and electricity, so as to achieve "full coverage and zero tolerance" and reduce the safety risk of property owners.



Each community is required to conduct fire safety drills at least twice a year, promote fire safety emergency knowledge, in order to enhance the community's ability to deal with fire safety emergencies and the awareness of fire safety of property owners and apply the quality supervision system to remotely monitor and ensure the implementation.

As of the end of 2023, the Group has formulated a total of 20 emergency plans and required each region and each project to extract 1-2 emergency plans for fire safety, typhoon and flood prevention and other emergency plans for drills every month to comprehensively safeguard the safety of lives and properties of property owners.

Case: Firefighting Culture Themed Community

In 2023, the Hanhai Yintan community, a project under management, cooperated with the Fire Brigade of Lingshui County in Hainan Province to create the first firefighting culture themed community in the entire Bay Area. Through setting up fire prevention reminders, fire prevention knowledge signs and placing vivid and interesting standing signs of firefighters' image along the roadside of the community, the project promotes fire prevention knowledge among property owners in an educational and fun manner and raises the fire prevention awareness of property owners.



Display of the Firefighting Culture Themed Community

Prevention of Typhoons and Floods

The Group continuously implemented a number of internal systems such as the Flood Control Emergency Plan to standardize the workflow of emergency preparations in response to extreme weather such as typhoons, rainstorms and floods. When the extreme weather warning information was released, the Group carried out timely risk hazard checking, dredging of drainage networks, preparation of emergency materials and equipment, etc., so as to respond to the potential impact of extreme weather in an efficient manner. After the typhoon, the Group carried out the aftermath work in accordance with the emergency plan, restored the order and environment of the community in a prompt and orderly manner, and reduced the possible impact on property owners.



Case: Rapidly Restoring Order and Ensuring Community Safety in response to Typhoon “Taim”

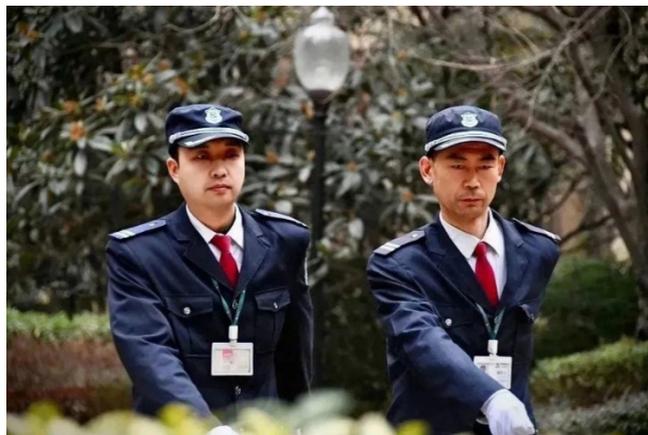
In July 2023, after Typhoon Taim, the employees of the Group’s property service centres, under the command and coordination of the emergency response team, carried out the aftermath work such as clearing the roads, clearing the fallen trees and barriers, unblocking the drainage outlets, repairing the faulty lines in an orderly manner, so as to rapidly restore the order and environment of the community and minimize the impact of the typhoon on the travel and living of property owners.



Rapid restoration of the order and environment of the community

Community Patrols and Surveillance

The Group attaches great importance to the safety and order of the community, and requires its service personnel at order post to conduct community patrols strictly in accordance with the standards, remain vigilant at all times and identify suspicious behaviors, with the average annual patrol mileage of the security team exceeding 20,000 kilometers. In addition, each community monitoring centre comprehensively records the entry and exit of people and vehicles in the community, so as to prevent and monitor behaviors that endanger the safety of property owners.



Security personnel is patrolling the community

5) Build Communities Full of Vitality

In 2023, the Group created the “Year of Elegant Living”, and launched four major thematic activities, namely the Family Reunion Season, the Environmental Protection and Art Season, the LOHAS and Sports Season and the Love and Charity Season. A total of more than 8,000 community cultural activities were held across the country, attracting the participation of 409,000 property owners. Through sports events, the Group advocated a healthy and optimistic lifestyle, with more than 100,000 property owners participating in the “Qu Ya Property Owners’ Sports Meeting” in nearly 200 communities and commercial office building projects under the Group’s management. Meanwhile, the Group continued to implement a series of activities of “Xiaoya Commune” and launched the “Children’s Art Festival” in 100 cities across China, with the theme of “community art”, encouraging children to support the community environment protection and civilization construction through their artworks. The activity of “Xiaoya Convenience Service Station” has provided more than 35,000 property owners with a series of caring and convenient services, such as free medical care consultancy, haircuts and nail care, and home appliance repair, to convey the concept of “Xiaoya Commune” and achieve the goal of “neighborhood co-construction and community co-prosperity”.

Case: Children’s Art Festival

In May 2023, the Group launched the “Children’s Art Festival”, with the theme of “Community Art”, to call on property owners to pay attention to the community environment and realize neighborhood co-construction and community co-prosperity. In order to help children develop the habit of protecting public facilities and inspire their creativity, the Group invited young participants to beautify their communities with artworks and graffiti, and assisted the development of children’s character through the four activities including space graffiti, plant painting, waste recycling creation and logo creation, to bring vitality to the construction of community public space, environment and civilization, and enhance the living experience of property owners. In 2023, this activity covered a total of more than 50 cities, attracted over 8,000 participants, and was widely praised by property owners.



Activities of “Children’s Art Festival”



Case: Garden Party of Dragon Boat Festival

In June 2023, the Group organized Dragon Boat Festival events with the theme of “Dragon Boat Festival’s ‘Green’ Journey” to enable property owners to experience the traditional cultural atmosphere in the midst of folklore and entertainment activities. This event covered activities such as making rice dumplings, throwing pots, making fabric scented sachets and bamboo boats. In addition, the service centres give away gifts of Dragon Boat Festival such as wormwood product to property owners to convey their sincere wishes. In 2023, this activity covered more than 350 projects in over 110 cities, and more than 40,000 property owners gathered in their communities to celebrate the Dragon Boat Festival.



Garden Party Activities of Dragon Boat Festival

Meanwhile, in order to enrich the life of the elderly property owners, the Group has organized various social activities for them such as calligraphy learning activities, which are very popular and have received positive feedback from property owners. The Group also carries out a series of elderly care services on a regular basis, including the door-to-door delivery of daily necessities and providing convenient and caring services such as haircutting and healthcare Services, bringing warmth to the elderly.



Calligraphy Learning Activity



Activity of Making Rice Dumplings



Healthcare Services

2. INTELLIGENT AND DIVERSIFIED SERVICES

In order to enhance the efficiency and quality of services, the Group responded to the trend of intelligent services by continuously strengthening the research and development as well as application of technologies, focusing on the construction of intelligent communities; at the same time, the Group constantly enriched and diversified the property owners value-added services, and provided more convenient, efficient and better-experienced value-added services to property owners.

In 2023, the Group further expanded the application scenarios of the platform of “A-Steward”, enhanced the user experience of “Lexianghui shopping platform” and optimized the “Yachang Parking System” through advanced information technology such as cloud computing, Internet of Things and big data, so as to provide property owners with intelligent and humanized service experience. In addition, the Group continued to make significant progress in digital construction, and has completed the construction of a remote management model for the production and operation system, successfully realized hierarchical quality control, comprehensively enhanced organizational effectiveness and service efficiency, and empowered service quality enhancement with technology.

With the continuous progress in the field of intelligence, the Group won the following awards in digitalization in 2023:



2023 Top 30 China's Property Management Enterprises in terms of Digital Capability



2023 Intelligent Marketing Benchmark Project



2023 Corporate Service Benchmark Project

1) Intelligent Community Construction

During the Year, the Group continuously upgraded the functions of the intelligent system in order to enhance the digital management of service quality and enable more property owners to enjoy an intelligent lifestyle.

A-Steward

A-Steward of the Group has been comprehensively upgraded to realize multi-end coverage including A-Steward's APP, social media and payment platform, so as to meet the needs of customers in multiple scenarios. The mini-program of A-Steward has been optimized in the aspects of the functional pages and using experience such as homepage visual display, resident authentication, property management fee payment, car parking payment, one-click repair reporting application and temporary visit registration, so as to provide convenient and intelligent property service experience to property owners.

7 Striving for Excellence and Providing Extraordinary Services (continued)



The Mini-program of
“A-Steward”



The Mini-program of
“Lexianghui shopping platform”

Lexianghui shopping platform

The Group continuously optimizes the construction of Lexianghui online shopping platform and is committed to providing customers with the services and products with the best quality, most cost-effective and most after-sales service. Lexianghui shopping platform provides customers with seasonal products, meat, eggs, fruits and vegetables, household goods and others, in an effort to meet the diverse daily shopping needs of customers. Through this platform, the Group connects quality products in the market with the living needs of property owners, so that property owners can enjoy a better life while staying at home.

Yachang intelligent parking and surveillance system

The Group’s Yachang intelligent parking and surveillance system has been continuously upgraded and we have completed standardized upgrading and transformation such as unified platform, unified standard, unified operation and maintenance to solve problems such as abnormal charges at parking lots. During the Year, the system launched the non-inductive payment function, which greatly enhanced the efficiency of users’ payment and passage and optimized the parking experience. As of the end of 2023, over 100 projects as the first batch were covered by Yachang intelligent parking and surveillance system. In the future, the Group will continue to expand the coverage rate of the system to continuously enhance the intelligent and visualized management of the Group’s property services.



The System of Monitoring Centre of Yachang Intelligent Parking and Surveillance System



The Interface of Production and Operation Management System

Production and operation management system

The Group applied the production and operation management system, which can generate data visualization board based on the demands of work orders and the completion of tasks to realize the whole process management and monitoring of project quality, significantly enhancing the efficiency of project quality control and the quality of property services. As of the end of 2023, the system has completed over 10 million operational work orders.

2) Intelligent City Services

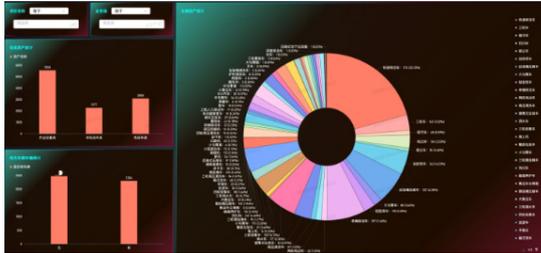
In line with the needs of urban development, the Group’s city service business segment continues to build a “4+X” smart city service system, focuses on the overall strategic layout of “comprehensive sanitation and full coverage” and promoted the upgrading of the comprehensive urban management model. Based on the diversified combination of ecological elements such as population, space, resources and environment, the Group builds a “3C” product series covering three major fields, namely City, County and Countryside, to further optimize the service integration model of rural living environment, integrated municipal services, etc. The Group adheres to the service tenet of “Satisfy citizens and reassure government”, relies on the mature integrated sanitation business system, continues to expand emerging business such as water body and marine cleaning, infrastructure management and maintenance, smart public toilets, and smart landfill management. It actively expands the integrated municipal services market, insists on providing environment and sanitation management services with high-quality and high-standard, and strives to create a city and rural environment for citizens that is desirable to live and work in.

During the Year, the Group made full use of digital platforms such as the asset management platform and the smart city sanitation information management service platform to continuously improve the quality and efficiency of city services and accelerate the pace of smart development of city services.





Asset Management Platform



The asset management platform can realize the systematic management of assets, including basic information, changes, operation and maintenance, utilization, inventory and financial analysis of the assets, etc.

The Group can use the asset management platform to conduct online unified management and in-depth analysis of the information of sanitation vehicle, strengthen the management accuracy of vehicle repair and maintenance, to improve the efficiency of asset utilization, and bring the city service management into a new level.

Smart Urban Sanitation Information Management Service Platform



A-Living Mingri Environmental Development Co., Ltd., a subsidiary of the Group, has independently developed a smart city sanitation information management service platform, which can efficiently integrate environmental sanitation management information by Internet of Things and positioning technologies. Through the establishment of a unified information management system, the platform has realized real-time management and monitoring of the whole process of waste sorting, garbage collection, garbage transportation and sorting and disposal in the sanitation service process, so as to ensure that problems in the sanitation operation can be timely identified and quickly solved, and the quality of sanitation operation can be comprehensively improved.

In addition, to further improve the service quality of the city service business, the Group actively participated in the application and certification of relevant qualification certificates, focused on building the benchmark city service projects, actively explored diversified city service models, and strived to provide efficient and practical city co-governance solutions for various cities and promote the construction of a beautiful China.



Certifications

The Group pays attention to city service quality, and actively applies for various certifications and qualifications. The Group has obtained a number of certifications and qualifications, such as the Aerial Work Enterprise Service Qualification Certificate, ISO 27000 Information Security Management System Certification, ISO 50001 Energy Management System Certification, ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, Environmental Hygiene and Cleaning Service Enterprise Qualification Certificate, Landscape Greening Service Qualification (National Class I), and Urban Environmental Cleaning and Maintenance Service Standardization Qualification.

Integrated Municipal Service

The Group has won the bid for a number of municipal integrated projects such as the integrated urban-rural environmental sanitation operation service project in Fangshan County, Luliang City, Shanxi Province, providing comprehensive, high-standard and high-quality city services accordingly.

Nationwide Layout

During the Year, the Group continued to optimize the national layout of city services, sought cooperation opportunities with state-owned enterprises in various regions, and secured a number of high-quality projects to achieve steady business development in various regions.

Outlook

In the future, the Group will further explore the potential of city service business expansion, precisely position the mid-to-high-end market of the comprehensive city service value chain, continuously improve service products, and build efficient urban collaborative governance solutions, so as to contribute its own strength to the prosperity and development of cities.

Case:

Integrated environmental and sanitation of Xi'an Yanta Project to protect beautiful homes

The Xi'an Yanta Project managed by city services segment of the Group provides the city with professional and high-quality services such as road cleaning, cleaning operations, garbage cleaning, and logistics support for major activities. Through the adoption of intelligent management, a closed-loop work of "real-time monitoring + inspection monitoring + specialized management" was formed for the project, and hierarchical management was implemented, so that the responsibilities of road sections were accurately assigned to people, and the standardization requirements of environmental protection services were implemented to comprehensively improve service quality. Various annual works were completed with excellent service quality, which was highly praised by the government.



Street Cleaning of Xi'an Yanta Project





3) Diversified Property Owners Value-added Services

The Group pays attention to the needs of property owners of different age groups, actively explores and innovates diversified community living services, and provides customized services for enterprise customers. During the year, we focused on diversified value-added services for property owners such as group catering, household services, smart lighting and charging piles, providing various convenient services in the community to meet the daily needs of property owners, and continued to implement a number of measures to improve service quality to make the life of property owners more convenient and better.

Group catering business

In order to create integrated value-added services of “property services + group catering”, the Group launched Lemeishan Catering Service Company and developed benchmark projects such as the canteen for Guangzhou Yiyun Science and Technology Park, to further expand the logistics service model and improve customer satisfaction. While strictly ensuring the quality of group catering products and services, the Group diversified its services through measures such as the ever-changing dishes and regular research and development of innovative products to enhance customer experience. In addition, we regularly organized customer visits, conducted product and satisfaction surveys, actively understood customer opinions, and continuously improved service quality.

Xiaoya cleaning services

Through Xiaoya Cleaning Service, the Group provides property owners of residential projects with door-to-door cleaning services, aiming to reduce the household burden of the property owners. During the Year, Xiaoya Cleaning Service was fully upgraded by formulating 241 service standards, introducing a number of certified lecturers, and carrying out multi-dimensional theoretical and practical training courses, and the service quality was further improved.



The Canteen of Guangzhou Yiyun Science and Technology Park



Xiaoya Cleaning Service



Smart lighting service

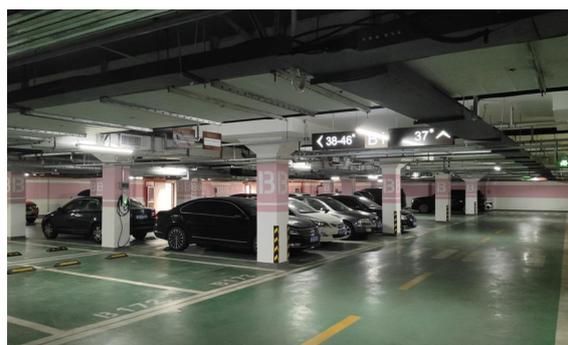
With the goal of creating a safe light environment throughly, the Group uses IoT technology, artificial intelligence, big data collection and other technologies to customize intelligent IoT lighting solutions that integrate software and hardware for customers, help customers achieve green operations, and greatly improve the lighting quality of underground garages.

Charging pile construction

The Group continued to promote the construction of charging pile facilities in the community, added non-motor vehicle charging equipment, reasonably used idle sites in the community, added new energy vehicle charging stations, improved the level of community infrastructure, and met the diversified charging needs of community residents. In addition, the Group improved and upgraded the community resource management system, integrated the charging point management and payment management, realized the digitalized control of the entire business process, greatly improved the operation efficiency of community resource services, and provided more convenient and efficient charging services for property owners.



Charging stations in project



Basement LED lighting renovation

3. CUSTOMER RIGHTS PROTECTION

The Group attaches great importance to communication and cooperation with customers, and continuously improves complaint channels and handling procedures to ensure that customers' voices are fully and timely responded. At the same time, the Group pays attention to the protection of customer health and safety, personal information and privacy, fully protects customer rights and interests, and strives to improve customer satisfaction.

1) In-time Response to Demands

The Group strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other relevant laws and regulations, formulated and implemented internal systems related to complaints, such as the Customer Demands Management Work Procedures, the Measures for the Management of Property Service Demands of A-Living and the Management Measures for Employee Rewards and Accountability, continuously broadened the channels for receiving customer requests, improved the workflow and requirements for handling customer demands, and ensured that customer demands were handled in a timely and effective manner.





Complaint handling channels and process

The Group receives customer demands through various channels such as 400 hotline, letters, online emails, visits and A-Steward APP. The integrated command centre is responsible for accepting calls from 400 hotline, visits, email letters and other channels for customer complaint follow-up. Through the flow platform of work order, the Group transfers, monitors, supervises and handles customer complaints, classifies and grades customer complaints, and sets a time limit for complaint handling, so as to effectively handle customer complaints. The specific customer complaint handling process is as follows:



Customer complaint handling process of the integrated command centre

For the Year of 2023, the integrated command centre received approximately 192,000 calls from customers, with repair requests, service requests, consulting calls, suggestions or praises and complaints requests accounting for 16%, 50%, 29%, 1% and 4%, respectively.

7 Striving for Excellence and Providing Extraordinary Services (continued)

In 2023, the handling of customer complaints of the Group is as follows:



Resolution rate of customer complaints
95%



Satisfaction rate of complaint handling
98%



Effectively handled customer complaints nearly
6,000

At the same time, the Group continued to improve the handling process of customer complaints from the “Lexianghui” online shopping mall, and continuously improved the customer experience of the “Lexianghui” online shopping mall through the rapid response of online customer service. The handling process of customer complaints from “Lexianghui” online shopping mall is as follows:



Process for handling customer complaints from “Lexianghui” online shopping mall

2) Customers’ Information and Privacy Protection

The Group strictly abides by the Personal Information Protection Law of People’s Republic of China (《中華人民共和國個人信息保護法》), and has formulated and implemented internal information security management systems such as the Information System Security and Operation Management Policy, the Information System User Account and Authority Management and the Network Security Management Regulation to specify work procedures and responsibilities related to customer privacy and information protection. At the same time, the Group timely updated its internal management policies related to customer privacy protection, such as the Management System for Safety of Sensitive Privacy Data within Information System (《信息系統個人敏感數據安全管理系統》) and the User Privacy Policy of the A-Steward App to further standardize and manage customer information and privacy security, enhancing protection of customers’ information and preventing the risk of information leakage.

7 Striving for Excellence and Providing Extraordinary Services (continued)



The Group has introduced a number of measures to protect the customers' information and privacy, including but not limited to:

Access Review	The access restriction for each business unit at all levels and each office system should be configured by level, business scope, position and user, etc. according to the approved right and responsibility. The permission and change of access are subject to approval process.
Information Encryption	Storing user password of each business system with encryption, encrypting the key data information content with special execution privileges to ensure data security and changing the passwords regularly according to the password management strategy to enhance information security.
Self-inspection of Information Security Risks	We regularly analyze and output security reports, including security threat information, security incident handling and security risks etc., thus effectively forming a periodic security self-inspection mechanism.
Intensified Protection of Sensitive Data	We strengthen the control of data collection, transmission, processing, destruction and other procedures in the use of business systems, and desensitize the privacy data of users of each business system such as mobile phone number and ID number to reduce data security risks; and continuously optimize the scenarios and tips for obtaining user data, and improve the privacy protection capability of the system.
Personal Information Use Agreement Reminder	The Personal Information Use Agreement will pop up to remind customers. The agreement covers how the A-Steward APP collects, uses, processes and stores users' personal information to ensure customers' usage and application scope of their personal information.
Information Security Training	We regularly promote information security knowledge through emails, corporate WeChat and DingTalk, and organize information security and privacy protection-related trainings and examinations to continuously raise the awareness of information security and privacy protection of all employees.

In addition, during the Year, the Group launched a specialized action for privacy protection. In accordance with the Management System for Safety of Sensitive Privacy Data within Information System, a six-month system self-inspection and rectification action was carried out for a number of important business systems to identify potential problems and rectify them in a timely manner, so as to ensure the Group's continuous and effective protection of customer information and privacy security. In 2023, the Group did not identify any information security incident relating to consumer privacy data leakage or loss, or illegal information system access or attack and delivered an annual system failure rate of nearly 0%.

3) Enhance Customers' Satisfaction

The Group conducts customer satisfaction surveys in accordance with internal systems such as the Customer Satisfaction Survey Work Procedures, listens to customer voices, understands customer needs, and continuously improves service quality.

Satisfaction survey on property owners

In 2023, the Group's 400 integrated command centre, together with all regions and property service centres, carried out multiple owner satisfaction surveys through phone calls, text messages, A-Steward APP push, code scanning, household visits and other survey channels, and the coverage rate, sampling volume and feedback volume increased

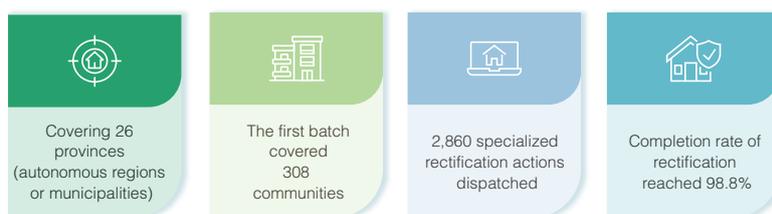
significantly compared with previous years. Through owner satisfaction surveys, the Group further understood the demands of property owners and fully analyzed the service difficulties to continuously improve the satisfaction of property owners. In addition, the Group's 400 integrated command centre generated monthly satisfaction survey and analysis reports and property owner survey detailed result analysis to provide insights about property owners' concerns for each region and property service centre, so as to clarify the key improvement directions and help improve service quality. In 2023, our customer satisfaction survey result is as follows:



Customer satisfaction survey result in 2023

Property owners to act as “service inspectors”

The Group's 400 integrated command centre recruited enthusiastic property owners as “service inspectors”, so that they can participate in community co-construction, co-governance and sharing. Through close cooperation with property owners, the Group has a clearer and more timely understanding of the needs of property owners, making property services closer to the actual needs of property owners. In 2023, the Group received more than 3,500 applications from enthusiastic property owners. Through screening, more than 500 property owners were invited to participate in the service inspection work, and the special rectification was achieved as follows:



Service inspection and rectification result in 2023

4. INTELLECTUAL PROPERTY RIGHTS MANAGEMENT

The Group strictly abides by 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 and the Tort Liability Law of the People's Republic of China, and formulated and implemented internal management rules such as the Trademark Affairs Management Measures, to standardize the process of application, registration, use and the archives management of intellectual property, ensure the legal and compliant management of intellectual property rights, and guarantee for the Group's technological R&D, business expansion and daily operation.

In addition, the Group respects the intellectual property rights of others while actively carrying out intellectual property protection works. The Group integrates the concept of protection of intellectual property rights into the product innovation process, monitors and investigates intellectual property rights at all key stages, protects innovation achievements in a timely manner, and handles any infringement found in a timely manner.

As at 31 December 2023, the Group had obtained aggregate 9 authorized invention patents, 7 design patents, 26 authorized utility model patents, 71 software copyrights and patents and 184 registered trademarks.

8 Sincere Care and Cohesion of Employees

KEY PERFORMANCE IN THIS CHAPTER



Employee training satisfaction rate:
more than **96%**



Number of online courses on “Ruixue”
training platform:
28,931 courses



Number of online users on “Ruixue”
training platform:
21,460



Total online learning hours of
employees:
74,166.8 hours

RESPONSE IN THIS CHAPTER

Material Issues

- Protection of health and safety of employees
- Compliant employment and protection of rights and interests of employees
- Training and development of employees
- Competitive compensation and incentive mechanisms
- Communication with and caring for employees

HKEX KPIs

B1 Employment: B1.1
B2 Health and Safety: B2.3
B3 Development and Training: B3.1, B3.2
B4 Labour Standards: B4.1, B4.2

SDGs



Adhering to the concept of “putting people first”, the Group effectively protects the basic rights and interests of employees, offers diversified remuneration and incentive mechanism for employees, continuously improves the talent training system to provide employees with equal development opportunities and a broad development platform. The Group also pays attention to employees’ physical and mental health, and is committed to creating an inclusive, equal and harmonious working environment to achieve the common development of the Group and its employees.



1. PROTECTING EMPLOYEES' RIGHTS AND INTERESTS

The Group strictly abides by the relevant laws and regulations where it operates, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) and the Special Regulations for Protection of Juvenile Workers of the People's Republic of China (《中華人民共和國未成年工特殊保護規定》). The Group takes effective measures to ensure the whole process of employment in compliance with laws and regulations, protects the legitimate rights and interests of employees in recruitment, promotion, resignation, working hours, compensation and benefits, social insurance and other aspects, actively creating an equal, inclusive, diversified and sustainable workplace environment.

As at the end of the Reporting Period, the Group had a total of 96,018 employees.

1) Staff Employment

The Group continues to implement internal rules on employment management such as the Recruitment Management Policy and the Labor Contract Management Policy, and continuously improves the selection and employment mechanism in a fair, impartial, open and merit-based manner. Every year, the Group selects outstanding talents through campus recruitment, social recruitment, internal recommendation and other forms, and clarifies the implementation process of selection, employment, probation appraisal and transferred to other positions to enhance the systematization, efficiency and humanization of employment management system, so as to attract and retain outstanding talents for its business development. The Group respects and complies with the ten principles of the United Nations Global Compact and the contents of the four core treaties¹ of International Labour Organisation approved by China, recognises the fundamental right of citizens to freedom of association, resolutely prohibits the employment of labor under the legal working age, firmly resists forced labor, employment discrimination, harassment and abuse, and strives to protect the legitimate rights and interests of employees, and forms a fair, equitable and zero-discrimination employment process. During the Reporting Period, the Group did not experience child labor, forced labor, or any form of discrimination or harassment.

¹ At present, China has approved four of the eight core treaties of the International Labour Organisation, namely the Equal Remuneration Convention (《同工同酬公約》), the Minimum Age Convention (《最低就業年齡公約》), the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (《禁止和立即行動消除最惡劣形式的童工勞動公約》) and the Convention concerning Discrimination in Respect of Employment and Occupation (《消除就業和職業歧視公約》).





During the Year, the Groups specific measures in the hiring process such as recruitment, employment and resignation are as follows:

Recruitment

The Group has formulated and implemented internal management systems, such as the Recruitment Management Policy, Recruitment and Interview Management Measures (《招聘面試管理辦法》), to clarify the working requirements, procedures and standards of recruitment and ensure a fair, impartial and open recruitment.

The Group verifies the identity of each employee through legal identity document, background investigation and other methods in all process of employee recruitment, enrollment approval and on-boarding. Termination of employment will be conducted immediately if any employee is found to be under legal working age or use false identity information.

The Group enters into internship agreements, labor contracts or employment contracts with different types of employees, specifying the legitimate rights and interests of employers and employees, and conducts fair employment according to the job requirements, personal capabilities and other standards. Candidates and employees shall not be discriminated due to ethnicity, race, nationality, gender, religion, age, sexual orientation, political affiliation, marital status and other social identities.

Employment

In the process of employment, the Group eliminates forced labor and the extension of working hours. The Group's HR&A Division strengthens the management of working hours through monthly attendance report and provides overtime compensation as required. The Group has established an internal communication mechanism for employees and a whistle-blower protection system. For any forced labor found, the Group will conduct internal investigation, hold individuals with dereliction of duty accountable, and compensate the employees who suffered forced labor.

For flexible staffing, the Group enters into the "Part-time Employment Contract" (《非全日制勞動合同》) with individuals and the "Business Outsourcing Contract" (《業務外包合同》) with outsourcing service providers in accordance with laws and regulations, and provides employer liability insurance in accordance with regulations to protect the legitimate rights and interests of various types of workers.

Resignation

The Group has established a comprehensive employee dismissal communication and investigation mechanism. For the voluntarily resigned employees, on one hand, the Group's HR&A Division and their subordinate departments should communicate with and retain them in accordance with the Resignation Management Policy. For example, the Group gives full assistance and support to the employees who resigns due to change of residential address or family life. On the other hand, the Group respects employees' freedom of choice, and conducts resignation communication, contract termination and other work procedures with employees in accordance with the Personnel Management Regulations, and provides medical examinations and compensation for resignation in accordance with the circumstances specified in relevant laws and regulations.



In addition, the Group is committed to creating an equal, inclusive and diversified workplace environment, advocating a diversified and inclusive talent reserve and development strategy, actively expanding recruitment channels and promoting the diversity and equality of gender, age, region and educational background, so as to provide abundant and diversified talent resources for the Group's development. Under the premise of satisfying business operations, the Group strives to provide employment opportunities and corresponding welfare security as other employees for people with disabilities, retired people, veterans and elderly migrant workers (such as those over 45 years old with agricultural households and high school degree or below), so that they have the opportunity to exert their own labor value and receive adequate labor protection. In 2023, the Group hired more than 270 disabled people and provided rehiring opportunities for at least 1,260 retirees.

2) Compensation and Benefits

The Group is committed to the well-being of employees, and has formulated and implemented the internal measures such as the Employee Handbook and the Employee Benefit Management Policy, to guarantee the legitimate rights and interests of employees in written format including remuneration, legal social insurance, rest time and public holidays. At the same time, the Group provides employees with various welfare subsidies, and some examples are as follows:

Statutory benefits	Additional benefits
<input type="checkbox"/> Pension insurance, work-related injury insurance, unemployment insurance, maternity insurance, medical insurance	<input type="checkbox"/> Festive care subsidies
<input type="checkbox"/> Housing funds	<input type="checkbox"/> Health-themed activities such as sports meetings, fellowships, salons, etc.
<input type="checkbox"/> Statutory holidays and leave	<input type="checkbox"/> Psychological counseling for employees, special care for female employees, etc.
<input type="checkbox"/> High temperature subsidy	

In terms of remuneration, the Group has established remuneration standards with reference to the industry average level and internal remuneration system, and built a flexible performance-based remuneration structure applicable to all employees. In order to stimulate the enthusiasm of employees and reward outstanding employees, the Group provides appropriate bonuses and incentives in accordance with the performance incentive system to promote the long-term retention of outstanding talents.

2. TRAINING AND DEVELOPMENT

Talent is the core competitiveness of enterprise development. The Group attaches great importance to the development and training of talent team internally. It has continually optimized and implemented the Learning and Development Management Policy, the Management Measures for the Learning and Development of New Employees and the Management Measures for External Learning and On-the-job Training of Employees (《員工外派學習及在職深造管理辦法》) and other internal policies, and refines the training plans and requirements for employees at all levels, with the aim of building a talent pool that highly matches its business development direction.

8 Sincere Care and Cohesion of Employees (continued)



As at the end of the Reporting Period, the Group had carried out a total of 23,825 training programs with 243,188 participants and 1,866,933 training hours, with an satisfaction rate of over 96%. The training data by gender and job level of employees is set out below:

	Employee category	Training rate (%)	Average training hours (hours/person)
By gender	Male	53.56%	18.26
	Female	46.44%	20.84
By job level	Senior management	0.004%	22.00
	Middle management	0.0915%	27.61
	Staff	99.904%	19.44

At the same time, the Group encourages employees to continuously improve themselves through external learning, supports all employees to obtain the required qualification certificates for their positions, receive re-education and pursue higher degrees, encourages and supports senior management to participate in management training scheme such as MBA and EMBA, so as to enhance their management and leadership skills and promote the continuous improvement of the Group's business operations. In addition, the Group has listed qualification certificates in detail for employees, and will bear the relevant training and examination fees for employees who have obtained the qualification certificates.

1) Improving the Training System

Adhering to the core concept of "Lifelong Learning, Pursuit of Excellence", the Group has established and keep improving the training system of all employees, and constantly implements the Training Management Policy (《培訓管理制度》) and other related policies of internal training, to ensure that every employee receives comprehensive and systematic support for career development and achieve the mutual development of employees and the Group.

In 2023, A-Living Institute continued to deepen the content and form of training, improved the three major training segments, namely Talent Development, Professional Empowerment and "Learning, Research, Culture, and Publicity", and formulated detailed training plans according to the Group's needs for talents to ensure the smooth and efficient implementation of training work, so as to help employees achieve their personal career growth and improvement of team collaboration, cultivate core management personnel and key talents, and provide a solid talent guarantee for the long-term development of the Group.

2) Key Training Achievements

Talent Development Segment

In the Talent Development segment, the Group continued to carry out special training programs such as the “Gongxing Program (躬行計劃)”, “Hongyi Program (弘毅計劃)”, “Chumang Program (初芒計劃)” and “LOHAS π Qing Lan Program (樂活 π 青藍計劃)”, and newly launched a special training program named “One in A Hundred Plan”, aiming to build a “growth-oriented” organization through multiple and efficient training, improving the comprehensive quality and quantity of core management talents, and optimizing the talent training system.

Case: Launch of the special program “One in A Hundred Plan” for project manager

In 2023, the Group launched the “One in A Hundred Plan (Second Season)”, a special campaign for the selection of excellent project managers, selecting the top ten outstanding project managers of the Group in the nation through multiple rounds of assessment among more than 4,000 project managers. This program aims to build a long-term evaluation and selection mechanism for project managers, and cultivate potential talents as the backbone of the Group.



The national top 10 award ceremony of the “One in A Hundred Plan (Second Season)”

Case: Continuous promotion of the “LOHAS π Qing Lan Program (樂活 π 青藍計劃)” management trainee training activity

In 2023, the Group carried out offline intensive training and a two-week online live training special activity of “LOHAS π Qing Lan Program (樂活 π 青藍計劃)” for new management trainees Qing Lan Program, which systematically helped them quickly get familiar with corporate culture and business skills, laying a solid foundation for the construction of the Group’s talent echelon and reserving high-potential talents.



Group photo of management trainees of “LOHAS π Qing Lan Program (樂活 π 青藍計劃)”

Professional Empowerment Segment

In the Professional Empowerment segment, the Group launched a series of professional skills training programs with close link to its business needs and goals, such as “City Geek Offline Training Camp”, “Brand Creation Camp” and “Special Training for Industrial Companies”, focusing on enhancing employees’ ability to solve key problems and deal with business pain points, and continuously cultivating and reserving future management talents.

Case: City GEEK offline training camp

In 2023, the Group carried out City GEEK offline training camp activities for sanitation project managers in all regions. The training camp offered capacity improvement training on the six major businesses of sanitation project managers, adopted scientific and professional training methods by using integrated learning mode of bench-marking project visits and case study and discussion, helped trainees grow rapidly and provide a solid talent pool for the Group’s city service business.



Case: Launch of the brand creation camp

In March 2023, the Group held a brand creation camp for the leaders of brand division of the Group’s various regions and member companies. The Group invited external experts in industry research, brand communication, brand integration, public opinion handling and other aspects to provide training, helping employees to learn the knowledge of brand building comprehensively and deeply, and effectively promoting the brand development of the Group.



The Learning, Research, Culture, and Publicity Segment

In the Learning, Research, Culture, and Publicity segment, the Group studied the organizational strategy, promoted organizational reform and integration, consolidated experience accumulation and cultural communication, and continued to advance the construction of online training platform and teacher system, and school-enterprise strategic cooperation, so as to continuously enhance corporate competitiveness and team cohesion.

Construction of Online Training Platform

During the Year, the Group continued to improve online training system, further expanded the learning resources of online training platforms such as the “Ruixue” (「睿學」) training platform and the WeChat official account “Xiaoya Time” (「小雅時光」), optimized and upgraded the content of existing courses, aiming to provide employees with diversified and rich learning resources, meet their diversified learning needs and promote their personal growth.

In 2023, in order to consolidate the results of employee training, the “Ruixue” (「睿學」) training platform newly developed and optimized the segments of breakthrough management, annual learning reports and lecturer management, and continued to enrich the functions of the platform. By the end of 2023, the total number of users of the platform has reached 21,406, representing an increase of 22.10% as compared to 2022; 383 new courses were added to the training platform, the total number of courses has reached 3,718; the total duration of online learning for employees were 74,166.8 hours, with an average of 89 minutes per employee; the platform has totally released 146 learning tasks and created 29 classes with approximately 2,431 class participants.

As an internal publicity channel of the Group, WeChat official account “Xiaoya Time” (「小雅時光」) is committed to building an official communication platform for corporate culture with the Group’s characteristics. Through the three major segments showing corporate culture, namely the “beauty of life”, the “Lifelong Learning” and the “meeting with you”, the Group built an information interactive platform for culture promotion, employee communication, learning and growth, and talent training. In 2023, a total of 18 talent training-related articles were published on WeChat official account “Xiaoya Time” (「小雅時光」), which effectively increased employees’ attention and participation in training activities, and further promoted the Group’s talent training and development process.



Interface of employee courses on “Ruixue” (「睿學」) training platform



Interface of WeChat official account “Xiaoya Time” (「小雅時光」)

The Construction of the Faculty System

During the Year, the Group continued to shape the corporate culture of internal trainers, continuously expanded the team of on-the-job certified internal trainers and job counselors, attached importance to their training and development, and strived to cultivate more outstanding talents. Meanwhile, the Group has formulated and implemented internal systems such as the Internal Trainer Management Measures and the Management Measures for the Training of New Employees to regulate the work responsibilities, standards of selection, appointment and promotion, and incentives of internal trainers and job counselors, so as to activate the internal knowledge sharing, transformation, sedimentation and management, and cultivate talents for the development of the Group’s business. As at the end of the Reporting Period, the Group had a total of 433 internal trainers and 1,490 job counselors, with 488.4 training hours for internal trainers.

Case: Everyone as a teacher works diligently

In September 2023, the Group launched the Teacher’s Day activity themed “Everyone as a teacher works diligently”. In this activity, the Group’s headquarter and regional companies selected the annual “Top 30 excellent lecturers”, encouraged all employees to share their personal training experience to strengthen the inheritance of knowledge and skills training within the Group.



Award of lecturer certificate

School-Enterprise Strategic Cooperation

The Group continues to strengthen school-enterprise cooperation, promote the deep integration between industry and academia, and jointly cultivate elite talents in the field of property management. At present, the Group has strategically cooperated in talent cultivation with several scientific research institutions and universities, such as Guangzhou University and Fudan University, to enrich the Group's talent reserve and accumulate sufficient expert resources and various training programs for employees.

Case: Deepening school-enterprise cooperation and consolidating the integration of industry and education

In March 2023, the Group and the School of Management of Guangzhou University held a special exchange meeting on talent training for school-enterprise cooperation and the opening ceremony of the “off-campus practice teaching base”. Both parties had an in-depth communication on the Group's employment needs and the cultivation and training of cadres and talents, and reached a long-term cooperation on school-enterprise cooperation in talent training, so as to attract more diversified and excellent talents to the Group.



Opening ceremony of the “off-campus practice teaching base”

3. APPRAISAL AND PROMOTION MECHANISM

The Group has formulated and implemented the Promotion Management Policy and the Internal Competition Management Measures and other internal management policies, which clearly set out the standards for performance appraisal, promotion process and assessment requirement of employees and other core matters, and adhere to the appointment mechanism of “promoting the competent persons, demoting the incompetent persons, and replacing the mediocre persons” to standardize talent promotion management.

In terms of talent promotion, the Group implements regular promotion and irregular promotion. The Group followed the principles of “combination of ability and integrity, competitive selection and person-post matching” and conducted overall assessment on talent from different aspects, such as years of service, qualifications, annual work performance and contributions and degree of matching with new posts, and the assessment results would be used as one of the bases for annual performance assessment and promotion of the employees. Among them, regular promotion is applicable to all posts related to management posts and professional posts, and irregular promotion is made according to the actual needs of the Company, departments and projects to meet the needs of business development more flexibly. Clear work process, requirements and rules have been set for both types of promotion to ensure that all employees enjoy equal promotion opportunities.



Meanwhile, the Group continuously carries out talent review for further enhancement of its capability of organization building. The Group also encourages employees to participate into internal work rotation through internal competition, rotational expansion as well as short-term secondment, stimulating the vitality of talents and achieve the maximum and optimal allocation and utilization of talent resources.

The Group also fully accepts qualified returning employees, formulates and implements the Management Measures for Returning Employees (《回流人員管理辦法》) and encourages former employees to reapply for working in the Group to inject new vitality into its talent team.

4. OCCUPATIONAL HEALTH AND SAFETY

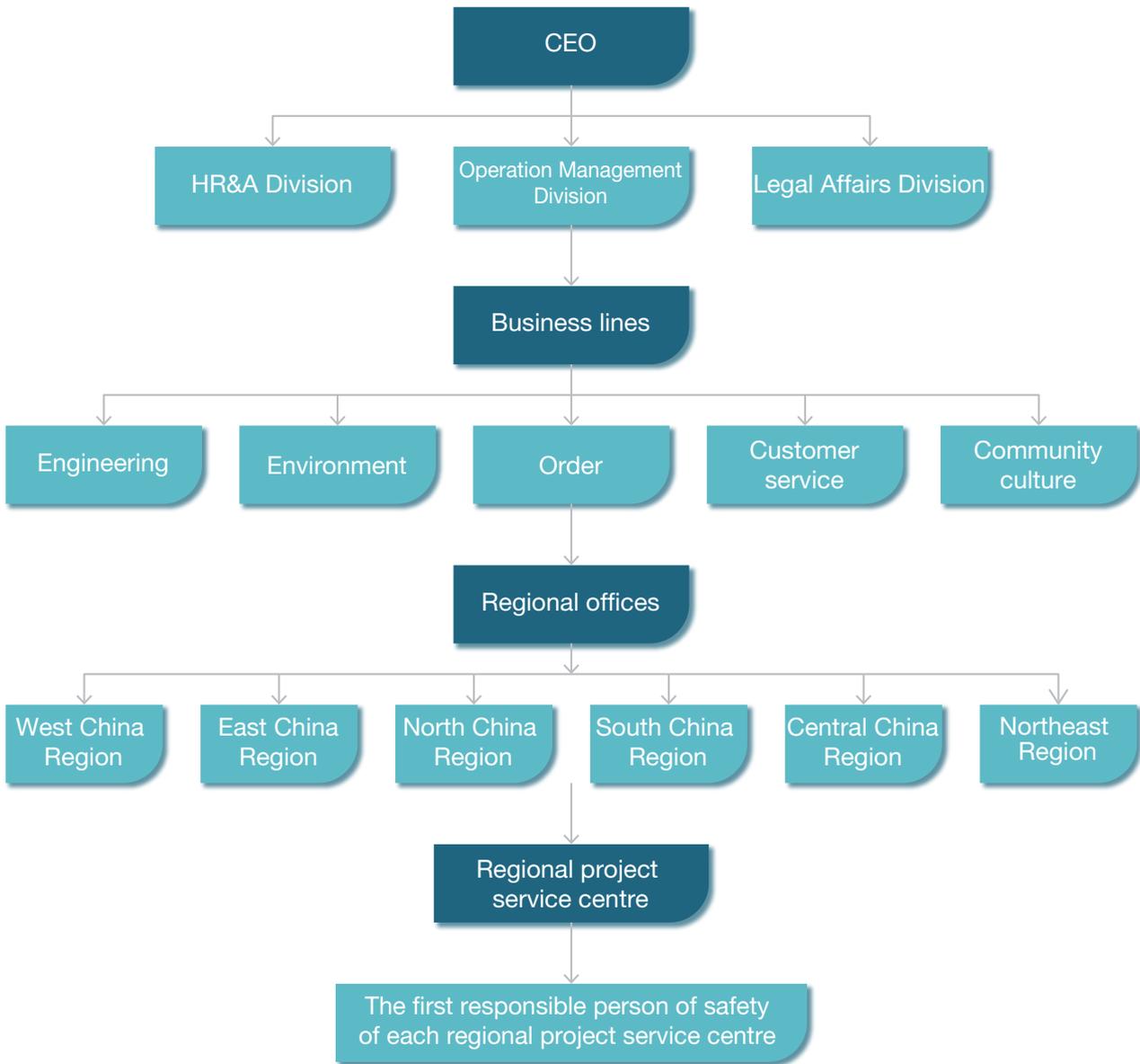
The Group strives to create a safe and healthy working environment for its employees, strictly complies with the Law of the People's Republic of China on Work Safety and other laws and regulations, formulates internal Health & Safety (H&S) policies applicable to the whole Group and outsourced employees such as the Occupational Health Management Measures, the Work-related Injury Management Measures and the Operation Safety Management Regulations, etc. It keeps improving safety management structure and clarifying the safety management responsibilities at all job levels, accepts regular supervision to ensure effective implementation of safety management works. Moreover, the Group attaches great importance to safety supervision and inspection, proactively conducts safety education and security training to enhance safety awareness of all employees and to strictly prevent safety accidents.

1) Safety Management Structure

The Group has the occupational health and safety management policy of “categorized management and comprehensive governance with focus on prevention and control”. It has established a three-level Health & Safety management structure ranging from the Group to regional offices and then to project level, and has clarified the management responsibilities at all levels to ensure safety management implementation.

The responsibilities of each level of the three-level safety management structure are as follows:

- Group level: the Group's CEO is in charge of making overall plan of and guiding the work related to employees' health and safety. The Group's operation management division, human resources and administration (HR&A) division and the legal affairs division jointly set up several business units such as engineering, environment, order, customer and community culture, and clarify the safety management requirements of each business unit;
- Regional level: each regional office decides its safety management priorities according to the actual business operation, sets up safety supervision organization to irregularly investigate safety hazards;
- Project level: the head of each regional project service centre is appointed to be the first responsible person of safety and is responsible for the implementation and execution of safety management.



Three-level Safety Management Structure Chart





2) Occupational Health and Safety Management System

The Group proactively promotes the certification of occupational health and safety management system to continuously improve the management level of occupational health and safety of the Group. During the Year, a number of projects of the Group had obtained ISO 45001:2018 Occupational Health and Safety Management System Certification and GB/T 45001-2020 Certification. The Group will continuously promote safety management system certification in each operating units and operations.



ISO 45001 Occupational Health and Safety Management System Certification (partial list)

The Group attaches great importance to the occupational health and safety management of employees, and effectively implements health and safety management by setting health and safety management goals and indicators, signing the “Safety Production Responsibility Letter” with the heads of operating units at all levels, and regularly assessing and reviewing health and safety management related work. During the Reporting Period, no major safety liability incidents occurred in the Group.

Health and Safety Management Targets:

zero major safety liability accident



H&S management indicators

The Group incorporates health and safety management risks into its risk management database and sets risk warning indicators covering all employees (outsourced employees included), including the number of work-related fatalities and the number of working days lost due to work injury. The implementation of these indicators shall be reported to the Group's Risk Management Committee on a regular basis and subject to its supervision. In case of work-related accidents, the Group requires the subordinate departments to strictly implement relevant handling process, shall give equal treatment of official employees or outsourced employees, and has zero tolerance for delay and concealment of work-related accidents.



Assessment results related compensation

The Group signs the Production Safety Liability Statement with persons in charge of each operating unit, and assesses the implementation of risk warning indicators for health and safety management on an annual basis. The performance of assessment is linked with the compensation of the Group's president, senior management and persons in charge of each operating unit. The Group also clarify the reward and punishment mechanism for safety responsibilities, strengthening safety awareness of the management. In terms of safety operation, the Group conducts quarterly assessments on personnel in relevant positions from multiple dimensions such as security, elevators and fire control to effectively ensure the implement of investigation and management of safety hazards.



Regular review

The Group regularly conducts comprehensive review on the health and safety-related policies and the implementation results of all businesses, invites professional third-party to participate in the assessment and analysis. urges relevant departments to carry out special rectification of safety risks to avoid health and safety accidents to the greatest extent.

3) Employee Health and Safety Protection

The Group has formulated and implemented internal management policies, such as Occupational Health Management Measures, Condolence Policy for Sick Employees, Regulations on Management of Operation Safety Inspection, Fire Safety Management Work Procedures, Handling Procedures for Emergency or Abnormal Situations, and Emergency Plans for Work Safety and Natural Disasters, which clearly regulate the work procedures and management requirements of occupational health and safety protection for all employees and outsourced employees. At the same time, the Group provides employees with a healthy and safe working environment through regular health and safety training, enhancement of safety hazard inspection, and formulation of emergency plans for emergencies such as fire, earthquake, rainstorm and flood.

Health and Safety Training

The Group actively conducts various education and training in safety of production, including special safety training for all employees and specific positions, and continuously improves employees' self-protection awareness and skills through regular safety and emergency drills. During the Year, the Group has carried out 3,113 fire emergency and elevator safety drills in various places across the country, effectively improving the emergency and self-protection abilities of employees.



Ensuring Safety of Outsourced employees

The Group continuously refines the safety management requirements for all employees and provides sufficient security for outsourced employees. The Group purchases liability insurance for outsourced employees, and actively assists them to obtain commercial insurance compensation in case of work-related accidents. In addition, the Group provides outsourced employees with necessary labor protection supplies, and arranges pre-job professional training for all outsourced employees in environmental, engineering and order business units, and conducts at least one safety operation training per week.



To ensure the implementation of its outsourcing suppliers about safety management for outsourced employees, the Group requires the suppliers to establish comprehensive training system in accordance with the actual needs in work process and the agreed terms of the Business Outsourcing Contract, and provide health examinations for outsourced employees. The Group also regularly checks the training and health examination records to reduce the safety risks of outsourced employees.

5. COMMUNICATION WITH AND CARING FOR EMPLOYEES

The Group actively maintains good communication with employees and has established a variety of communication mechanisms to listen to employees' voices. The Group encourages employees to express their suggestions and opinions on the development of the Company through the 400 A-Living service hotline, WeCom App, general manager mailbox, employee complaint mailbox, office system, employee representative meeting and employee symposium, etc. Meanwhile, the Group encourages its regional offices to effectively protect the basic rights and interests of employees and strengthen democratic management by establishing trade unions and signing collective agreements with employees.

In 2023, a total of 16,204 employees of the Group joined the trade unions established in each region, accounting for 16.88% of all employees.

In order to fully understand employees, the Group's HR&A Division conducts telephone interviews with front-line employees on a monthly basis to keep abreast of the needs of employees and the implementation of employee care measures in a timely manner, enhancing their cohesiveness and sense of belonging. The Group also releases information about corporate culture activities, learning and consulting, talent training and employee care activities through "A-Living Time" wechat account to create a good, harmonious and interactive corporate culture atmosphere.

In 2023, the Group conducted an online employee satisfaction survey to receive employees' opinions and suggestions, and continuously optimized internal management according to the results of this survey, creating an inclusive, friendly, warm and fair workplace environment. A total of 16,373 valid questionnaires were collected from the employee satisfaction survey. The satisfaction rate increased by 4 percentage points year-on-year.

8 Sincere Care and Cohesion of Employees (continued)

The Group continued to deepen employee care, and created a “Joyful Workplace” through four channels of “life +, happiness +, value + and growth +”, striving to enhance employees’ sense of safety, happiness, achievement and value. The employee care initiatives adopted by the Group included but are not limited to:

- Setting up rest rooms for pregnant/nursing employees in offices where conditions permit;
- Providing “Joyful Shopping Malls” and other employee welfare shopping malls;
- Carrying out a variety of caring activities for employees, including holiday condolences, corporate culture renewal, democratic life meetings, sports meeting, birthday parties and heatstroke reduction and temperature reduction. In 2023, the Group held a total of more than 3,628 employee caring activities with more than 30,000 participants, which were conducive to forming a loving and active working atmosphere.



Making Dumplings during the winter solstice



Caring for Employees’ Families on June 1st Festival



Employee Sports Meeting



9 Multiple Measures to Promote Green Development



KEY PERFORMANCE IN THIS CHAPTER



Several projects have passed the environmental management system certification and energy management system certification



RESPONSE IN THIS CHAPTER

Material Issues

- Water conservation
- Energy efficiency improvement
- Address to climate change
- Waste management

HKEX KPIs

A1 Emissions: A1.5, A1.6
A2 Use of Resources: A2.3, A2.4
A3 The Environment and Natural Resources: A3.1
A4 Climate Change: A4.1

SDGs



The Group convinces that harmonious coexistence with the environment is a core to achieve sustainable development. Therefore, the Group continues to explore low-carbon development, deeply integrates the concept of sustainable development into daily operations, constantly optimizes the environmental management system, and implements green operations through multiple measures to achieve the Group's environmental objectives, while continuously enhancing its ability to respond to climate change and actively promoting green development.

1. GREEN OPERATION

The Group actively undertakes responsibilities for environmental protection, identifies and complies with related national laws and regulations, continuously improves its own environmental management system, sets environmental targets such as energy saving, emission reduction, water conservation and waste reduction, and continues to carry out relevant works to reduce its own impact on the environment.



1) Environmental Management System

The Group strictly abides by the applicable laws and regulations such as the Environmental Protection Law of the People’s Republic of China and the Energy Conservation Law of the People’s Republic of China. It has formulated and implemented internal management policies such as the Public Energy Consumption Management Regulations, Management Measures for Energy Conservation and Consumption Reduction, and Work Procedures for Collection and Disposal of Domestic Garbage, and clarified the responsibilities, work requirements and detailed rules of each responsible department of environmental management. Meanwhile, in order to strengthen the standardization of environmental management, a number of projects of the Group have obtained the ISO 14001: 2015 environmental management system certification, which has been gradually promoted to other projects in various regions. The business department regularly reviews the management performance of each project in environmental work such as energy consumption and water consumption.



ISO 50001 Energy Management System Certificate (partial list)



ISO 14001: 2015 Environmental Management System Certificate obtained (partial list)

2) Energy Management

The Group strictly abides by the policies and requirements of energy consumption management of the region where its business are located, improves the energy management system with reference to the requirements of ISO 50001, regularly revises its internal policies such as the Public Energy Consumption Management Regulations and the Manual of Guidance on Energy Conservation and Consumption Reduction Measures. The Group requires each project to formulate and implement corresponding energy conservation and emission reduction measures according to the actual situation, and regularly reviews the use of energy through public energy consumption ledger. In 2023, the Group actively participated in the declaration of ISO 50001 energy management system certification, and a number of projects have obtained the certification to effectively enhance the Group’s energy management efficiency.



Goals of energy conservation and emission reduction

The Group integrates the concept of “innovation, environmental protection, convenience and technology” into its operations. To fulfil the operational objective of low energy consumption, great comfort and sustainability, the Group further enhances energy efficiency, reduces greenhouse gas emissions and minimizes any possible impact brought by its production and operations on the environment.



9 Multiple Measures to Promote Green Development (continued)



To achieve the goals of energy conservation and emission reduction and to reduce the possible impacts of business operations on the environment, the Group has adopted measures for energy conservation and emission reduction, which include but are not limited to:

<p>Establishment of intelligent control system for streetlights</p>	<p>Using illuminance sensors to detect changes in environmental brightness and automatically adjust the switching time of streetlights and landscape lighting fixtures of the projects to avoid energy waste and achieve energy saving and efficiency.</p>
<p>Secondary water supply transformation without negative pressure</p>	<p>Using the pressure of municipal water supply pipelines as the intake pressure of water pumps to reduce construction costs and operating energy consumption.</p>
<p>Energy-saving transformation of elevator equipment</p>	<p>Installing energy feedback devices in elevators to achieve energy recycling. After the transformation, the actual power saving rate reached 25-50%, effectively reducing power consumption.</p>
<p>Promotion of energy-saving measures for air-conditioning</p>	<p>Switching on/off air conditioner on demand, using online monitoring to manage the operation of air conditioner in real time and reduce the energy consumption of electricity.</p>
<p>Transformation of garage lighting system</p>	<p>During the year, the Group completed the IoT lighting transformation of 58 garages, replaced energy-saving lamps for projects and used intelligent identification vehicle technology to increase energy-saving rate by more than 70%.</p>
<p>Launching energy consumption management platform</p>	<p>Launching energy consumption management platform to achieve early warning and supervision from the Group level on the projects with energy consumption exceeding the standard. Regional offices conducted energy consumption analysis and guided the projects to rectify the deviations in a timely manner.</p>
<p>Promoting the use of clean energy</p>	<p>The Group built photovoltaic integrated charging stations that generate green electricity to meet the electricity demand of its projects. The excess electricity will be transported back to the power grid for others.</p>
<p>Strengthening the assessment and supervision</p>	<p>The Group comprehensively strengthened the supervision and assessment of energy conservation and emission reduction, stipulated energy conservation and emission reduction indicators and continuously improved the energy consumption assessment and evaluation.</p>
<p>Constructing charging piles</p>	<p>The Group continued to promote the installation of charging pile facilities in communities and reduced carbon emissions from fossil fuels with property owners.</p>

Measures for energy conservation and consumption reduction (part of measures)



Case: Energy-saving Renovation of Garage Lighting in project of Greenland Baiyue Garden Guangzhou

During the year, the Group initiated transformation of IoT lighting system in the underground garage for the Greenland Baiyue Garden Project in Guangzhou, and replaced the energy-saving lamps and equipment for the project. It is expected that the annual electricity fee can be saved by approximately RMB6,780,000, effectively reducing electricity consumption.



Replacement of light tubes in underground garage

3) Water Resources Management

The Group rigorously abides by the Law of the People's Republic of China on the Prevention and Control of Water Pollution and other laws and regulations, has continuously improved the assessment indicators of water resources management, takes multiple measures to promote the implementation of water-saving works to actively enhance the efficiency of water resources management. Municipal water supply networks are the major source of water for the Group's business operation. The Group's water consumption is primarily for daily needs of office and greening of projects. Certain projects utilize water from their nearby rivers for greening works. There is no issue in sourcing water that is appropriate for uses.



Water conservation goals

The Group will proactively enhance its stakeholders' awareness of water conservation, and improve its efficiency of usage on and reduces the waste of water resources by preferential adoption of water-saving appliances, strengthening the daily maintenance and management of water-consuming facilities and equipment, and promoting water recycling.





The Group actively carries out water conservation, requires all offices and projects to be actively implement water conservation, and adopts the following water conservation measures to promote the achievement of water conservation targets:

Routine inspection	Arranging routine inspection, cleaning, repair and maintenance for the water tanks to ensure normal operation and avoid the waste of water resources caused by abnormal water tanks.
Environmental protection publicity	Promoting water conservation related knowledge by posting water-saving signs and posters near water-consuming areas to cultivate employees' and property owners' awareness of water conservation, jointly creating a water-saving and energy-saving environment.
Use water-saving appliances	Advocating to use infrared sensor faucets, water-saving toilets, automatic sprinkler irrigation and other water-saving appliances.
Regular analysis of water consumption	Conducting monthly analysis on abnormal water consumption, and purchase ultrasonic leak detectors to detect leaking points in the buried water pipe network, so as to deepen the management of water resources and energy consumption.
Exploring the recycling of rainwater	Exploring the advantages of terrain of projects and the surrounding terrain and using rainwater collection for greening irrigation to realize the recycling of rainwater.

Case: Renovation of swimming pool drainage pipes in Zhongshan Yulongshan project

During the Year, the Group renovated the drainage pipes of the swimming pools in Zhongshan Yulongshan project, and recycled the water used for pool cleaning for greening irrigation and ground cleaning. It is expected to save more than RMB30,000 of water costs every year and realize the recycling of water resources.



Drainage pipes after renovation



4) Waste Management

The Group strictly complies with Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes and relevant laws and regulations, formulates internal regulations such as Waste Management Measures, Domestic Waste Classification Work Regulations, and stipulates the requirements of the management of waste to promote the sorting, reduction, recycling and reuse of wastes. The Group has set waste reduction targets, actively popularized waste reduction publicity, and proactively advocated all stakeholders to participate in activities such as waste sorting and green office, enhancing their awareness of waste recycling to effectively reduce waste emissions.



Waste reduction goals

The Group reduces wastes through plastic ban and waste reduction campaign, etc., and advocates waste sorting to achieve reuse of resources.

To achieve the waste reduction goals, the waste reduction management initiatives adopted by the Group include but are not limited to:

- Equipped with intelligent waste sorting machines**

Some operating projects are equipped with intelligent waste sorting machines to encourage property owners to participate in waste sorting and recycling through solid waste recycling subsidies.
- Waste management of employees**

Conducting regular review on the implementation of waste reduction and recycling of employees, such as reduction on use of disposable items and implementation of green office, etc.
- Reuse of waste materials**

Using waste materials to decorate the landscape in communities.
- Publicizing waste sorting**

Organizing various waste sorting publicity activities to encourage employees and property owners to participate in waste sorting.





Case: Waste sorting in Xi'an Agile Garden

In 2023, in order to strengthen the environmental awareness of all employees and in response to the call for “building a beautiful China”, the property management team of Xi'an Agile Garden of the Group comprehensively promoted the domestic waste sorting, actively publicized the knowledge of waste sorting to property owners, which effectively improved the efficiency of domestic waste recycling. In November, the community was rated as a “Waste Sorting Demonstration Community” in Chang'an District, Xi'an, bringing honor to the construction of a livable community.



Publicize waste sorting knowledge to property owners



Waste Recycling Station in Xi'an Agile Garden project

5) Green Office Practices

Adhering to the concept of green operation, the Group actively promotes environmental protection knowledge to employees, optimizes its internal system construction, promotes paperless office, and promotes a green and low-carbon lifestyle together with employees. The green office measures taken by the Group include but are not limited to:



Promoting paperless office

- Using recycled paper for unimportant document printing;
- Advocating network file-sharing as much as possible to reduce printing;
- Promoting online approval process, data archiving and other office processes to reduce paper consumption;
- Promoting electronic signature of contracts to reduce the use of paper contracts.



Saving electricity for air conditioning

- Switching off air conditioners 30 minutes before leaving;
- Conducting temperature control for energy saving, and controlling the temperature of air conditioners at no less than 26° C in summer and no more than 20° C in winter.



Turning off lights and power off in time after work

- Unlit lights and power off in unoccupied rooms;
- Appropriate use of power-saving mode such as sleeping or shutdown of computers when not in use for a long time.



Reducing the use of disposable items

- Replacing plastic bags with eco-friendly bags;
- Reducing the use of disposable items such as paper cups.



Advocating online meetings

- Actively promoting online meetings to reduce carbon emissions from business travel.

2. GREEN CITIES AND COMMUNITIES

During the Year, the Group continued to provide diversified and efficient solutions to improve the quality of urban environmental hygiene and governance capabilities, maintained and improved the natural environment of urban and rural areas and communities, and strived to create a more livable green urban living space. In addition, the Group encouraged urban residents to actively participate in environmental protection actions, and jointly built green cities and communities with all walks of life to gradually strengthen the endogenous power of ecological civilization construction.

Case:

Promoting digital construction to create a clean public environment

The Group's city service project in Liaoyang city introduced intelligent management procedures of sanitation works, used advanced equipment such as integrated washing & cleaning vehicles, and implementing the innovative "human-machine integration" operation mode to improve the intelligence and digitalization of the project, achieving "round-the-clock cleaning, seamless management and full coverage of responsibilities", and effectively improving the tidiness of the public environment within the project area.



The sanitation work site of the Liaoyang Project



Case: Actively hold waste sorting activities for turning hazardous waste into beneficial waste

In April 2023, the Group's Qujiang New District project conducted a domestic waste sorting theme activity, which encouraged residents to participate in waste sorting activities, popularized the knowledge of waste sorting and guided residents to correctly dispose of hazardous waste to improve the accuracy of waste disposal and further raise property owners' awareness of waste sorting.



Waste sorting activities in Qujiang New District project

3. ADDRESSING CLIMATE CHANGE

The Group constantly paid attention to the potential risks and opportunities brought by climate change and actively took measures to mitigate the possible impact of it. In 2023, the Group continuously considered the recommendation framework of the Task Force on Climate-Related Financial Disclosures to proactively identify, evaluate and manage climate change-related risks in daily business operations, and continuously improved the prevention mechanism for climate change-related risks, so as to continuously strengthen the Group's resilience to climate change. Meanwhile, the Group actively seized the opportunities brought by climate change to contribute to the sustainable development of the Group.

1) Governance: Overseeing Climate-Related Risks and Opportunities

The Board attaches great importance to and fully participates in climate change risk management related issues, considers climate change factors in the process of making major decisions such as corporate development strategies, and regularly reviews the progress of climate change related targets. The Risk Management Committee and the Sustainable Development Supervision Team are responsible for formulating and reviewing policies related to climate change, monitoring and evaluating the effectiveness of climate risk management in the Group's operations, and reporting to the Board on a regular basis.

2) Strategy: Impact of Climate-Related Risks and Opportunities on Sustainable Development Plan and Financial Planning

Risk Response

Physical risks that the Group may face mainly include: impairment of assets caused by extreme weather and climate warming, such as extreme heavy rainfall, typhoon, floods, earthquake, extremely cold and hot weather, etc. The possible impacts of the aforementioned risks on the Group's daily operations include: interruption of daily operation and services, damage to facilities and equipment in the communities, and the substantial input of manpower and materials caused by climate damages, increase in difficulty of services and operating costs.

At the same time, the transformation risks that the Group may face mainly include: policies and legal risks, such as the promulgation and changes of national carbon reduction policies, and the tightening of energy-related laws and regulations. In addition, the Group identified potential market exposure and technical risks based on the macro assessment of climate change, such as the increase in demand of renewable energy, the increase in the cost of renovation of old high-energy-consuming equipment, and the increase in market demand for property management company with strong capability of environmental protection and climate resilience.

In order to mitigate the potential impact of climate change, the Group has implemented the following measures:

- The Company has formulated and implemented internal policies such as the Emergency Plan Framework Guidelines, the Flood Control Emergency Plan, the Earthquake Disaster Emergency Plan and the Ledger of Emergency Materials for Flood Control, and completed 20 emergency plans to respond to weather changes and different situations that provide clear work guidance for dealing with extreme weather, enhancing its flexibility to respond to extreme weather.
- The Company actively organizes employees to participate in professional knowledge training and drills in response to extreme weather, raising their awareness of climate change.
- The Company timely supplements emergency materials, repairs facilities and equipment, and reminds employees and customers of weather changes related risks, in order to reduce the impact of extreme weather.
- The Company timely pays attention to regulatory and policy requirements, analyzes and understands the latest policy requirements and adjusts business strategies accordingly to promote green operation and sustainable development.
- The Company has actively promoted and implemented energy conservation and emission reduction to ensure the achievement of energy conservation and emission reduction targets.

Case: Early Distribution of Typhoon and Flood Prevention Work in Southern China

As one of the prone areas of typhoon and rainstorm, the Group's Southern China regional company had a sense of proactive planning and forward thinking of typhoon and flood prevention, and actively carried out relevant works mainly including: the issuance of the Notice on Effectively Prepare for Flood and Typhoon Prevention in 2023; requirements for all projects that allocating sandbags and other flood prevention materials in advance, reinforcing trees, comprehensive inspection of potential risks by regularly checking power and drainage systems, formulating emergency plans for flood prevention, and conducting flood prevention drills to effectively respond to the impact of heavy rains and typhoon weather.



Flood prevention drills

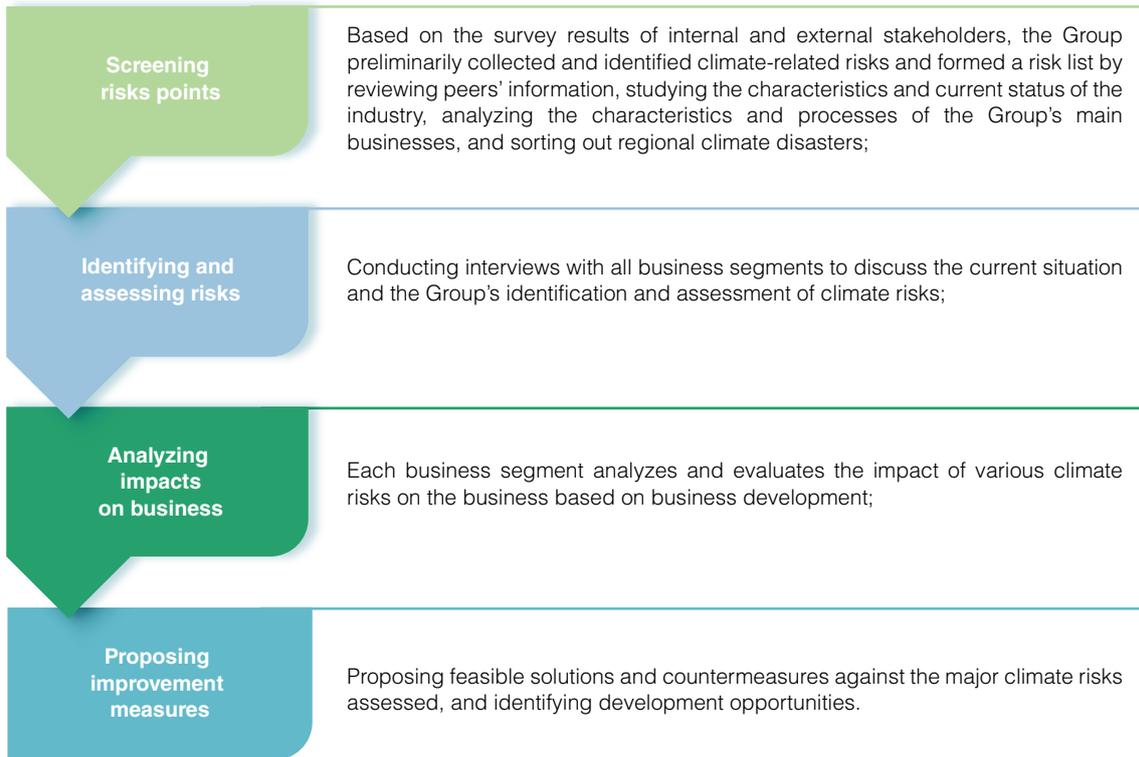


Seizing opportunities

The Group closely follows the national strategic goals of “Dual Carbon” and continues to promote the implementation of energy conservation and consumption reduction works to adapt to the changes in the market trend of low-carbon development and energy-saving technology innovation.

3) Risk Management: Identifying, Assessing and Managing Climate-Related Risks

In accordance with the Risk Management Policy of A-Living Group, the Group has incorporated climate change-related risks into the Group’s risk management and internal control, regularly monitors and evaluates the corresponding changes to improve the effectiveness of climate-related risk management. The specific processes are as follows:



4) Metrics and Targets: Metrics and Targets for Assessing and Managing Climate-Related Risks and Opportunities

In 2023, the Group continued to implement energy conservation and emission reduction, water conservation and waste reduction to achieve environmental goals, and fully considered the correlation between environmental goals and climate change risks, further enhancing the Group’s resilience to climate change. Meanwhile, the Group continued to disclose the emission data of Scope 1 and Scope 2 of greenhouse gas, and enhance the accuracy and transparency of the data.

10 Sincere Cooperation to Achieve Mutual Development

KEY PERFORMANCE IN THIS CHAPTER



Total number of suppliers:

3,437

RESPONSE IN THIS CHAPTER

Material Issues

- Supplier access and assessment
- Empowerment for partners
- Environmental and social risks management of supply chain

HKEX KPI

B5 Supply Chain Management: B5.2, B5.3, B5.4

SDGs



The Group has committed to establishing a stable, healthy and long-term cooperative relationship and strengthening communication with its partners, encouraging them to actively fulfill their social responsibilities, aiming to build a sustainable supply chain. The Group attaches great importance to the healthy development of its member companies, continuously empowers its member companies by strengthening the integration and management, forming complementary advantages and achieving win-win cooperation.

1. SUPPLIER MANAGEMENT

Strictly complying with the Tendering and Bidding Law of the People's Republic of China as well as other laws and regulations, the Group clearly specifies the working rules and requirements for suppliers in the process of bid invitation for procurement, selection and assessment of acceptance, to achieve standardized management of them. Meanwhile, the Group actively constructs a sustainable supply chain, gives priority to suppliers with environmental, quality and occupational health certifications and good ESG performance. The Group also advocates transparent procurement, and actively keeps close communication with suppliers to jointly maintain a clean, orderly and stable supply chain ecology.

As at 31 December 2023, the Group's supplier management requirements cover a total of 3,437 suppliers of property management services, property owners value-added services and city services, all of whom operate in Mainland China.



1) Supplier Access and Assessment

The Group has formulated and implemented internal policies, such as the Operational Standards for Procurement Management, Procurement Supplier Management Procedures, Procurement Bidding Management Procedures and Management Specifications for A-Living Centralized Procurement Platform, to stipulate the work process and requirements for supplier access and assessment, and regularly evaluates the qualification and performance of suppliers to ensure that suppliers provide high-quality services and products as contracted. The Group's supplier access and assessment mainly includes:

Admission assessment

- The Group has established a supplier assessment team to evaluate suppliers' basic operating conditions, industry qualifications, production technology, quality management systems, performance and other indicators, and conducts on-site evaluation and reputation review on suppliers. Only qualified suppliers with all indicators to be satisfied can be introduced;
- The Group has established a database of qualified suppliers.

Comprehensive evaluation

- The Group conducts monthly performance evaluations, quarterly quality inspections, and annual comprehensive performance appraisals on suppliers;
- The comprehensive assessment for suppliers include satisfaction rate, pass rate of sampling inspections, complaints received by 400 customer service hotline, breach of contract or bidding and other dimensions;
- The Group classifies suppliers into three categories of excellent, qualified, and eliminated according to the results, and implements hierarchical management on them.

Dynamic management

- The Group conducts dynamic management on suppliers, timely eliminates suppliers that missing the Group's evaluation standards;
- Once fail to meet the Group's standards, the suppliers can be re-engaged only after rectification as required by the Group;
- For suppliers with issues such as corruption, fraud, bribery and major safety incidents, the Group will cease cooperation and blacklist them and will no longer cooperate with them.

2) Building Sustainable Supply Chain

The Group continuously strengthens the ESG management of suppliers, improves their ESG risk management and control capabilities, advocates compliant procurement, and actively builds a sustainable supply chain.

Supply Chain Environment and Social Risk Management

The Group assesses the environmental and social risks of suppliers through questionnaires, on-site inspections, third-party certification, etc., and fully evaluates the ESG performance of suppliers. The Group specifies the terms of environmental and social responsibilities in the contracts with suppliers to regulate them to fulfill their environmental and social responsibilities. The Group also monitors and reviews its suppliers' performance of contracts and compliance with relevant laws and regulations, and timely discovers and corrects environmental and social responsibility issues in a timely manner.

In order to reduce the risks related to the supply chain environment, the Group selects suppliers who apply green environmental protection technologies and use materials with higher environmental performance to further reduce the environmental risks of the supply chain. For instance, for home improvement service, the Group mainly cooperates with industry-renowned brands, selects environmentally friendly materials and products above national standards, and requires its suppliers to provide environmental protection certification and formaldehyde testing reports. In terms of the housekeeping business, the Group selects environmental cleaning agents and applies the technology of clothes drying by reheating.

Promoting Compliant Procurement

The Group strictly abides by the laws and regulations related to bidding and procurement, formulates and implements the Procurement Management Policy, and requires procurement management personnel to conduct bidding and procurement in strict accordance with the work process. The Group prohibits all violations of laws and disciplines and under-the-table operations to ensure a compliant, transparent and open bidding and procurement process. At the same time, the Group requires all suppliers to sign Integrity Agreements and regularly verifies the compliance and effectiveness of anti-corruption policies to prevent corruption of both parties in the procurement process. The Group established and publicized the whistle-blowing channels for suppliers to prevent corruption and ensure compliance of the entire procurement process.

3) Communication with Suppliers

The Group regularly communicates with suppliers through online phone calls, on-site visits, supplier conferences and other channels, to form a good cooperative relationship with suppliers, integrate the resource advantages, and promote win-win cooperation. At the same time, the Group implements a supplier complaint and feedback mechanism to protect the rights and interests of suppliers.

Case: The Group's Community Commercial Company Held Supplier Conference

In March 2023, the home improvement business division of the Group's community commercial company held a supplier conference with a total of more than 60 brand supplier representatives, deeply discussed the "future development strategy of BBC customized fine decoration business". After the meeting, the Group signed contracts or entered into cooperation with more than 30 suppliers, laying a foundation for establishing a solid strategic partnership in the future.



2. EMPOWERING MEMBER COMPANIES

The Group attaches great importance to the integration and empowerment of its member companies. Based on the development strategy of “Brand Building, Pursuit of Development, Capability Enhancement, Significant Integration”, the Group actively explores the integrated development model and continues to strengthen the cultural integration, communication, resource sharing, organizational integration and collaborative management among member companies, so as to achieve integration of business, resources and talents, supporting the Group’s high-quality development. Oriented to resources on one hand, the Group introduces resources and brings benefits to its member companies through resources sharing, collaborative expansion, output of IT capability and empowerment of management capability, etc. Oriented to development on the other hand, the Group continuously establishes a sound incentive mechanism and keeps improving its post-acquisition management system, with a view to achieving the common development goals of “securing growth, controlling risk and improving compliance”.

During the Year, the Group continued to provide assistant for member companies in IT systems of business, business training and customized product promotion, etc., and supported and enabled member companies in terms of internal management, finance, human resource, information technology, service quality and supplier management to enhance integration and promote mutual development.

Case: Integration and Cohesion of Team Culture

During the Year, the Group initiated a special cultural construction project for the senior management team of member companies, and organized a team building activity of “Cultural Root Hunt” for the senior management team of the Group and member companies. Through this activity, the Group consolidated its corporate culture and core values, strengthened the cohesion and collaboration of the senior management team, clarified the mutual development goals, and injected impetus into the management team.



Photo of senior management team building activity

10 Sincere Cooperation to Achieve Mutual Development (continued)



System Construction

The Group continuously improved post-investment management policies, including the Interim Regulations for the Management in Connection with Property Management Member Companies, the Administrative Measures for Information Reporting of Property Member Companies (Trial), the Rules of Procedures for the Post-acquisition Management Committee of Property Member Companies, the Guidelines for the Management of Third-Party Companies, the Measures for the Emergency Response to Major Events of Member Companies and the Provisions on the Management of Affiliate Property Management Projects, to regulate the governance model of post-acquisition companies.

Standardization Management

The Group optimized the organizational structure of its member companies, improved the management system for regional offices and member companies and promoted standardization construction to improve operational efficiency and governance level.

Business Synergy

The Group provided commercial technology collaboration support for member companies, and cooperated with relevant business departments to provide consultation and guidance of operation for member companies, such as parking lot operation and property management of old communities, etc.

Cultural Integration

The Group comprehensively upgraded the corporate culture concept system, achieved management collaboration and resource sharing with member companies through bench-marking learning and empowerment training, and further promoted the organizational integration of self-operated regional offices and member companies.

Financial System Upgrade

The Group will continue to upgrade the financial system and expand the coverage of member companies to standardize and unify the financial accounting management of A-Living, and empower the Group's post-investment financial management and synergy of business development.

Information Management

The Group developed various information systems and open system access to member companies to improve their information management efficiency. For instance, Shandong Hongtai and Dalian Yimei have launched the warehousing system, and Shanghai Kerui has launched and promoted the use of the charging system of WeCom platform.

Service Quality Management

The Group continued to provide business capability improvement training for member companies, including but not limited to special training camps on service quality, enhancement of professional image and application of business etiquette, special training on speech and presentation skills.

Key initiatives of the Group to empower member companies (some examples)





Case: The Group's community commercial company empower member companies at multiple levels

During the Year, the Group's community commercial company empowered member companies in terms of product system, brand system, supply chain sharing and informatization capability, etc., providing various empowerment trainings on group catering, home improvement and other businesses. The Group shared its quality supply chain with member companies, improved their business skills to ensure steady development of the Group.



Business trainings

11 Enthusiastic in Public Welfare and Continuous Contribution to the Society



KEY PERFORMANCE IN THIS CHAPTER



Total amount invested in charitable activities:
over RMB89,200



Total number of employees participating in voluntary services:
over 346



Total hours of employees participating in voluntary services:
over 1,056 hours

RESPONSE IN THIS CHAPTER

Material Issues

- Community communication and integration
- Participation in charitable and voluntary activities

HKEX KPI

B8 Community Investment: B8.1, B8.2

SDGs



Adhering to the corporate mission of “lifelong caring for you, heartwarming service to city”, the Group actively responds to the livelihood needs, participates in various public welfare construction such as community services, volunteer and public welfare activities, fulfills corporate social responsibility to promote the harmonious development of society. As at the end of 2023, the Group proactively encouraged employees to participate in social welfare activities, with more than 1,056 volunteer service hours of employees and a total of 346 employees involved to actively promote the care for people’s needs in the community.





1. JOINTLY BUILDING HARMONIOUS COMMUNITIES

Since the establishment of the community model in the new era of “Five-party joint construction¹” combining Party building with resident’ autonomy in 2021, the Group has continuously strengthened grassroots autonomy and the construction of community modernization, and improved the community management system. In 2023, the Group launched the red property management brand of “Yaxin Chicheng”. With the unified vision of “community with governance community”, the Group cooperated with 5 major regional companies, more than 10 member companies and 100 cities to initiate various activities around the red space, community operation, volunteer services and other fields across the country, including but not limited to the establishment of “Xiaoya convenient service stations” to provide property owners with caring services, and organizing the Party members as volunteers to participate in community co-construction activities, aiming to build a harmonious and loving community with property owners.

Case: Improving the efficiency of community governance through the model of “Five-party joint construction”

In 2023, the Group fully leveraged its advantages and resources to implement the community governance model of “Five-party joint construction” for Party building, and actively guided all projects to participate in grassroots co-governance. The Group organized the Party member volunteers to participate in community construction and voluntary community sanitation activities to create a comfortable and harmonious community for property owners.



Case: Lifelong Caring with Heart-warming Elderly Care Services

In 2023, the Group carried out all-round elderly-friendly community transformation for a number of projects, integrated the new governance model of “Five-party joint construction” with property management services such as “home-based elderly care” through involving the elderly owners in community co-construction and sharing, forming a community elderly care and assistance mechanism. The Group actively organized cultural, sports and entertainment activities and built activity centers for the elderly to enable them to live the ideal life.



Elderly Activity Centre



Enriching cultural and entertainment activities

¹ Five parties refer to property management service provider, community party committees, neighborhood committees, property owners’ associations and property owners.



Case: The service of “Xiaoya convenient service station” covers communities over 100 cities

In November 2023, the Group launched the “Xiaoya convenient service stations” activity in communities in over 100 cities across the country, providing property owners with free clinic services, home appliance maintenance, hairdressing and manicure services, etc. bringing experience of a better life to property owners.

Service 1: Providing health services to 7,083 property owners

The Group invited medical professionals of internal medicine, traditional Chinese medicine, stomatology and health examination departments to provide personalized free clinic services for property owners at the Xiaoya convenient service station. This activity enabled property owners to have a comprehensive understanding of their health conditions, and enhanced dissemination of knowledge on health maintenance and medical health, which was widely acclaimed by the property owners.



Service 2: 20,231 times of repair and maintenance services

Considering the frequently occurred problems such as the aging and damage of certain appliances of property owners, the Group organized the property management staff of Xiaoya convenient service stations to serve as “old craftsmen” and “cleaners” to help the property owners repair household appliances or goods and clean carpets and fans, etc., effectively solving living problems of the property owners.



Service 3: Haircut services for 4,851 property owners

Xiaoya convenient service station invited hairdressers to provide haircut services, bringing a convenient and caring service experience to property owners.





2. DELIVERING WARMTH AND LOVE

The Group attaches great importance to public welfare and charity, actively conducts and fully encourages employees and property owners to participate in activities such as charitable donations and visiting the elderly, and proactively undertakes its social responsibilities. At the same time, the Group actively responds to the national demand for elderly care services, integrates the grassroots co-construction system into community elderly care, and continuously promotes the construction of senior living communities, so as to respect the elderly and demonstrate community care.

Case: “Practice with Love” 2023 Charity Sale of Agile Garden Guangzhou

In October 2023, the Group’s Agile Garden Guangzhou project launched a charity sale activity, raising a total amount of more than RMB19,000 charity for education. The raised fund will be fully donated to Xinfeng Primary School in Lushan Town, Weining County, Bijie City, Guizhou Province for its campus construction, aiming to further promote the development of rural education and reflect the corporate social value.



Case: Visiting the elderly on the day of Double Ninth Festival

In October 2023, the Party Branch of the Group’s Hainan region and Yunhai Zeyue Community jointly launched the Double Ninth Festival activity, visiting the elderly living alone, providing free door-to-door care services including haircuts and medical consultation, bringing warm cares to the elderly residents.



Appendix I: Key Performance Indicators in 2023



ENVIRONMENTAL KPIS

ESG indicators	Unit	Figure
A1.1 The types of emissions and respective emissions data		
Sulfur oxides ¹	kg	3.63
Nitrogen oxides ²	kg	2,279.81
Particulate matter ³	kg	178.50
A1.2 Direct and energy indirect greenhouse gas emissions		
Total greenhouse gas emissions ⁴	tons of CO ₂ equivalent	208,845.10
Direct greenhouse gas emissions (Scope 1) ⁵	tons of CO ₂ equivalent	16,338.65
Indirect greenhouse gas emissions (Scope 2) ⁶	tons of CO ₂ equivalent	192,506.45
A1.3 Hazardous waste produced⁷		
Waste lamp tube	number	31,172
Waste batteries generated	ton	4.42
A1.4 Total non-hazardous waste produced		
Office domestic garbage produced	ton	454.08
A2.1 Direct and indirect energy consumption by type in total and intensity⁸		
Total energy consumption	kWh in '000s	395,836.65
Energy consumption intensity	kWh in '000s/'000 m ²	0.70
Direct energy consumption	kWh in '000s	58,283.70
Indirect energy consumption	kWh in '000s	337,552.95
Gasoline consumption	kWh in '000s	13,109.76
Diesel consumption	kWh in '000s	40,058.18
Liquefied petroleum gas	kWh in '000s	174.56
Pipeline natural gas	kWh in '000s	4,941.20
Purchased electricity	kWh in '000s	337,552.95
A2.2 Water consumption in total and intensity		
Total water consumption	m ³	11,968,974.96
Total water consumption intensity	m ³ /'000 m ²	21.05



Appendix I: Key Performance Indicators in 2023 (continued)



Notes on environmental KPIs:

The period of data collection was from 1 January 2023 to 31 December 2023, with data collection covering headquarter office of the Group, 6 headquarters of regional offices, the headquarters of member companies of 3 business segments, and 507 projects' office areas, non public areas, and all non-outsourced staff canteens.

1. Emissions of sulphur oxides are generated from liquefied petroleum gas and official vehicles, and the emission factors are primarily based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange;
2. Emissions of nitrogen oxides are generated from pipeline natural gas, liquefied petroleum gas and official vehicles, and the emission factors are primarily based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange. The heating value factors for liquefied petroleum gas are based on the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial) (《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》) issued by the General Office of the National Development and Reform Commission of the PRC in 2015; the emission factors for natural gas are based on the Pollutants Discharge Coefficients and Material Accounting Methods Applicable for Industries not Subject to Pollutants Discharge Permitting Administration (Trial) (《未納入排污許可管理行業適用的系數物料衡算方法(試行)》) issued by the Ministry of Ecology and Environment of the PRC in 2017;
3. Emissions of particulate matter are generated from official vehicles, and the emission factors are primarily based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange;
4. Total greenhouse gas emissions include direct greenhouse gas emissions and indirect greenhouse gas emissions;
5. Direct greenhouse gas emissions are generated from uses of diesel, gasoline, liquefied petroleum gas and pipeline natural gas, and the energy emission factors are based on the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange;
6. Indirect greenhouse gas emissions are generated from purchased electricity, and the greenhouse gas emission factors for purchased electricity are based on the latest national grid average emission factor issued by the Ministry of Ecology and Environment of the PRC;
7. According to the business nature and actual operations of the Group, the wastes were mainly generated from property management service projects and office environment, and no wastes covered in the National Catalogue of Hazardous Wastes of the People's Republic of China were generated; and
8. Total energy consumption includes the total energy consumption generated by gasoline, diesel, liquefied petroleum gas, pipeline natural gas and purchased electricity, and the heating value factors for direct energy are based on the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial) issued by the General Office of the National Development and Reform Commission of the PRC in 2015.

SOCIAL KPIS

ESG indicators		Unit	Figure
B1 Employment			
B1.1 Total workforce by gender, employment type, age group and geographical region			
Total number of employees		Person	96,018
By gender	Male	Person	51,990
	Female	Person	44,028
By age group	30 or below	Person	13,015
	31-49	Person	36,092
	50 or above	Person	46,911
By level	Senior management	Person	4
	Middle management	Person	86
	Staff	Person	95,928
By geographical region	Mainland China	Person	96,012
	Hong Kong, Macao and Taiwan, and overseas	Person	6
B1.2 Employee turnover rate by gender, age group and geographical region¹			
Total turnover rate		%	37.00
By gender	Male	%	18.21
	Female	%	18.79
By age group	30 or below	%	7.36
	31-49	%	10.83
	50 or above	%	18.81
By region	Mainland China	%	37.00
	Hong Kong, Macao and Taiwan, and overseas	%	0.001
B2 Health and Safety²			
B2.1 Number and percentage of work-related fatalities			
2023		Person; %	0;0
2022		Person; %	0;0
2021		Person; %	1;0.001
B2.2 Lost days due to work injury			
Lost days due to work injury		Day	1,206



ESG indicators		Unit	Figure
B3 Development and Training			
B3.1 The percentage of employees trained by gender and employee category³			
By gender	Male	%	53.56%
	Female	%	46.44%
By level	Senior management	%	0.004
	Middle management	%	0.092
	Staff	%	99.904
B3.2 The average training hours completed per employee by gender and employee category⁴			
By gender	Male	Hour	18.26
	Female	Hour	20.84
By level	Senior management	Hour	22.00
	Middle management	Hour	27.61
	Staff	Hour	19.44
B5 Suppliers Management			
B5.1 Number of suppliers by geographical region			
Region	Mainland China	Number	3,437
	Hong Kong, Macao and Taiwan, and overseas	Number	0
B6 Product Responsibility			
B6.2 Number of products and service related complaints received⁵			
Number of complaints received		Number	7,680
Satisfaction rate of customer complaints dealt with		%	98



ESG indicators		Unit	Figure
B7 Anti-corruption			
B7.1 Number of concluded legal cases regarding corrupt practices and the outcomes of the cases			
Number of concluded legal cases regarding corrupt practices		Case	0
B7.3 Anti-corruption training provided to directors and staff			
Number of training participants	Directors	Person	8
	Staff	Person	19,510
Training hours	Directors	Hour	64
	Staff	Hour	273,140
B8 Community Investment			
B8.2 Resources contributed to the focus area			
Money contributed to the focus area		RMB	89,200
Manpower contributed to the focus area		Person	346

Notes on social KPIs:

1. The employee turnover rate is calculated based on: $\text{Turnover rate (per category)} = \frac{\text{Employees in the specified category leaving employment}}{\text{Number of employees}}$;
2. The health and safety data covers all A-Living employees, and the remaining social KPIs cover A-Living and its subsidiaries;
3. The percentage of employees trained is calculated based on: $\text{Percentage of employees trained} = \frac{\text{Employees in the specified category who took part in training}}{\text{Employees who took part in training}}$; and
4. The average training hours completed by employees is calculated based on: $\text{Average training hours completed by employees} = \frac{\text{Total number of training hours completed by employees in the specified category}}{\text{Number of employees in the specified category}}$.



Appendix II: Content Index for the ESG Reporting Guide



ESG Indicators	Disclosure	Corresponding Section	
A1 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	9. Multiple Measures to Promote Green Development
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix I Key Performance Indicators in 2023
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I Key Performance Indicators in 2023
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I Key Performance Indicators in 2023
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I Key Performance Indicators in 2023
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	9. Multiple Measures to Promote Green Development
A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Disclosed	9. Multiple Measures to Promote Green Development
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	9. Multiple Measures to Promote Green Development
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).	Disclosed	Appendix I Key Performance Indicators in 2023
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I Key Performance Indicators in 2023
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	9. Multiple Measures to Promote Green Development

Appendix II: Content Index for the ESG Reporting Guide (continued)



ESG Indicators		Disclosure	Corresponding Section
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.	Disclosed	9. Multiple Measures to Promote Green Development
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable. The Group is a non-production enterprise, which does not use packaging material	/
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	9. Multiple Measures to Promote Green Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	9. Multiple Measures to Promote Green Development
A4 General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	9. Multiple Measures to Promote Green Development
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.	Disclosed	9. Multiple Measures to Promote Green Development
B1 General Disclosure	Information on the policies and 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.	Disclosed	8. Sincere Care and Cohesion of Employees
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Disclosed	8. Sincere Care and Cohesion of Employees
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I Key Performance Indicators in 2023





ESG Indicators		Disclosure	Corresponding Section
B2 General Disclosure	Information on the policies and 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.	Disclosed	8. Sincere Care and Cohesion of Employees
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix I Key Performance Indicators in 2023
B2.2	Lost days due to work injury.	Disclosed	Appendix I Key Performance Indicators in 2023
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	8. Sincere Care and Cohesion of Employees
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	8. Sincere Care and Cohesion of Employees
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I Key Performance Indicators in 2023
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I Key Performance Indicators in 2023
B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Disclosed	8. Sincere Care and Cohesion of Employees
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Disclosed	8. Sincere Care and Cohesion of Employees
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	8. Sincere Care and Cohesion of Employees
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	10. Sincere Cooperation to Achieve Mutual Development
B5.1	Number of suppliers by geographical region.	Disclosed	10. Sincere Cooperation to Achieve Mutual Development

Appendix II: Content Index for the ESG Reporting Guide (continued)



ESG Indicators		Disclosure	Corresponding Section
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.	Disclosed	10. Sincere Cooperation to Achieve Mutual Development
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	10. Sincere Cooperation to Achieve Mutual Development
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	10. Sincere Cooperation to Achieve Mutual Development
B6 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Disclosed	7. Striving for Excellence and Providing Extraordinary Services
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. The Group is a non-production enterprise, which does not produce products subjects to recalls for safety and health reasons	/
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	7. Striving for Excellence and Providing Extraordinary Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	7. Striving for Excellence and Providing Extraordinary Services
B6.4	Description of quality assurance process and recall procedures.	Not applicable. The Group is a non-production enterprise, which does not involve quality assurance and recall procedures	/





ESG Indicators		Disclosure	Corresponding Section
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	7. Striving for Excellence and Providing Extraordinary Services
B7 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	6. Standardized and Orderly Operation with Integrity
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.	Disclosed	6. Standardized and Orderly Operation with Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	6. Standardized and Orderly Operation with Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	6. Standardized and Orderly Operation with Integrity
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.	Disclosed	11. Enthusiastic in Public Welfare and Continuous Contribution to the Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Disclosed	11. Enthusiastic in Public Welfare and Continuous Contribution to the Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	11. Enthusiastic in Public Welfare and Continuous Contribution to the Society

Appendix III: List of Policies

ESG Indicators	Compliance with Laws	Internal Policies
	Environmental Protection Law of the People's Republic of China	
	Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution	
	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	
	Law of the People's Republic of China on Prevention and Control of Water Pollution	
	Marine Environment Protection Law of the People's Republic of China	Emergency Plan Framework Guidelines
	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste	Flood Control Emergency Plan
	Environmental Impact Assessment Law of the People's Republic of China	Earthquake Disaster Emergency Plan
	Energy Conservation Law of the People's Republic of China	Ledger of Flood Control Emergency Materials
	Technical Policy for Prevention and Control of Hazardous Waste Pollution	Waste Management Measures
A1 Emissions	Regulations on the Administration of City Appearance and Environmental Sanitation of Cities	Work Procedures for Collection and Disposal of Domestic Garbage
A2 Use of Resources	Regulations on the Administration of Construction Project Environmental Protection (2017 Revision)	Public Energy Consumption Management Regulations
A3 The Environment and Natural Resources	Administrative Regulations of the People's Republic of China on the Prevention of Marine Environment Pollution Caused by Land-based Pollutants	Management Measures and Procedures for Water and Electricity Consumption
A4 Climate Change	National Catalogue of Hazardous Wastes	Management Measures for Energy Saving and Consumption Reduction
	Measures on the Management of Hazardous Waste Manifests	Guidelines for Energy Conservation and Consumption Reduction Measures
	Regulations on Urban Water Conservation Management	Management Measures for Oil Consumption by Vehicles
	Measures on the Administration of Automatic Monitoring of Pollution Sources	Regulations on Waste Water Dumping in Environmental Protection Operations
	Administrative Measures for Urban Living Garbage	Regulations on Leachate Treatment
	Management Measures for Saving Electricity	Domestic Waste Classification Work Regulations
	Comprehensive Work Plan for Energy Conservation and Emission Reduction during the 14th Five-Year Period	
	Work Plan for Controlling Greenhouse Gas Emissions during the 14th Five-Year Period	





ESG Indicators	Compliance with Laws	Internal Policies
<p>B1 Employment</p> <p>B2 Health and Safety</p> <p>B3 Development and Training</p> <p>B4 Labour Standards</p>	<p>Labour Law of the People's Republic of China</p> <p>Labour Contract Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Promotion of Employment</p> <p>Social Insurance Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</p> <p>Law of the People's Republic of China on Work Safety</p> <p>Fire Protection Law of the People's Republic of China</p> <p>Emergency Response Law of the People's Republic of China</p> <p>Trade Union Law of the People's Republic of China</p> <p>Regulations of the People's Republic of China on Punishments in Public Order and Security Administration</p> <p>Law of the People's Republic of China on the Protection of Women's Rights and Interests</p> <p>Law of the People's Republic of China on the Protection of Minors</p> <p>Regulations on Work-Related Injury Insurance of the People's Republic of China</p> <p>Regulations on Reporting, Investigation and Handling of Work Safety Accidents</p> <p>Regulations on the Safety Management of Hazardous Chemicals</p> <p>Provisions on the Administration of Fire Control Safety of State Organs, Organizations, Enterprises and Institutions</p> <p>Interim Provisions on Investigation and Treatment of Hidden Dangers in Work Safety Accidents</p> <p>Provisions on the Supervision and Administration of Occupational Health at Work Sites</p> <p>Regulations on Safety Supervision of Special Equipment</p> <p>Special Provisions on the Labor Protection of Female Employees</p> <p>Provisions on Minimum Wages</p> <p>Prohibition of Using Child Labor</p> <p>Special Protection Regulations for Juvenile Workers of the People's Republic of China</p>	<p>Staff Manual</p> <p>Fire Safety Management Work Procedures</p> <p>Regulations on Handling Emergencies or Abnormal Incidents</p> <p>Regulations for Basic Business Risk Management and Control at Project Sites</p> <p>Accident Management Regulations</p> <p>Regulations on Management of Operation Safety Inspection</p> <p>Operation Quality Inspection Management Regulations</p> <p>Emergency Plans for Work Safety and Natural Disasters</p> <p>Disease Outbreak Prevention and Control Emergency Plan of A-Living Group</p> <p>Internal Trainer Management Measures</p> <p>Management Measures for the Learning and Development of New Employees</p> <p>Learning and Development Management Policy</p> <p>Barrier-free Facilities Safety Management Regulations</p> <p>Emergency Preparation and Emergency Response Control Procedures</p> <p>Operation Safety Management Regulations</p> <p>Elevator Maintenance Supervision and Management Regulations</p> <p>Emergency Handling Procedures for Engineering Accidents</p> <p>Special Incident Reporting Procedures</p> <p>Related Party Management and Control Procedures</p> <p>Employee Physical Examination Management Measures</p> <p>Measures for the Management of Work-related Injuries</p> <p>Policy for Corporate Certificates and Licenses</p> <p>Occupational Health Management Measures</p> <p>Internal Competition Management Measures</p> <p>Promotion Management Policy</p> <p>Management Measures for Internal Personnel Changes</p> <p>Attendance Management Policy</p> <p>Retirement Management Policy</p> <p>Probation Appraisal Management Policy</p> <p>On-boarding Management Policy</p> <p>Labor Contract Management Policy</p> <p>Recruitment Management Policy</p> <p>Recruitment and Interview Management Measures</p> <p>Personnel Management Regulations</p> <p>Training Management System</p> <p>Employee Benefit Management Policy</p> <p>Management Measures for Returning Employees</p> <p>System for Visiting Sick Employees</p> <p>Management Measures for External Learning and On-the-job Training of Employees</p> <p>Management Measures for the Learning and Development of Graduates</p> <p>LOHAS π Management Policy of A-Living Group</p> <p>Policy on the Appointment of Directors, Supervisors and Senior Management of A-Living Group</p> <p>Management Measures for Expatriates (Trial)</p> <p>Zero-distance Communication: Guidelines on Two-way Communication Channel for A-Living's Employees</p>



ESG Indicators	Compliance with Laws	Internal Policies
<p>B5 Supply Chain Management</p>	<p>Tendering and Bidding Law of the People's Republic of China Government Procurement Law of the People's Republic of China</p>	<p>Supplier Management Measures Operational Guidelines for the Introduction of Suppliers and Contract Signing Procurement Management Policy Procurement Supplier Management Procedures Procurement Tendering Management Procedures Procurement Tendering Management System Procurement Management System Operational Specification Articles Procurement Regulations Management Regulations for A-Living Centralized Procurement Platform Operation Procedures of A-Living Centralized Procurement Platform Service Supplier Management Policy Management Regulations for Work Handover between Old Suppliers and New Suppliers of Outsourcing Services Supervision Work Procedures for Environmental Outsourcing Homecare Services Partners Management Measures Home Improvement Services Tendering Management Measures Management Measures for Operational Procurement of City Service Projects Management Measures for Tendering and Bidding of Extended Projects in City Service Markets Management Measures for City Service Project Tendering Management Policy on Project Warehouse Supplies</p>



Appendix III: List of Policies (continued)



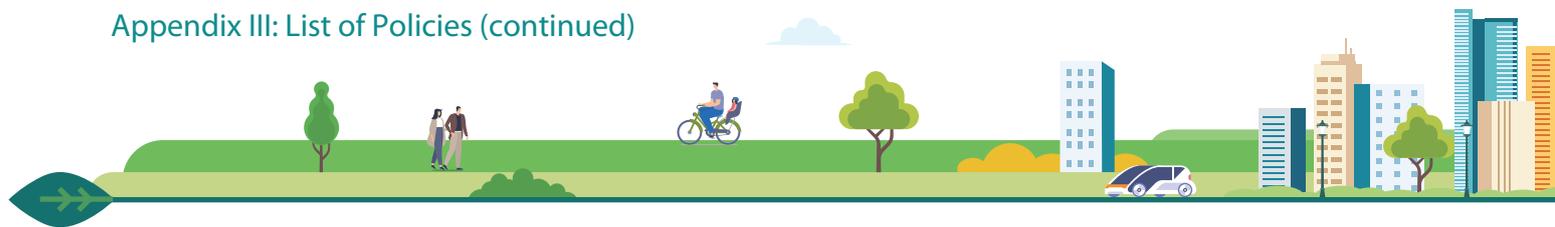
ESG Indicators	Compliance with Laws	Internal Policies
B6 Product Responsibility	<p>The Civil Code of the People's Republic of China Law of the People's Republic of China on Urban Real Estate Administration Law of the People's Republic of China on the Protection of Consumer Rights and Interests Tort Law of the People's Republic of China Cybersecurity Law of the People's Republic of China Advertising Law of the People's Republic of China Construction Law of the People's Republic of China Regulations of the People's Republic of China on Property Management Law of the People's Republic of China on the Protection of Consumer Rights and Interests Copyright Law of the People's Republic of China Trademark Law of the People's Republic of China Patent Law of the People's Republic of China Personal Information Protection Law of People's Republic of China</p>	<p>Code of Practice for Property Management Inspection Car Park Operation Management Standards Code for Attendance Management of Service Subcontractors A-Living Four-level Quality Management Inspection System A-Living Environment SOP Book Management Standards for Owners' Profile Red and Yellow Card Appraisal System for Quality Control of A-Living Group A-Living Three-level Quality Management Inspection System Code of Practice for Home Visit Reward and Punishment Measures for Handling of Complaints of A-Living User Privacy Policy Confidentiality Policy Information System Security and Operation Management Policy Information System User Account and Authority Management Information System Disaster Recovery Policy Machine Room Management Policy Data Backup and Recovery Policy Property Service Standardization Manual (Quality Operation) Property Takeover and Acceptance Management Regulations Guidelines on Post-acquisition Empowerment Work Provisional Regulations on the Operation of Management in Connection with Property Member Companies Administrative Measures for Information Reporting of Property Member Companies (Trial) Rules of Procedure for the Post-acquisition Management Committee of Property Members Companies Management Guidelines for Third-Party Companies Emergency Response Measures for Major Events of Member Companies Property Franchise Project Management Regulations Management Measures for Property Management Service Quality of Commercial Office Building Projects (Interim) Sales Centre Standardization Management Manual Monitoring and Measurement Control Procedures for Services and Provision Process Monitoring and Measurement Control Procedures for Corrective and Provision Process Procedures for Corrective and Preventive Measures Public Facilities and Equipment Management Regulations Operation and Maintenance Procedures for the Power Supply and Distribution System Central Air Conditioner Operation and Maintenance Procedures Dereliction of Duty and Accountability Management Measures for Elevator Repair and Maintenance Monitoring</p>



ESG Indicators	Compliance with Laws	Internal Policies
		<p>Equipment Room Inspection Management Procedures</p> <p>Fire Safety Management Work Procedures</p> <p>Customer Demands Management Work Procedures</p> <p>Intensive Specification for 400 National Service Hotline</p> <p>Customer Satisfaction Survey Work Procedures</p> <p>Network Security Management Standards</p> <p>Work Procedures for Customer Profile Management</p> <p>Administrative Measures on Legal Affairs of A-Living Group</p> <p>Trademark Affairs Management Measures</p> <p>Standardization Manual for Trademark Property</p> <p>Indicators for Comprehensive Evaluation of Project Site Quality</p> <p>Quality, Environmental, Occupational Health and Safety Management System Management Manual</p> <p>Quality, Environmental, Occupational Health and Safety Management System Public Standardization Manual</p> <p>Intellectual Property Management Policy</p> <p>Information System Password Management Policy</p> <p>Training on Property Acceptance Standards for Property Owners</p> <p>Training on Legal Knowledge of Commodity Housing</p> <p>Basic Knowledge of Property Market Development</p> <p>Professional Training on Market Development Lines</p> <p>Management Measures for Financial Controllers of Member Companies (Trial)</p>



Appendix III: List of Policies (continued)



ESG Indicators	Compliance with Laws	Internal Policies
<p>B7 Anti-corruption</p>	<p>Company Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Anti-Monopoly Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Interim Provisions on Prohibiting Commercial Bribery</p>	<p>Management Measures for Employee Rewards and Accountability Integrity Policy (2021 Revision) Implementation Measures for Accountability Inquiry of Operation and Management (2021 Edition) Internal Audit Policy for Post-acquisition Management (Trial) Internal Audit Management Policy Audit Management Policy for Term of Office and Departure Dereliction of Duty and Accountability Management Measures (2021 Revision) Code of Business Conduct of Agile Risk Management Policy of A-Living Group (2021 Edition) A-Living Management Red Line Ten Rules for Cadres Contract Management Rules Code of Conduct for Employees</p>